Interim results 2018

Roermond, the Netherlands – 24 August 2018

Sif

Operational Highlights and Key Figures for HY 2018

Operational highlights:

- **Contract won for Borssele 3&4; financial close 28 June 2018**
- **Contract won for Tyra jacket components**
- **Delivery of monopiles and transition pieces for Hohe See and Borkum West 2 (Trianel) offshore wind farms**
- **Delivery of pin piles for Johan Sverdrup and Peregrino jacket foundations**
- **Extensive maintenance program and layout adjustments during period of low utilization**
- **Total throughput of approximately 81 Kton steel (108 Kton in HY1 2017)**
  - **78% for offshore wind (91% HY1 2017)**
  - **22% for offshore oil & gas (9% HY1 2017)**

Key figures:

- **Contribution of € 45.6 million (HY 2017: € 74.4 million)**
- **EBITDA adjusted for IPO costs reached € 14.0 million (HY 2017: € 33.7 million)**
- **Revenue reached € 145.9 million (HY 2017: € 156.2 million)**
- **Operating working capital stood at € 32.7 million (HY 2017: € 18.1 million; YE 2017: € 7.1 million)**
- **Net debt totaled € 52.5 million (HY 2017: € 47.7 million; YE 2017: € 25.1million)**
- **Order book per 23 August 2018 of 150 Kton for 2018, 200 Kton for 2019 and 90 Kton for 2020**

Post reporting events:

- **New CEO nominated for appointment at General Meeting of Shareholders 31 August 2018**
- **Successful test of Blue 25M hammer installation technology by Carbon Trust and Fistuca**
- **Entered into exclusive negotiations for projects for 2019 (total approx. 115 Kton)**

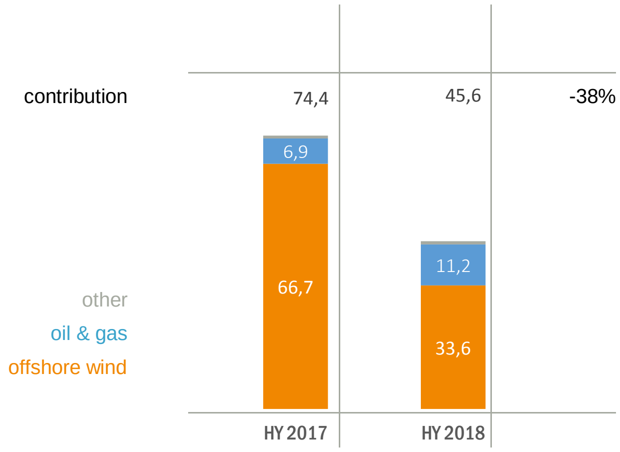
CFO and acting CEO Leon Verweij:

‘Over the past six months, Sif has continued to work on large-scale projects, some of which have been highly complex from a planning perspective. Volatility is inherent to the market in which we operate. The underutilization we anticipated and warned about in 2017 materialized during the first half of 2018. This became clearly visible in the second quarter of this year. The last few weeks of this second quarter were marked by nearly zero production, with EBITDA reaching just below € 4 million for the quarter with a quarterly production volume of 29 Kton. This prompted Sif to decrease its temporary workforce and to reduce its total staff from approximately 615 employees at the start of 2018 to 450 at the end of the first quarter and then to around 320 by the end of the first half of 2018. A large number of the employees were assigned to perform maintenance work and to improve the layout of the Roermond production facility. While production resumed in July 2018, this is not yet expected to result in any significant increase in the third quarter. For the full year 2018, around half of the maximum production capacity of 300 Kton is expected to be utilized.

The outlook for 2019 and beyond remains positive. Our order book is filling up with 200 Kton for 2019 and 90 Kton for 2020, and we are seeing a healthy flow of projects which can largely cover the remaining capacity for next years. Momentum for offshore wind energy has returned, with new projects without government subsidies, a further reduction in LOCE for offshore wind energy in Europe, and a growing interest from the United States and the Far East. With all the maintenance work performed in recent months, Sif is well prepared for the upcoming boom in the offshore wind energy industry. Developments in industry standards require increased coating of monopiles. Sif will therefore in the coming years need to invest approximately € 8 to €14 million in expansion of their coating facilities at Rotterdam Maasvlakte.’

