Interim results 2021

Sif Holding N.V.

Sif OFFSHORE FOUNDATIONS

Operational Highlights and Key figures for HY 2021

Solid execution, strong orderbook, upgraded EBITDA outlook

Operational Highlights Year to Date:

Safety first:
- Seven Recordable Injuries of which one Lost Time Injury resulting in LTIF of 2.63;
- Rigourous COVID19 measures have resulted in limitation of infections and contributed to 4.5% sickness leave (6.7% first half 2020);

Sustainable products and production:
- 100% of production for Offshore Wind industry;
- CO_2 neutral with 12 MW windturbine on Sif-premises;
- Switch from gas pre-heating to induction on schedule;

Innovations:
- Presentation of updated Skybox innovation (picture on next page);
- Acquisition of KCI The Engineers to offer in-house design engineering capabilities;

New projects:
- Exclusive contract negotiations for
  - production of 130 kton for longer term deliveries;

Operations:
- Delivery of TP-less monopiles for Hollandse Kust Zuid (picture on this page, next column);
- Preparation and production-line set up for Dogger Bank A;
- Marshalling & Logistics for Kincade (Cobra) project completed;
- 200 mtr Quay extension and Roll-on Roll-off Quay construction on schedule for Siemens HKZ marshalling project which will start end 2021.

Total throughput of approximately 88 Kton steel or 102 monopiles and 3 transition pieces (76 Kton or 84 monopiles and 43 transition pieces in HY1 2020)
- 100% for offshore wind (92% HY1 2020);
- 0% for offshore oil & gas (8% HY1 2020).

Key figures:

Contribution of € 57.7 million (HY 2020: € 45.7 million)
- € 53.7 million Monopiles & Transition pieces for offshore wind (HY 2020: € 40.6 million);
- € 4.0 million Marshalling, Oil & Gas and Other which includes KCI for € 1.8 million (HY 2020: € 5.1 million);

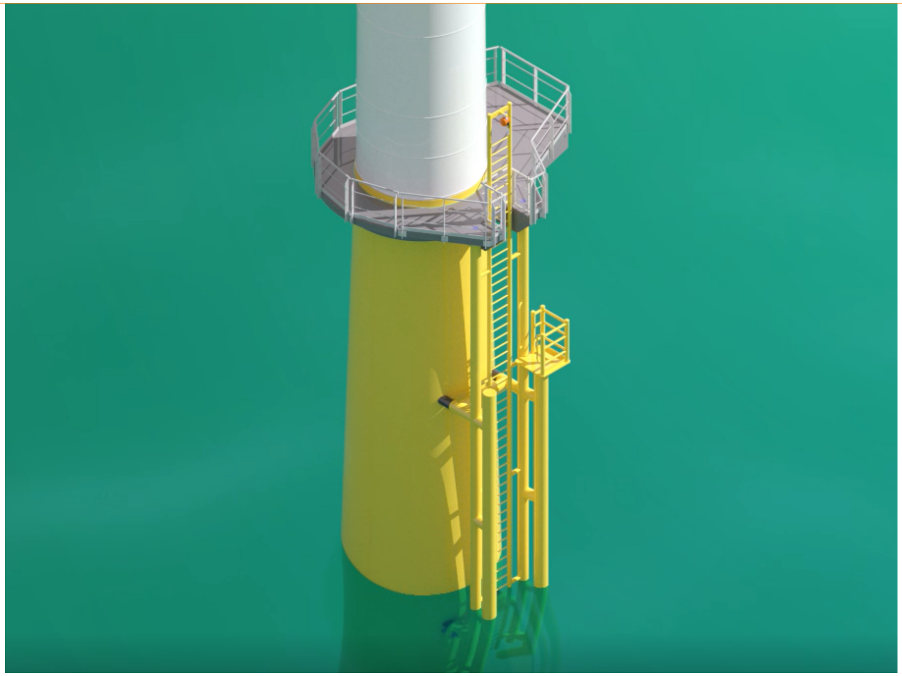
EBITDA of € 20.2 million (HY 2020: € 11.5 million);

Revenues of € 249.3 million (HY 2020: € 151.2 million);

Operating working capital stood at - € 56.9 million (HY 2020: - € 64.5 million);

