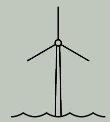
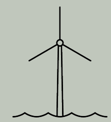
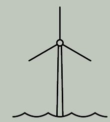
Interim results 2022

Sif Holding N.V.

Sif OFFSHORE FOUNDATIONS

Highlights First Half Year 2022

People Planet

				
8.97 LTIF	Gross CO-2 emission 2,092 ton, net CO-2 emission 0	Participation in projects resulting in 803 MW renewable energy capacity	Successful deliveries for Maasvlakte 2, Dogger Bank A, Hollandse Kust Zuid	55 kiloton contract wins for He Dreiht and undis-closed project
(2.63 first half 2021)	(Gross 1,943 ton, net 0 first half 2021)	(576 MW first half 2021)	For grid connection in 2022-2023	For manufacturing in 2023

Profit

Contribution €63.5 million	Adjusted EBITDA €21.1 million	Production output 89 kiloton	Contribution €612 per ton	Order book for rest of 2022 85 kiloton
€191.3 million revenues	EBITDA €19.1 million	74 monopiles, 55 transition pieces	Ex Marshalling and Other	282 kiloton for 2023-2024

Operational Highlights and Key Figures for HY 2022

Operational Highlights Year to Date:

Safety first:

- Increased Lost Time Injury score of five, resulting in LTIF of 8.97 (one LTI and LTIF of 2.63 in first half 2021), indicating higher safety risk of bigger products and increased personnel safety training demand;
- Sickness leaves in line with industry trend. Down to 7.2% from 8.2% in Q1 2022 (4.4% and 4.5% in Q1 2021 and first half 2021 respectively);
- Gas explosion on 7 August 2022: traumatic experience, no physical personal injuries, damage to equipment and inventories, limited down-time.

Strategic developments:

- Strategic partnership agreement with GS Entec at Ulsan, Republic of Korea, signed July 2022, to develop monopile foundation production in the Asian region;
- Regarding the plans to expand manufacturing capabilities and production capacity, discussions with clients concerning launching capacity and those with other relevant parties, in combination with the uncertainties caused by the global economic and geopolitical situation, require more time before a final investment decision can be taken.

Sustainable products and production:

- 100% of production for offshore wind industry. Sif participated in projects resulting in 803 MW renewable energy capacity;
- Increased gross CO_2 footprint from 1,943 to 2,092 ton due to more shipping movements in 2022 relating to subcontracted work (transition pieces) then in first half of 2021. Net CO_2 neutral with 13 MW wind turbine on Sif-premises;
- Switch from gas pre-heating to electrical on schedule with conversion at seven workstations.

Innovations:

- Project AmpHytrite: feasibility study by Sif, GE Renewable and Pondera to determine whether it is possible to produce green hydrogen at sea on a large scale, safe and economically viable.

New projects:

- Capacity reservation agreement for production of 62 (19 Kton) transition pieces for delivery to an undisclosed project in 2023;
- Production of 64 (36 Kton) transition pieces for delivery to project He Dreiht in 2023.

Operations:

- Final deliveries of TP-less monopiles for Hollandse Kust Zuid;
- Monopiles for Dogger Bank A ready for load-out;
- Production of monopiles for Hollandse Kust Noord started;
- Stable execution of Marshalling & Logistics for Siemens' Hollandse Kust Zuid project.

Total throughput of approximately 89 Kton steel or 74 monopiles and 55 transition pieces (88 Kton or 102 monopiles and 3 transition pieces in HY1 2021), all for offshore wind energy production.

Key figures:

Revenue: less subcontracted passthrough work than in first half of 2021 results in lower revenue of €191.3 million (HY 2021: €249.3 million);

Contribution of €63.5 million (HY 2021: €57.7 million)

> €54.5 million monopiles & transition pieces for offshore wind (HY 2021: €53.7 million);
> €9.0 million marshalling and other which includes KCI for €2.7 million (HY 2021: €4.0 million and €1.8 million);

Adjusted EBITDA of €21.1 million slightly higher than in first half year 2021 (€20.6 million);

Operating working capital stands at -/- €42.0 million (HY 2021: -/- €56.9 million);

No external debt excluding lease liabilities (HY 2021: nihil). Total cash position amounts to €57.6 million (HY 2021: €61.7 million);

Order book per 30 June 2022: 282 Kton for 2023 and beyond:

> 263 Kton signed contracts
> 19 Kton exclusive negotiations;

Outlook full year 2022 confirmed at slightly higher adjusted EBITDA compared to 2021.