Results for HY 2018

Contribution

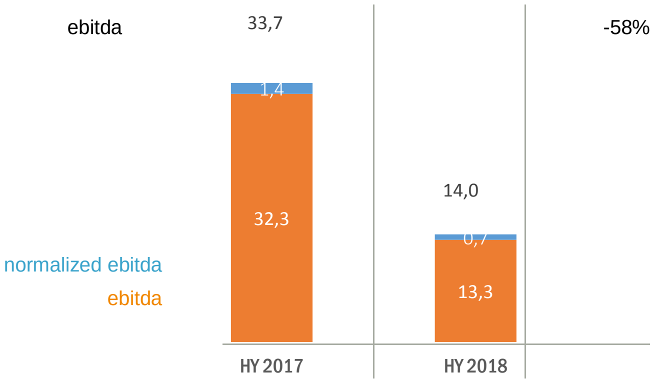


The first half of 2018 saw a dearth of projects in the market. Suppliers of monopiles and other offshore foundations were faced with underutilization, and Sif's production decreased from the same period last year. Contribution amounted to € 45.6 million compared to € 74.4 million in the same period last year. Contribution per Kton reached € 561 in the first half of 2018, versus € 688 during the comparable period in 2017.

Offshore Wind Contribution accounted for 78% of the total contribution, compared to 91% in the first half year of 2017.

We define contribution as revenues minus cost of sales. Cost of sales include costs for raw materials, subcontracted work and other external charges, logistics and other project-related expenses. Revenues in the first half of 2018 were only gradually lower than for the same period last year. The 38% lower contribution is the result of the larger amount of work outsourced during the first few months of the year, particularly for the Borkum West 2 (Trianel) project, and an extremely high contribution margin realized in the first half of 2017.

EBITDA



EBITDA adjusted for IPO costs stood at € 14.0 million, compared to € 33.7 million in the first half of 2017. Personnel expenses include an amount of around € 0.6 million in nonrecurring expenses. Total personnel expenses were lower due to reduction of temporary personnel. This was partly compensated by higher sickness absence and increased wages following Collective Bargaining Agreement-related increases in wage costs (long-term).

The total IPO-related costs amount to € 10.4 million, of which an amount of € 5.5 million is recorded as prepayment to be amortized over a 22-month period. € 4.8 million of the IPO-related costs was allocated to HY1 2016, € 1.4 million to HY1 2017 and € 0.7 million to HY1 2018.

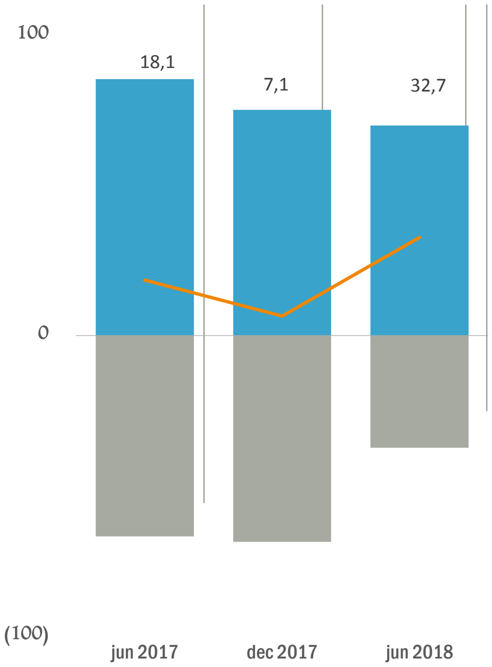
Net debt

Net debt amounted to € 52.5 million at the end of the first half of 2018 (year-end 2017: € 25.1 million). This increase is primarily attributable to the increase in working capital requirement and the pay- out of dividends in May 2018.

Sif

The leverage ratio at the end of June 2018 was 1.41, thereby remaining within the leverage covenant of 1.5. The leverage covenant will stay fixed at 1.5 until the current loan reaches maturity on June 30, 2019.