installation of first foundation for Dogger Bank A

load-out of first monopile for Hollandse Kust Zuid

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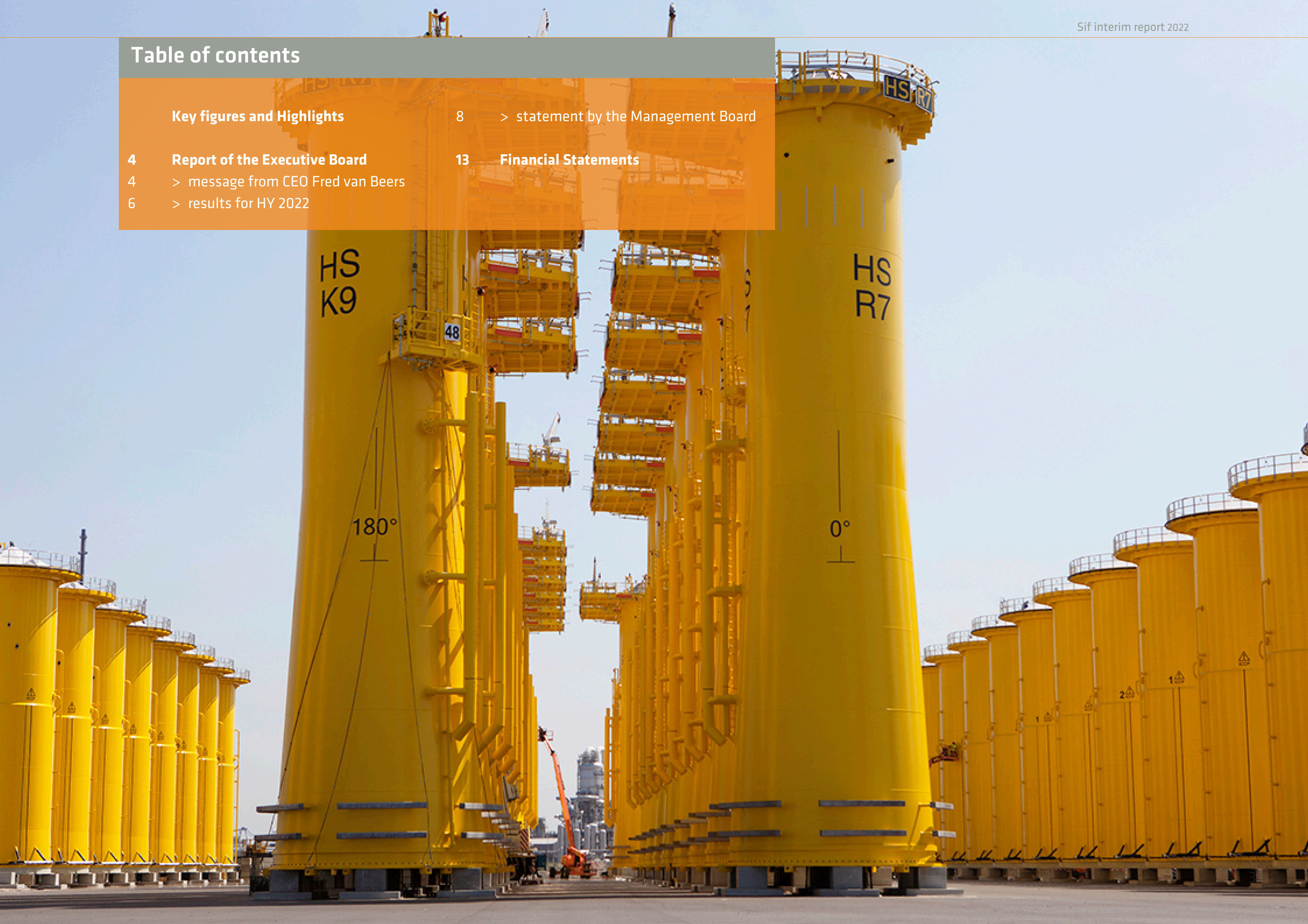


Report of the Executive Board

Message from CEO Fred van Beers

Full-year outlook confirmed, Satisfying margin development, Sound order book, Bright tender funnel.

"It looks like the human tragedy related to the war in Ukraine will continue for a longer period. Whatever the outcome will be, it demonstrates, amongst many other things, the importance of energy independence and security, placing the urgency of energy transition at the top of national agendas across the globe. More than short term revitalizations of oil and gas fields, renewable energy sources are key in this. For the past 20 years, offshore wind as one of the sources for transition, developed from a few countries around the North Sea, the western part of the Baltic Sea and China into many new areas in Europe, the United States of America and Asia.

For the Asia region we have entered into a strategic partnership with GS Entec from Korea to initially convert and in a later stage set-up a monopile factory in Ulsan or elsewhere in that region. It is our intention to grant GS Entec a 10-year mutual exclusive license for the Asian region to use technology developed and applied by Sif, for the purpose of manufacturing monopiles foundations and transition pieces.

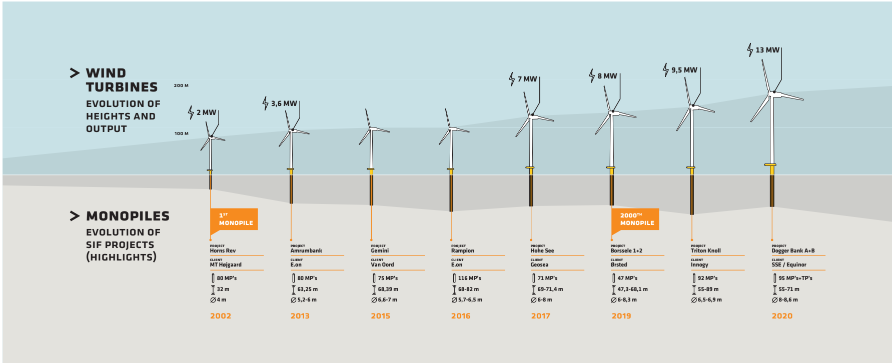
For the USA region, discussions with a specific potential partner are ongoing. The recently approved massive federal budget for investment in renewable energy in the USA is an important step to further boost the transition process in the USA. Offshore wind will form an important part of this transition and Sif aims to play a role in that process when a strong partnership with an experienced well established local party can be agreed.

Client demand for climate change adaption solutions is high and increasing which is driving our production increase investment plans. Sif's order book for the period until 2024 is filled with sound projects for amongst others Hollandse Kust Noord, Dogger Bank B, Dogger Bank C and He Dreiht and with some smaller diameter offshore wind projects that partly fill our production lines for pin piles and smaller tubulars. Our capacity for 2023 is fully booked and we aim for a production output of at least 200 Kton. Tendering activity for projects in 2024 remains high including projects for our planned production expansion.

With 89 Kton output in the first half of 2022, we participate in projects resulting in 803 MW renewable energy capacity (576 MW first half 2021). Production was almost equal to the same period last year (88 Kton) and total output for the full year 2022 with 174 Kton is expected to end slightly ahead of 2021's output of 170 Kton. The war in Ukraine resulted in pricing and availability uncertainties around mainly steel and energy. Where increasing energy prices put pressure on our financial results, steel is a pass-through cost. Looking at our main financial and non-financial performance indicators, we expect to generate a slightly higher EBITDA on an adjusted basis compared to 2021. This confirms our guidance at the beginning of the year.

With the replacement of gas pre-heating by electrical pre-heating project well on its way, our ambitions for reduction of our CO2 footprint are on schedule. The combination of increasing product dimensions, relatively inexperienced new employees and production facilities that are reaching the boundaries of what we can handle, we see the injury risk increasing as reflected in our safety KPI's. The lost time incidents (LTI) increased to five compared to one in the first half of 2021, resulting in a lost time incidents frequency (LTIF) of 8.97 (2.63 in first half 2021). Not only have we sharpened our safety policies and instructions, we have also further invested in an open safety culture and continue to invest in safety improving tools and systems.

Higher sickness-leave, tight labor markets and consequential replacement by temporary or less experienced workforce puts pressure on production output, reflected in the forecast production for the full year. Post-closing, we faced a gas explosion in our Roermond-factory. Luckily there were no physical personal injuries but the mental impact on our colleagues was big. Trauma support is provided and one employee was taken to hospital for a two days observation. All gas and electrical circuits and devices were checked following the incident and preventative measures like extra gas detection devices were implemented to avoid a similar situation to happen again. A thorough root cause analyses is being executed and upgraded training and instruction procedures are put in place to manage the human factor related to this event.



Ever increasing product sizes is a trend we have been discussing for the past years; products increase in diameter, length and weight. The handling of these products in our existing facilities has reached its limits. The monopiles for Dogger Bank are the largest we have ever manufactured. Their diameters and weights measure close to nine meter and between one and 1.4 Kton respectively. This reflects what is assumed to be the lower end of the standard going forward. More than 80% of the offshore wind foundations in 2025 and beyond will measure diameters between nine and 11.5 meters. This will require different manufacturing facilities and production methods, but will also require different skillsets of our production colleagues. We have been studying different manufacturing options and resulting business scenarios during the past two years and have projected a preferred set-up for which we are seeking a committed financing solution. We made substantial progress and are well aware that by the start of 2025 this set-up needs to be operational to service our clients, amongst whom our launching customers that intend to commit to 400 Kton launching production capacity subject to timely FID for the expansion plans. In the meantime, we notice that various other main offshore wind supply chain companies have challenges in realizing a decent return on the capital invested as economical depreciation periods are often too short. For our investment case we therefore set the earn back period on three to maximum four years. We have shared our plans with clients and other value chain participants and their feedback has confirmed the robustness of our strategic ambitions for 2025 and beyond. All actions are geared towards an FID as soon as possible, aiming for completion of the expansion in the second half of 2024 to be fully operational by early 2025."

Results for HY 2022

Contribution

The production in the first half of 2022 was mainly composed of activities for Hollandse Kust Zuid, Dogger Bank A, Hollandse Kust Noord and Dogger Bank B. Total production for the first half of 2022 ended at 89 Kton (88 Kton in HY1 2021). We manufactured 74 monopiles and 55 transition pieces in the first half of 2022, compared to 102 and 3 respectively in 2021. Realised contribution, adjusted for contribution from marshalling and other, of €612 per ton was in line with the first half of 2021 when it was €614 per ton. Results in the first half of 2022 saw lower margins on subcontracted work being offset by incremental marshalling and logistics related work.

Steel is a pass-through cost for Sif. Therefore, contribution, compared to for example revenues, is a better performance indicator for comparison year-on-year.

Gross profit, (adjusted) EBITDA, net profit

Gross profit per ton was affected by higher energy costs, increased sickness-leave and lower efficiency as a consequence of the tight labour market and challenge to find experienced workforce. EBITDA was reported at €19.1 million (HY 2021: €20.2 million). Adjusted with €2 million for non-recurring expenses relating to the strategic plans to expand manufacturing facilities, this resulted in adjusted EBITDA of €21.1 million (€237 per ton) compared to €20.6 million (€234 per ton) for the first half of 2021. Depreciation in the first half of 2022 was higher compared to the same period in 2021 due to depreciation of investments for marshalling activities and of leased transportation equipment. Net profit consequently was €2.5 million lower compared to the same period in 2021.

At the end of the first half of 2022 Sif employed 220 FTE temporary workers (194 FTE end of June 2021) and 368 FTE permanent staff (388 FTE end of June 2021). High absence of permanent staff due to sickness and difficulties to replace departing staff, resulted in more temporary workers in the first half of 2022.

Net debt and solvency

On balance sheet date, Sif had no external debt (excluding lease liabilities). This is in line with 30 June 2021. The cash position amounted to €57.6 million (€61.7 million at the end of the first half of 2021). The leverage ratio at the end of June 2022 was 0. For covenant purposes, net debt is stated on an IFRS16 excluded basis. The leverage covenant as of end of 2021 is fixed at 2.5 until the current credit facility reaches maturity on March 31, 2024. Solvency covenant going forward is >35%. With 51% solvency at the end of June 2022, Sif complies with its covenants.

Operating working capital

The demand for operating working capital defined as current operating assets minus current operating liabilities was -/- € 42.0 million (-/- € 56.9 million at the end of June 2021).

Current operating assets include inventories, contract assets, trade receivables and prepayments. Current operating liabilities include trade payables and contract liabilities.

Wind park Maasvlakte 2 at Rotterdam

Order book tons and Outlook

Today's order book for the remainder of 2022 includes an estimated 2022 full year production of 174 Kton. This implies an expected production of 85 Kton for the second half of 2022 where we will mainly manufacture for the Dogger Bank B project. We have secured sourcing of steel and energy as far as we could. A new framework agreement with steel supplier Dillinger Hütte is being negotiated and certification of steel from alternative suppliers is in progress for a back-up scenario against the background of uncertain and volatile steel markets. We expect a level of adjusted EBITDA for the full year 2022 that is slightly higher compared to adjusted EBITDA of €39.4 million in 2021.

The order book for 2023 and beyond has 263 Kton contracted work and 19 Kton under exclusive negotiations. This does not yet include 400 Kton production from launching customers with whom we are in exclusive negotiations and which are subject to timely realization of the expansion plan.