Operating working capital and cash flows



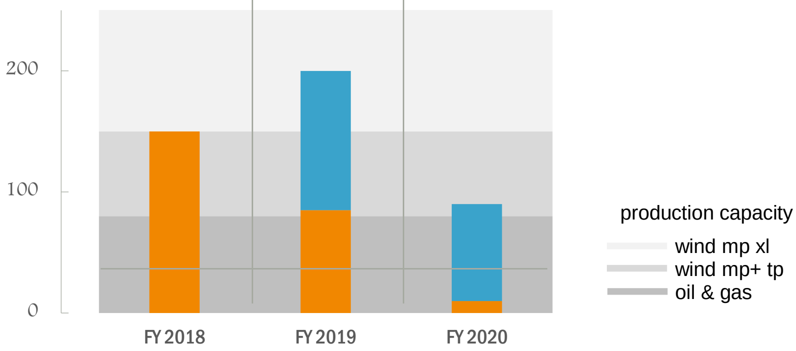
The demand for operating working capital was € 32.7 million at the end of June 2018. The increase versus year-end 2017 is due mainly to underutilization during the second quarter of 2018 and receipt of debtor payments after reporting date. This resulted in an increase in the demand for working capital.

Current operating assets include inventories, work in progress, amounts due from customers, trade receivables and prepayments.

Current operating liabilities include trade payables, work in progress and amounts due to customers.

Orderbook tons and Outlook

	FY 2018	FY 2019	FY 2020
exclusive negotiations	0,0	115,0	80,0
contracted	150,0	85,0	10,0
total	150	200	90



The 2018 order book for the remainder of 2018 shows an estimated 2018 full year production of 150 Kton. After the reporting date, Sif entered into exclusive negotiations for projects for in total 115 Kton, scheduled for production in 2019. A project earlier presented in the order book for 2018 now partly shifts into 2019 and a project initially scheduled for 2019 shifts into 2020. The order book for Offshore Wind in 2019 and 2020 with 290 Kton is now gradually filling up.

Employees

The number of employees in FTEs stood at 615 at the end of 2017. Approximately 40% of the total workforce of 615 FTEs was comprised of permanent staff. The other 60% of the workforce is made up of flexible employees with fixed-term or project-specific contracts.

	FTE FY2017	FTE HY2018
Permanent staff	252	260
Contract staff*	363	60
total	615	320

* Hired on an hourly or project- related basis

Annexes

Interim Financial Statements dated June 30, 2018

Statement by the Management Board

Roermond

The Netherlands

August 24, 2018

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 2018 as prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting gives a true and fair view of the assets, liabilities, financial position and profit and loss of Sif and its jointly consolidated companies included in the consolidation as a whole, and that the report by the Management Board included in this interim report 2018 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*).

Leon Verweij (CFO and acting CEO)

Financial Calendar

Trading Update Q3 2018	8 November 2018
FY 2018 Earnings	21 March 2019
AGM and Trading Update Q1 2019	2 May 2019
HY 2019 Earnings	28 August 2019
Trading Update Q3 2019	6 November 2019

Presentation of 2018 Interim Results

Following this release, the CFO/Acting CEO of Sif will present the 2018 interim results during an audio webcast analyst meeting on August 24, 2018 at 09:30 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

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Disclaimer

Sif Holding N.V.

Unaudited interim condensed consolidated financial statements

30 June 2018

Contents

Interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2018

Amounts in EUR '000		**2018**		2017	
		Unaudited	**Unaudited**	Unaudited	Unaudited
Revenue from contracts with customers		145,643		156,138	
Other revenue		231		57	
Total revenue	4		145,874		156,195
Raw materials		68,237		62,702	
Subcontracted work and other external charges		24,032		11,372	
Logistic and other project related expenses		7,960		7,747	
Direct personnel expenses		13,324		19,626	
Production and general manufacturing expenses		5,182		7,049	
Indirect personnel expenses		7,603		7,575	
Depreciation and amortization		6,912		6,526	
Facilities, housing and maintenance		3,611		2,849	
Selling expenses		286		464	
General expenses		1,724		2,841	
Other expenses	5	607		1,721	
Operating profit			**6,396**		25,723
Finance costs		(756)		(650)	
Net finance costs			**(756)**		(650)
Share of profit of joint ventures			**3**		12
Profit before tax			**5,643**		25,085
Income tax expense			1,290		5,685
Profit after tax			**4,353**		19,400
Attributable to:					
Equity holders of Sif Holding N.V.			**4,353**		19,400
Profit after tax			**4,353**		19,400
Earnings per share					
Number of ordinary shares outstanding			**25,501,356**		25,501,356
Basic earnings per share (EUR)			**0.17**		0.76
Diluted earnings per share (EUR)			**0.17**		0.76