The number of tenders in process for monopiles with diameters larger than 9 meters is massive which underpins the overheated market demand. The upscaled ambitions for production of sustainable energy by various European countries, the USA and Asia, imply the total offshore wind supply chain will face high growth rates for the years to come with the biggest challenge to manage the fast growth from a human resources, suppliers and investment perspective. A clear and long term transparent governmental tender pipeline and tender award process is key to assure political ambitions are met to some reasonable extent especially for the period till 2030. Despite all investment initiatives from existing suppliers and new entrants the risk of undersupply of foundations for offshore wind farms remains realistic.

artist impression of expanded facilities

Statement by the Management Board

The Management Board of Sif Holding NV ("Sif") hereby declares that, to the best of its knowledge, the unaudited interim condensed financial statements for the period ending 30 June 2022, which have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, give a true and fair view of the assets, liabilities, financial position and profit and loss of Sif and its consolidated companies included in the consolidation as a whole, and that the report by the Management Board included in this interim report 2022 gives a fair view of the information required in accordance with Section 25d, subsections 8 and 9 of Book 5 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Roermond, 25 August 2022
Fred van Beers (CEO)
Ben Meijer (CFO)

Glossary and Explanation of non-IFRS financial measures

Contribution	Total revenue minus cost of raw materials, subcontracted work and other external charges and logistic and other project related expenses.
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 or Adjusted EBITDA provide useful information to investors on the development of the company's business. EBITDA or Adjusted EBITDA are also used by the company as key financial measures to assess the operating performance of the operations.
Net earnings	Profit attributable to the shareholders
Net debt	Loans and borrowings minus cash and cash equivalents. Net debt is presented to express the financial strength of the company. The company understands that this measure is used by analysts, rating agencies and investors in assessing the company's performance
Adjusted EBITDA	EBITDA corrected for incidental expenses or income The company discloses EBITDA or 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 or Adjusted EBITDA provide useful information to investors on the development of the company's business. EBITDA or Adjusted EBITDA are also used by the company as key financial measures to assess the operating performance of the operations.
Solvency	Equity/balance sheet total
Executive Board	Board of Executive directors responsible for the day-to-day business at Sif. In 2021 comprised of CEO and CFO.
Kton	Kilotons: A weight measurement used in the steel industry. One Kiloton equals one million kilograms.

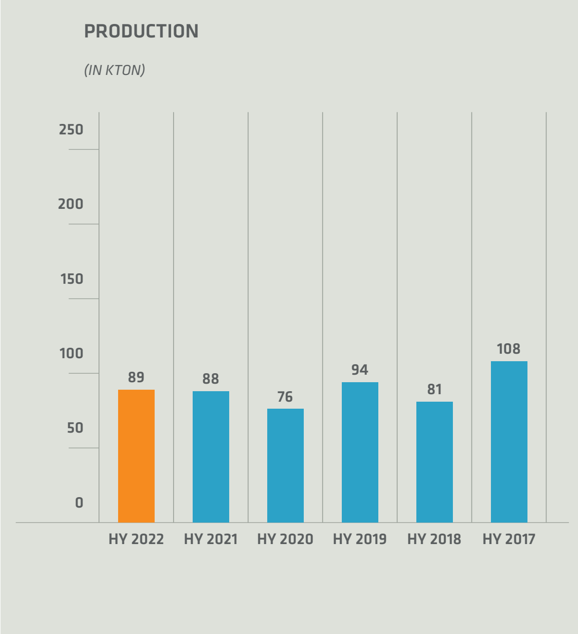
Working capital	Inventories plus contract assets plus trade receivables plus current prepayments minus trade payables and contract liabilities) The company discloses working capital as a supplemental non-IFRS financial measure, as the company believes it is a meaningful measure to evaluate the company's ability to maintain a solid balance between growth, profitability and liquidity. Working capital is broadly analyzed 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.
LTI	Lost Time Incidents.
LTIF	Lost Time Injury Frequency, measured over the past 12 months.
Order book	The total of signed contracts and contracts under exclusive negotiations.
ROACE	Earnings before interest and tax as a % of average equity plus loans and borrowings excluding lease-commitments minus cash
Sif Group	The group of companies that together establish the Sif Group: Also referred to as 'Company' or 'Sif'.
Sif Holding N.V.	The entity whose shares are listed on the stock exchange.

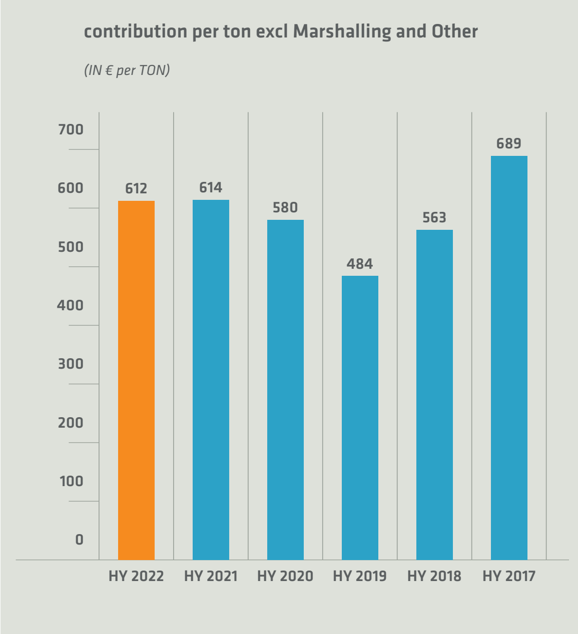
Financial Calendar

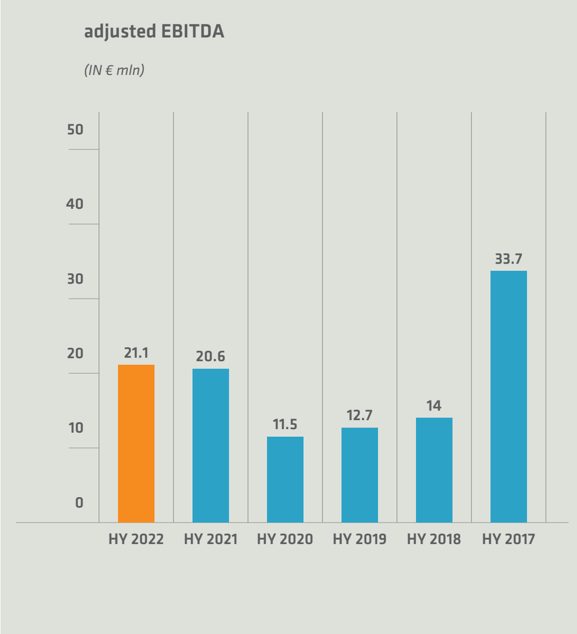
Trading Update Q3 2022 4 November 2022

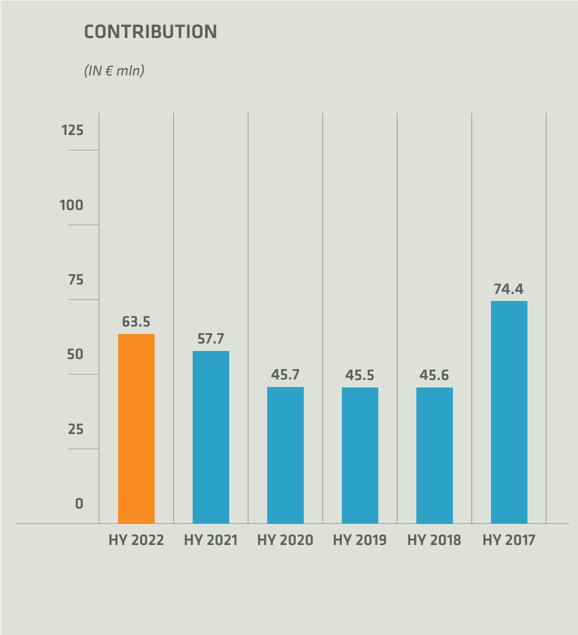
Presentation of 2022 Interim Results

Following this release, the CEO and CFO of Sif will present the 2022 interim results during audio webcast of a live-analyst meeting/conference call on August 26, 2022 at 10:00 AM CET. A transcript of the meeting will be available on the Sif website shortly after the meeting. The meeting can be followed (audio and slides only) via the link on the Company's website www.sif-group.com

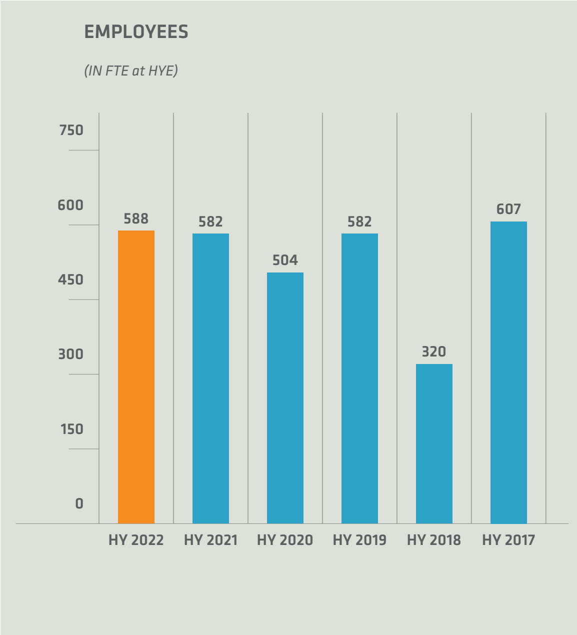

PRODUCTION
(IN KTON)
250
200
150
100
50
0
89
88
76
94
81
108
HY 2022
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017


contribution per ton excl Marshalling and Other
(IN € per TON)
700
600
500
400
300
200
100
0
612
614
580
484
563
689
HY 2022
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017


adjusted EBITDA
(IN € mln)
50
40
30
20
10
0
21.1
20.6
11.5
12.7
14
33.7
HY 2022
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017