Interim condensed consolidated statement of financial position as at 30 June 2018

Amounts in EUR '000		**30-jun-2018 Unaudited**	31-dec-2017 Audited*
***Assets**			
Intangible fixed assets		712	91
Property, plant and equipment	6	115,496	121,574
Investment property		400	400
Investments in joint ventures		32	28
Other financial assets		5	10
Total non-current assets		**116,645**	122,103
Inventories		386	303
Work in progress – amounts due from customers	7	31,630	30,510
Trade receivables		36,550	48,632
VAT receivables		1,304	-
Other financial assets		85	5
Prepayments		1,453	1,842
Cash and cash equivalents		388	877
Total current assets		**71,796**	82,169
Total assets		**188,441**	204,272
Equity			
Share capital		5,100	5,100
Additional paid-in capital		1,059	1,059
Retained earnings		79,430	56,320
Result for the period		4,353	30,760
Total equity		**89,942**	93,239
Liabilities			
Loans and borrowings		-	25,984
Employee benefits		319	294
Deferred tax liabilities		128	177
Other non-current liabilities		822	407
Total non-current liabilities		**1,269**	26,862
Loans and borrowings		52,838	-
Trade payables		29,166	52,592
Work in progress – amounts due to customers	7	7,725	19,045
Provision for loss-making contracts	7	387	2,579
Employee benefits		1,446	1,371
Wage tax and social security		1,481	1,353
VAT payable		-	1,504
CIT payable		2,432	1,921
Other current liabilities		1,755	3,806
Total current liabilities		**97,230**	84,171
Total liabilities		**98,499**	111,033
Total equity and liabilities		**188,441**	204,272

* The presentation of comparative figures is restated

Interim condensed consolidated statement of changes in equity

Amounts in EUR '000	Share capital	Additional paid-in capital	Retained earnings	Result for the year	Total	Non-controlling interests	Total equity
For the six months ended 30 June 2018	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as at 1 January 2018	**5,100**	**1,059**	**56,320**	**30,760**	**93,239**	**-**	**93,239**
Appropriation of result	-	-	**30,760**	**(30,760)**	**-**	**-**	**-**
Issue of share capital	-	-	-	-	-	-	-
Total comprehensive income							
Profit attributable to the shareholder	-	-	-	**4,353**	**4,353**		**4,353**
Total comprehensive income	-	-	-	**4,353**	**4,353**	**-**	**4,353**
Transactions with owners of the Company							
Dividend distributions	-	-	**(7,650)**	-	**(7,650)**	**-**	**(7,650)**
Total transactions with owners of the Company	-	-	**(7,650)**	-	**(7,650)**	**-**	**(7,650)**
Balance as at 30 June 2018	**5,100**	**1,059**	**79,430**	**4,353**	**89,942**	**-**	**89,942**
For the six months ended 30 june 2017							
Balance as at 1 January 2017	5,100	1,059	28,391	37,365	71,915	-	71,915
Appropriation of result	-	-	37,365	(37,365)	-	-	-
Total comprehensive income							
Profit attributable to the shareholder	-	-	-	19,400	19,400	-	19,400
Total comprehensive income	-	-	-	19,400	19,400	-	19,400
Transactions with owners of the Company							
Dividend distributions	-	-	(9,436)	-	(9,436)	-	(9,436)
Total transactions with owners of the Company	-	-	(9,436)	-	(9,436)	-	(9,436)
Balance as at 30 June 2017	5,100	1,059	56,320	19,400	81,879	-	81,879

Interim condensed consolidated cash flow statement for the six months ended 30 June 2018