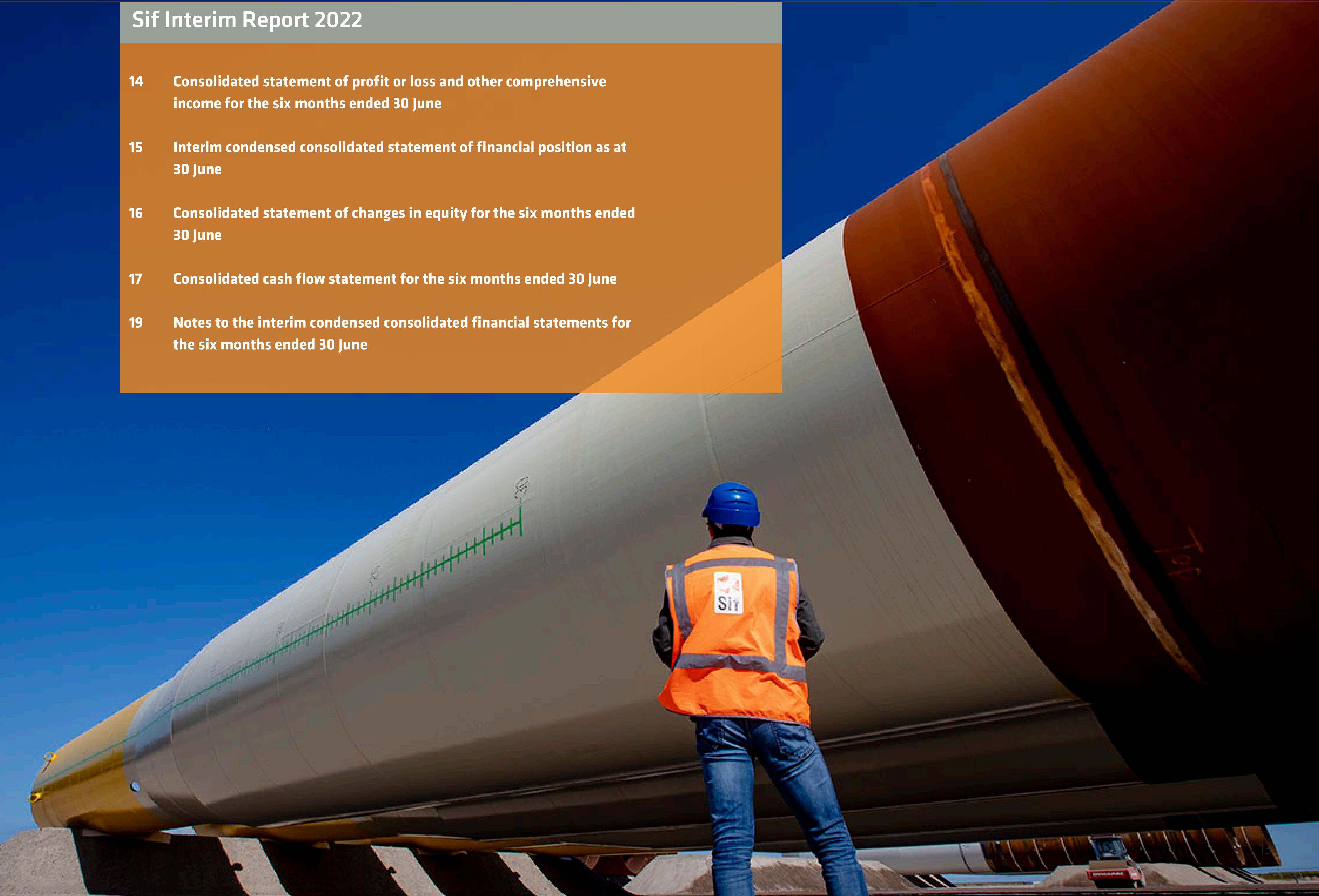

CONTRIBUTION
(IN € mln)
125
100
75
50
25
0
63.5
57.7
45.7
45.5
45.6
74.4
HY 2022
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017


gross profit per ton excl Marshalling and Other
(IN € per TON)
500
400
300
200
100
0
352
384
326
280
327
437
HY 2022
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017


EMPLOYEES
(IN FTE at HYE)
750
600
450
300
150
0
588
582
504
582
320
607
HY 2022
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017


Sif

Sif Interim Report 2022



Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June

AMOUNTS IN EUR '000	Notes	2022		2021	
			Unaudited		Unaudited
Revenue from contracts with customers			185,709		246,575
Operating lease income			5,585		2,698
Total revenue	4		191,294		249,273
Raw materials		98,670		73,300	
Subcontracted work and other external charges		17,717		101,299	
Logistic and other project related expenses		11,428		16,998	
Direct personnel expenses		17,650		16,723	
Production and general manufacturing expenses		7,860		5,087	
Indirect personnel expenses		11,299		10,430	
Depreciation and amortization		11,663		9,822	
Facilities, housing and maintenance		2,339		1,928	
Selling expenses		279		262	
General expenses		4,916		3,013	
Operating profit			7,473		10,411
Impairment (losses) / reversals on financial assets		(2)		2	
Finance costs		(1,074)		(1,198)	
Finance costs and impairment losses			(1,076)		(1,196)
Share of profit / (loss) of joint ventures			(21)		-
Profit before tax			6,376		9,215
Income tax expense			1,633		2,015
Profit after tax			**4,743**		**7,200**
Attributable to:					
Non-controlling interests			163		166
Equity holders of Sif Holding N.V.			4,580		7,034
Profit after tax			**4,743**		**7,200**
Earnings per share					
Number of ordinary shares outstanding			25,501,356		25,501,356
Basic earnings per share (EUR)			0.18		0.28
Diluted earnings per share (EUR)			0.18		0.28

Interim condensed consolidated statement of financial position as at 30 June

AMOUNTS IN EUR '000	Notes	30-Jun-2022 Unaudited	31-Dec-2021 Audited
Assets			
Intangible fixed assets		226	477
Property, plant and equipment	5	104,799	107,612
Right-of-use assets		107,622	104,598
Investment property		425	425
Investments in joint ventures		94	115
Deferred tax assets		791	748
Total non-current assets		213,957	213,975
Inventories		631	612
Contract assets	6	15,926	12,944
Trade receivables	7	19,092	17,927
VAT receivable		-	50
Prepayments		2,177	2,472
Cash and cash equivalents		57,569	73,201
Total current assets		95,395	107,206
Total assets		**309,352**	**321,181**

AMOUNTS IN EUR '000	Notes	30-Jun-2022 Unaudited	31-Dec-2021 Audited
Equity			
Share capital		5,100	5,100
Additional paid-in capital		1,059	1,059
Retained earnings		91,271	84,527
Result for the year		4,580	11,590
Equity attributable to shareholder		102,010	102,276
Non-controlling interests		984	821
Total equity		102,994	103,097
Liabilities			
Lease Liabilities - non-current		101,386	100,573
Employee benefits - non-current		369	416
Other non-current liabilities		1,141	1,407
Total non-current liabilities		102,896	102,396
Lease Liabilities - current		7,906	5,110
Trade payables		59,072	62,082
Contract Liabilities	6	20,781	37,713
Employee benefits - current		2,471	2,460
Wage tax and social security		1,685	791
VAT payable		1,172	-
CIT payable		2,408	2,081
Other current liabilities		7,967	5,451
Total current liabilities		103,462	115,688
Total liabilities		206,358	218,084
Total equity and liabilities		**309,352**	**321,181**

Consolidated statement of changes in equity for the six months ended 30 June

AMOUNTS IN EUR '000	Share capital	Additional paid-in capital	Retained earnings	Result for the year	Total	Non-controlling interests	Total equity
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as at 1 January 2022	5,100	1,059	84,527	11,590	102,276	821	103,097
Appropriation of result	-	-	11,590	(11,590)	-	-	-
Total comprehensive income							
Profit for the year	-	-	-	4,580	4,580	163	4,743
Total comprehensive income	-	-	-	4,580	4,580	163	4,743
Transactions with owners of the Company							
Dividend distributions	-	-	(4,846)	-	(4,846)	-	(4,846)
Total transactions with owners of the Company	-	-	(4,846)	-	(4,846)	-	(4,846)
Balance as at 30 June 2022	**5,100**	**1,059**	**91,271**	**4,580**	**102,010**	**984**	**102,994**
Balance as at 1 January 2021	5,100	1,059	80,316	7,271	93,746	524	94,270
Appropriation of result	-	-	7,271	(7,271)	-	-	-
Total comprehensive income							
Profit for the year	-	-	-	11,590	11,590	297	11,887
Total comprehensive income	-	-	-	11,590	11,590	297	11,887
Transactions with owners of the Company							
Dividend distributions	-	-	(3,060)	-	(3,060)	-	(3,060)
Total transactions with owners of the Company	-	-	(3,060)	-	(3,060)	-	(3,060)
Balance at 31 December 2021	**5,100**	**1,059**	**84,527**	**11,590**	**102,276**	**821**	**103,097**