Amounts in EUR '000	2018	2017
	Unaudited	Unaudited*
Cash flows from operating activities		
Profit before tax	**5,643**	25,085
Adjustments for:		
Depreciation and amortization	**6,912**	6,526
Movement in provision for loss-making contracts	**(2,192)**	-
Movement in joint ventures	**(3)**	-
Net finance costs	**756**	650
Changes in net working capital		
o Inventories	**(84)**	(44)
o Work in progress amounts due / from customers	**(12,440)**	(36,694)
o Trade receivables	**11,599**	24,234
o Prepayments and other financial assets	**389**	45
o Trade payables	**(23,404)**	156
	(23,940)	(12,303)
VAT payable and receivable	**(2,808)**	(904)
Other financial assets	**-**	(12)
Employee benefits	**100**	497
Wage tax and social security	**128**	(221)
Other current liabilities	**(1,097)**	(858)
	(3,677)	(1,498)
Income taxes paid	**(828)**	(4,138)
Interest paid	**(742)**	(856)
Net cash from operating activities	**(18,071)**	13,464
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**13**	-
Purchase of Intangible fixed assets	**(647)**	-
Purchase of property, plant and equipment	**(912)**	(9,747)
Loans and borrowings to joint ventures	**(75)**	-
Net cash from (used in) investing activities	**(1,621)**	(9,747)
Cash flows from financing activities		
Movement in revolving credit facility	**26,854**	6,170
Dividends	**(7,650)**	(9,436)
Net cash from (used in) financing activities	**19,204**	(3,266)
Net increase / (decrease) in cash and cash equivalents	**(488)**	451
Cash and cash equivalents at 1 January	**877**	304
Cash and cash equivalents at 30 June	**388**	755

* The presentation of comparative figures is restated

Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2018

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 2018 have been prepared in accordance with International Financial Reporting Standards IAS 34 (Interim Financial Reporting) as adopted by the European Union (EU-IFRSs).

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 2017.

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 2017. For the adoption of new standards effective as of 1 January 2018, we refer to the new and amended standards and interpretations

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.

Work in progress

Revenues and costs in relation to work in progress are recognised in the statement of profit or loss in proportion to the stage of completion of each project. The stage of completion is assessed based on the actual hours incurred compared with the estimated hours needed to complete the full project. In addition, management estimates at each reporting date the total expected costs to be incurred for each individual project and adjustments are made where appropriate.

Leases
The Group rents warehouse/factory facilities and several housing units in order to carry out its activities. These rental contracts are accounted for as operating leases. As of September 2015, the Group entered into a lease agreement with Havenbedrijf Rotterdam N.V. for the lease of two plots in the Rotterdam harbour. The lease of plot A started on 1 September 2015 and will end on 1 July 2041 (cancellable as per 1 July 2031), the lease of plot B started at 1 July 2017 and will end on 1 July 2041 (cancellable as per 1 July 2021 and as per 1 July 2031). It is the Group's opinion that it does not possess the principal risks and benefits associated with ownership of the assets.

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.

Impairment
The Group assesses whether there is any indication that assets have been impaired as at the reporting date. If any such indication is detected, or if an asset is required to undergo its annual impairment testing, the Group estimates the recoverable amount of the asset. In determining the recoverable amount of the asset estimates shall be made, including for example estimates of future cash flows and discount rates.

3. New and amended standards and interpretations

IFRS 9 *Financial Instruments*
The final version of IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group adopted the new standard on the required effective date. The Group has performed a high-level impact assessment of all three aspects of IFRS 9. Each period an assessment will be performed on currently available information, which may be subject to changes for additional reasonable and supportable information being made available to the group. Overall, there is no significant impact on its balance sheet and equity.

(a) Classification and measurement
There is no significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group concludes that loans as well as trade receivables will continue to be measured at amortised cost under IFRS 9. The Group monitors the loans as well as trade receivables on individual level of the counterparty on a periodic basis.

(b) Impairment
IFRS 9 requires to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group applied the simplified approach and record lifetime expected losses on all trade receivables. Bases on individual impairment analysis of the loans as well as trade receivables, impact is insignificant for the group.

(c) Hedge accounting
There is no impact as no hedge accounting is used at this point in time.

IFRS 15 *Revenue from Contracts with Customers*
IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard supersede all former revenue recognition requirements under IFRS.
The Group adopted the new standard on the required effective date using the modified retrospective method. The Group has performed a detailed impact assessment of all current contracts. There is no material impact on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated cash flow statement.

The Group established the five-step model as follows:

Identify the contract(s) with a customer
The group will only identify a contract with a customer when all the criteria are met. If the scope of the contact changes, this change will be analysed to determine if this should be regarded as a new contract or as a scope change under the current contract. In principle, three types of contract adjustments are possible:
- Adjustment of the number of products (for example an extra monopile)
- Adjustment of the design of the products
- Adjustment of the fabrication of the products

In all these possible adjustments, there is no standalone selling price. Therefore these adjustments are part of the current contract.

Identify the performance obligations in the contract
The goods of the Group include monopiles, transition pieces, legs, piles, pilesleeves and several other elements. Goods within a contract that are substantially the same and that have the same pattern of transfer to the customer are considered as series of distinct goods. These series and the other individual goods are identified as separate performance obligations as the customer can benefit from the goods on its own or with readily available resources and the goods are distinct within the context of the contract.

Determine the transaction price
The transaction price is the price that the company expects to receive for the delivery of the performance obligations. Uncertainties in the transaction price will only be part of the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Allocate the transaction price to the performance obligations in the contract
The transaction price will be allocated to the performance obligations using the expected cost plus margin approach. Variable considerations will also be taken into account in the allocation of the transaction price.

The contract price will be mentioned in the contract with the customer. If it is a combined contract, there are two possibilities to allocate the transaction price:
- The contract price is divided into the relevant performance obligations in the agreement. In this case the contract per performance obligation is used, discounts are divided to the individual performance obligations.
- The contract price in the agreement is not divided into the relevant performance obligations. I this case the contract price is divided based on the (internal) calculations. The underlying

calculations are the best possible estimate to divide the price in the contract into the underlying elements.

Recognise revenue when (or as) the entity satisfies a performance obligation.
Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation has been satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation has been transferred to the customer.

Based on the relevant IFRS, the Group meets the criteria to recognise revenue over time. The group transfers control of a good or service over time as the group creates or enhances an asset (work in progress) that the customer controls as the asset is created or enhanced. In addition the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

IFRS 16 *Leases*
IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The new standard is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Group is currently assessing the impact of IFRS 16, which is expected to be material on its consolidated financial statements.

4. Operating segments

The following table presents revenue and profit information for the Group's operating segments for the six months ended 30 June 2018 and 2017, respectively.

Amounts in EUR '000	**2018**				2017			
	Wind	**Oil and Gas**	**Other**	**Total**	Wind	Oil and Gas	Other	Total
Revenue	**125,636**	**18,871**	**1,367**	**145,874**	142,502	12,289	1,416	156,207
Segment contribution	**33,617**	**11,247**	**780**	**45,644**	66,745	6,845	796	74,386
Gross profit	**21,430**	**5,088**	**621**	**27,139**	44,831	2,395	485	47,711
Indirect personnel expenses				**(7,603)**				(7,575)
Depreciation and amortization				**(6,912)**				(6,526)
Facilities, housing and maintenance				**(3,611)**				(2,849)
Selling expenses				**(286)**				(464)
General expenses				**(1,724)**				(2,841)
Other (income) / expenses				**(607)**				(1,721)
Net finance costs				**(756)**				(650)
Share of profit of joint ventures				**3**				0
Total profit before tax				**5,643**				25,085

Sif

Definitions for applied segments

The Group recognises three segments being Wind, Oil and Gas and Other. The Wind segment relates to products and services delivered to the offshore wind energy markets (monopiles- and transition pieces for new build wind farms), mainly in the north-western European region. The Oil & Gas segment relates to products & services delivered to the western European offshore oil & gas industry (components for jackets like piles and sleeves, for new build or replacement platforms). Other represents the remaining products and services.

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. Other expenses

The other expenses include a total of EUR 709 of amortization of the secured claw back arrangement in relation to the initial public offering (IPO) of the company. The IPO was successfully completed on 12 May 2016.

6. Property, plant and equipment

During the six months ended 30 June 2018, the Group acquired assets with a cost of EUR 1.5 million (the six months ended 30 June 2017 EUR 12.7 million). These acquisitions include EUR 1.0 million investments related to assets under construction.