Consolidated cash flow statement for the six months ended 30 June

AMOUNTS IN EUR '000	2022 Unaudited	2021 Unaudited
Cash flows from operating activities		
Profit before tax	6,376	9,215
Adjustments for:		
Depreciation and amortization of Property, Plant and Equipment and Intangible assets	7,058	7,374
Depreciation of right-of-use assets	4,605	2,449
Unrealised changes in joint ventures	21	1
Impairment (losses) / reversals on financial assets	-	2
Net finance costs	1,074	1,196
Changes in net working capital		
o Inventories	(19)	(140)
o Contract assets and liabilities	(19,914)	80,308
o Trade receivables	(1,165)	620
o Prepayments	160	(1,934)
o Trade payables	(3,014)	(25,584)
Total changes in net working capital	(23,952)	53,270
VAT payable and receivable	1,222	192
Initial direct costs on operating lease contracts	(605)	-
Other financial assets	-	1,186
Employee benefits	(36)	(726)
Wage tax and social security	894	(1,141)
Other liabilities	3,607	(201)
Government grants received	516	375
Income taxes received / (paid)	(1,349)	(2,075)
Interest received / (paid)	(458)	(440)
Net cash from operating activities	**(1,027)**	**70,677**

Consolidated cash flow statement for the six months ended 30 June (continued)

AMOUNTS IN EUR '000	2022	2021
	Unaudited	Unaudited
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,869)	(4,777)
Acquisition of subsidiaries	-	(578)
Net cash from (used in) investing activities	**(5,869)**	**(5,355)**
Cash flows from financing activities		
Payment of lease liabilities	(3,890)	(3,197)
Dividends paid	(4,846)	(3,060)
Net cash from (used in) financing activities	**(8,736)**	**(6,257)**
Net increase / (decrease) in cash and cash equivalents	(15,632)	59,065
Cash and cash equivalents at 1 January	73,201	2,645
Cash and cash equivalents at 30 June	**57,569**	**61,710**

Notes to the interim condensed consolidated financial statements for the six months ended 30 June

1 Reporting entity

Sif Holding N.V. (the 'Company') is a company domiciled in the Netherlands. The Company's registered office is at Mijnheerkensweg 33, Roermond. These interim condensed consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The Group is primarily involved in the manufacturing of metal structures, parts of metal structures, pipes, pipe structures, components for the offshore industry and foundation piles for offshore wind farms.

2 Basis of preparation

These interim condensed consolidated financial statements for the period ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards IAS 34 (Interim Financial Reporting) as adopted by the European Union (EU-IFRS).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment property that have been measured at fair value. The Group's consolidated financial statements are presented in EUR ('000), which is also the Company's functional currency, if not stated otherwise. All values are rounded to the nearest thousands (EUR '000) on individual line items which can result in minor rounding differences in sub-totals and totals, except when otherwise indicated. The interim condensed consolidated financial statements have not been audited.

Management estimates and judgements

The preparation of the Group's interim condensed consolidated financial statements requires management to make estimates and assumptions. To make these estimates and assumptions, the Group uses factors such as experience and expectations about future events that are reasonably expected to occur given the information that is currently available. These estimates and assumptions are reviewed on an ongoing basis.

Revisions of accounting estimates and assumptions, or differences between accounting estimates and assumptions and the actual outcomes, may result in adjustments to the carrying amounts of assets and liabilities, which would be recognised prospectively.

Contract assets and liabilities

Revenues from contracts with customers and direct costs are recognised in the statement of profit or loss in proportion to the satisfaction over time of each performance obligation. The satisfaction is assessed based on the actual hours incurred compared with the estimated hours needed to complete the full performance obligation. In addition, management estimates at each reporting date the total expected costs to be incurred for each individual performance obligation and adjustments are made where appropriate.

Leases – determination of lease term of contracts with options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to terminate or extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate (e.g., a change in business strategy).

In previous years, the Group entered into a lease agreement with Havenbedrijf Rotterdam N.V. for the lease of three plots in the Rotterdam harbour. The leases contractually end as per 1 July 2041 and the plots are cancellable as per 1 July 2031.

Jubilee scheme

The costs of the jubilee scheme are calculated according to actuarial methods. The actuarial method uses assumptions about discount rates, future salary increases, and retention rates. Such estimates are very uncertain, owing to the long-term nature of the scheme. The assumptions used are reviewed each reporting date.

3 New and amended standards and interpretations

Amendments to IAS 16 Property, plant and equipment – Proceeds before intended use

The amendments prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Companies are required to apply the amendment to annual reporting periods beginning on or after 1 January 2022. The amendment must be applied retrospectively but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – onerous contracts—cost of fulfilling a contract

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision) directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 3 Business combinations – References to the conceptual framework

The amendments replaced the reference to an old version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework). The amendments further added an exception to the recognition principle in IFRS 3. That is, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, if incurred separately an acquirer would apply IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to identify the obligations it has assumed in a business combination. The amendment further added an explicit statement in the standard that an acquirer cannot recognise contingent assets acquired in a business combination.

Since the Group’s practice was already in line with the amendments, the amendments had no impact on the interim condensed consolidated financial statements of the Group.

4 Operating segments

The following table presents revenue and profit information for the Group's operating segments for the six months ended 30 June 2022 and 2021, respectively.