7. Work in progress

Amounts in EUR '000	**30-jun-2018**	31-dec-2017	30-jun-2017
Work in progress – amounts due from customers (current assets)	**31,630**	30,510	36,009
Work in progress – amounts due to customers (current liabilities)	**(8,112)**	(21,624)	(13,038)
	23,518	8,886	22,971
Expenses incurred including realized profit to date	**558,352**	966,925	804,407
Invoiced terms	**(534,834)**	(958,039)	(781,436)
	23,518	8,886	22,971

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.

As per 30 June 2018, loss making contracts have been identified by management. These contracts, with a total expected loss of EUR 3.0 million, are recorded as provision for loss-making contracts. The movement in the provision of loss-making contracts, is caused by the time effect and the realization of the costs and revenues in accordance with the percentage of completion. As per 31 December 2017, an amount of EUR 2.8 million (for the same contracts) was already recorded in the financial position. Based on renewed calculations, an additional amount of EUR 0.2 million is recorded as per 30 June 2018.

The amounts due from customers 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. Amounts due to customers concern the balances of all projects in progress for which the invoiced terms exceed expenses incurred plus recorded profit minus project losses if any.

Both the amounts due to and due from customers predominantly have durations shorter than 12 months and are therefore considered to be current.

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
Twinpark Sif BV	Roermond	60

9. Off-balance sheet commitments

Purchase commitments for property, plant and equipment

At 30 June 2018, the Group had commitments of EUR 1.8 million relating to the purchase of property, plant and equipment items.

Lease commitments

The Group leases warehouse/factory facilities, several company cars and a house under operating leases. The leases for the warehouse/factory facilities runs for a remaining period of 1 to 14 months. The lease for the company cars runs for a remaining period of 18 to 21 months and the lease for the house runs for one month (cancellation period).

The Group entered into a lease agreement with Havenbedrijf Rotterdam N.V. for the lease of two specific plots in the Rotterdam harbour. The lease of plot A started at 1 September 2015 and will end on 1 July 2041 (cancellable as per 1 July 2031), the lease of plot B started at 1 July 2017 and will end on 1 July 2041 (cancellable as per 1 July 2021 and as per 1 July 2031). The annual committed lease payments of EUR 0.8 million during the initial building phase will increase up to EUR 3.1 million after five years when the plots and buildings are fully in use. The discount during the initial building phase is partly accounted as a non-current liability (as per 30 June 2018: EUR 822) in order to properly allocate the expense on a straight-line basis over de lease term.

Guarantee facilities

At period end the Group had the following guarantee facilities:

Name	Type	**30-jun-18**	**30-jun-18**	31-dec-17	31-dec-17
Amounts in EUR '000		**Total facility**	**Used**	Total facility	Used
Euler Hermes Interborg N.V. / CHUBB	General	**100,000**	**58,243**	100,000	58,129
Nationale Borg Maatschappij	General	**10,000**	**-**	10,000	-
Coöperatieve Rabobank U.A.	General	**20,000**	**7,932**	20,000	2,417
ING Bank N.V.	General	**20,000**	**15,762**	20,000	17,674
ABN AMRO Bank N.V.	General	**20,000**	**2,555**	20,000	13,099
Nationale Borg Maatschappij	Project	**6,788**	**6,788**	6,788	6,788
Coöperatieve Rabobank U.A.	Project	**16,034**	**16,034**	16,034	16,034
ING Bank N.V.	Project	**7,151**	**7,151**	7,151	7,151
Total		**199,973**	**114,465**	199,973	121,292

The Group is jointly and severally liable for all amounts to which Euler Hermes, Ace European Group, Coöperatieve Rabobank U.A., ING Bank N.V. and Nationale Borg Maatschappij 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

Dividend over financial year 2017 for an amount of 7.7 million (2016: 9.4 million) has been approved by the General meeting of Shareholders dated 3 May 2018 and paid out on 11 May 2018.

11. Events after the reporting period

There were no material events after 30 June 2018.

Roermond,
24 August 2018
The Board of Directors:

L.A.M. Verweij

Klik hier als u tekst wilt invoeren.