AMOUNTS IN EUR '000	2022				2021			
	Wind	Marshalling	Other	Total	Wind	Marshalling	Other	Total
- Revenue from contracts with customers	181,547	1,136	3,026	185,709	243,081	1,343	2,151	246,575
- Operational lease income	-	4,782	803	5,585	-	1,915	783	2,698
Total revenue	181,547	5,918	3,829	191,294	243,081	3,258	2,934	249,273
Segment contribution	54,478	5,402	3,599	63,479	53,739	1,063	2,874	57,676
Gross profit	31,265	5,389	1,315	37,969	33,478	1,038	1,350	35,866
Indirect personnel expenses				(11,299)				(10,430)
Depreciation and impairment				(11,663)				(9,822)
Facilities, housing & maintenance				(2,339)				(1,928)
Selling expenses				(279)				(262)
General expenses				(4,916)				(3,013)
Net finance costs				(1,076)				(1,196)
Joint ventures				(21)				-
Total profit before tax				**6,376**				**9,215**

The depreciation and impairment expenses includes an amount of EUR 1.9 million (2021: EUR 0.8 million), which is related to the capitalised ground lease expenses for the logistical area (EUR 0.8 million, 2021: EUR 0.8 million) and initial direct costs for an operational lease contract (EUR 1.1 million, 2021: nihil) in the Marshalling segment (under IFRS 16).

The increase in the general expenses is mainly attributable to the expenses incurred related to the expansion plans (EUR 2.0 million, 2021: EUR 0.4 million).

Definitions for applied segments

For management purposes, the Group is organised into divisions based on its products and services and has three operating segments:

- Wind, which produces and delivers monopiles, transition pieces or other foundation components for the off-shore wind industry;
- Marshalling, which includes renting-out of logistical area and facilities and the delivery of logistical services to customers, mainly in the off-shore wind industry
- Other.

These divisions offer different products and services, and require different technology and target different markets.

Reconciliations of information on reportable segments to IFRS measures

The Group's revenues do not have a seasonal pattern. Finance income, finance costs, taxes and fair value gains and losses on certain financial assets and liabilities are not allocated to individual segments as these are managed on an overall group basis. Total assets, which are all located in the Netherlands, are not allocated to individual segments as these are managed on an overall group basis.

5 Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets with a cost of EUR 4.0 million (the six months ended 30 June 2021 EUR 6.0 million). All acquisitions are related to assets under construction (the six months ended 30 June 2021 EUR 6.0 million).

6 Contract assets and liabilities

AMOUNTS IN EUR '000	30-Jun-2022	31-Dec-2021
Contract assets	15,926	12,944
Contract liabilities	(20,781)	(37,713)
	(4,855)	**(24,769)**
Expenses incurred including realized profit to date	1,004,341	831,510
Invoiced terms	(1,009,196)	(856,279)
	(4,855)	**(24,769)**

Management periodically reviews the valuation of work in progress based on project agreements, project results till date and estimates of project expenses to be incurred. Each period end management assesses the status of the projects and takes into consideration all aspects in order to finalize the projects in line with contractual agreement and relating contingencies, such as potential upward or downward adjustment in the projected estimates, and accounts for them accordingly. Due to changes in estimates, fluctuations in the anticipated project result can occur over the contract term.

At balance sheet date management made a reassessment of the applicable variable considerations related to liquidated damages in projects in progress. This resulted in a total increase in transaction price amounting to EUR 2.2 million.

The contract assets concern all projects in progress for which the incurred expenses, including realized profit and project losses to date (if any), exceed the terms invoiced to customers. The contract liabilities concern the balances of all projects in progress for which the invoiced terms exceed expenses incurred plus recorded profit minus project losses if any. The negative balance position is the result of regular invoiced installments. In addition, the estimated bond costs for completed contracts which are expected to be incurred within 12 months after balance sheet date are recorded as part of the contract liabilities, which amount to EUR 0.7 million at 30 June 2022 (31 December 2021: EUR 0.7 million).

Both the contract assets and contract liabilities predominantly have durations shorter than 12 months and are therefore considered to be current.

7 Trade Receivables

At 30 June 2022 no amount of the total open balance refers to related parties.

8 List of subsidiaries

Included in the interim condensed consolidated financial statements are the following subsidiaries:

Name	Location	Share in issued capital %
Sif Property B.V.	Roermond	100
Sif Netherlands B.V.	Roermond	100
Sif Japan K.K.	Tokyo	95
Twinpark Sif BV	Roermond	60
Zonnepanelen Maasvlakte B.V.	Rotterdam	100
KCI The Engineers B.V.	Schiedam	100

9 Off-balance sheet commitments

Commitments for the purchase of property, plant and equipment and raw materials

At 30 June 2022, the Group's commitments for the purchase of property, plant and equipment amounts to EUR 5.2 million (per 31 December 2021: EUR 1.1 million) relating to the purchase of property, plant and equipment items. The commitments for raw materials amounts to EUR 177.9 million (per 31 December 2021: EUR 287.9 million) and commitments for subcontracting amounts to EUR 9.4 million (per 31 December 2021: EUR 16.8 million).

Guarantee facilities

At 30 June 2022 guarantee facilities of the Group can be specified as follows:

Name	Type	30 June 2022		31 December 2021	
AMOUNTS IN EUR '000		Total facility	Used	Total facility	Used
Euler Hermes S.A. / Tokio Marine Europe S.A.	General	130,000	97,209	130,000	127,929
Coöperatieve Rabobank U.A.	General	40,000	11,255	40,000	11,255
ING Bank N.V.	General	40,000	33,623	40,000	33,623
ABN AMRO Bank N.V.	General	40,000	18,333	40,000	27,589
Coöperatieve Rabobank U.A.	Project	-	-	3,604	3,604
ING Bank N.V.	Project	-	-	3,604	3,604
Total		**250,000**	**160,420**	**257,208**	**207,604**

The Group is jointly and severally liable for all amounts to which Euler Hermes S.A., Tokio Marine Europe S.A., ING Bank N.V., ABN Amro Bank N.V. and Coöperatieve Rabobank U.A. have a right to claim in relation to the above mentioned guarantees. The former shareholder is also jointly and severally liable for all amounts of the pending guarantees which have been provided before 12 May 2016.

10 Dividend

In 2022 the Group did pay out a dividend related to financial year 2021 amounting to EUR 4.8 million (in 2021 over 2020: EUR 3.1 million).

11 Events after the reporting period

The FID for the expansion plan, which was planned in July 2022, has been suspended until further notice. Reference is made to ‘Message from CEO Fred van Beers’ for further information.

In addition to the above, there were no material events after 30 June 2022.

Roermond, XX August 2022
The Board of Directors:

G.G.P.M. van Beers
B.J. Meijer

Contact

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