No external debt excluding lease liabilities (HY 2020: nihil). Total cash position amounts to € 61.7 million (HY 2020: € 38.3 million);

Order book per 27 August 2021: 400 Kton for 2022 and beyond (300 Kton HY 2020)
- 270 Kton signed contracts
- 130 Kton exclusive negotiations



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Report of the Executive Board

Message from CEO Fred van Beers

"Health, safety and environment continue to be priorities in our daily operations. Our plans to reduce CO2 emissions are on track for both scope 1 and 2 as well as for scope 3 emissions.
Late 2020, we have started the execution of again larger projects with again more sizeable monopiles. This is continuing into 2021 and future years and has materialised in our production output. This year we are engaged in manufacturing the foundations for Hollandse Kust Zuid and the start up and execution of the first part of Dogger Bank A. Two projects comprising a total of 235 monopiles and 95 transition pieces, all together weighing close to 290 Kton. With almost 90 Kton manufactured in the first half of this year, execution was solid and we are all set for production of around 90 Kton during the remainder of 2021.

The anticipated production is entirely for Offshore Wind projects. Part of our production capacity may remain idle in absence of EBITDA- enhancing smaller diameter projects. Until 2020 these smaller projects were predominantly pin piles or jacket legs and bracings for the Oil & Gas industry, nowadays we try to fill this capacity with primarily pinpiles for Offshore Wind substations and jackets. Thanks to robust execution in our operations and successful management of the COVID 19 risk we feel confident to raise our expected EBITDA for the full year from markedly to significantly higher, compared to the € 31.8 million EBITDA in the previous year. Production is expected to total between 180 and 185 Kton (176 MP's / 62 TP's).

For the years beyond 2021 we see a similar pattern: a limited number of large projects comprising the production and earnings for the year. Upward potential may be achieved through marshalling activities, production of smaller diameter tubulars and design engineering activities. In the first half of 2021 contribution of these activities was limited.

Our innovative Skybox has passed the proof-of-concept phase and will now be tested in the field with a lite version. This, to demonstrate the feasibility of the Skybox and the applied slip-joint technology. In the next phase, starting in 2022-2023, we will upscale dimensions, integrate full functionality and will present the second demonstrator – the Skybox Full – the last step towards obtaining an A-level DNV-GL certificate and serial production readiness for commercial deployment in 2024. Advantages of the Skybox are higher installation safety, quality and efficiency.

The market funnel for deliveries from 2024 is largely comprised of projects for turbines with capacity of 15 MW and beyond. We are currently engaged in a detailed forward looking market study together with an external advisor to evaluate different potential investment scenarios. We engaged in this market study after we completed the study on the technical impact of larger diameter foundations on the principal manufacturing process, equipment and operation skills. We expect to round-up this next phase study later this year which, by then, will give us an optimal technical, commercial and financial understanding of the future market dynamics. Main findings and impact on the company will than be shared with the market.

Looking at the order and prospects funnel and considering our attractive 62 Ha location in Rotterdam with extended state-of-the-art deepwater ro/ro and high load quay facilities by the end of 2021, Europe remains our core market, both mid and longer term. Like before, we see other continents increasingly materializing their plans to produce more sustainable energy. These markets are still less mature and more volatile compared to the European market but we invariably follow these markets closely and act upon opportunities that match our planning and priorities."

Results for HY 2021

Contribution

The production in the first half of 2021 was mainly composed of activities for Hollandse Kust Zuid. Total production for the first half of 2021 ended at 88 Kton (76 Kton in HY1 2020). Realised contribution of € 614 per ton was notably better than in the first half of 2020 when it was € 580 per ton (both periods cleaned for Marshalling and Design engineering contribution). This confirms our earlier communicated trend for increase in contribution margins from low towards mid € 600 per ton.

€/ton	HY1 2021	HY2 2020	HY1 2020	HY2 2019	HY1 2019	HY2 2018	HY1 2018	HY2 2017	HY1 2017
Revenues	2,833	2,093	1,990	1,704	1,813	1,565	1,801	1,379	1,446
Contribution	655	635	602	613	484	504	563	494	689
Contribution ex Marshalling and Other	614	610	580	NA	NA	NA	NA	NA	NA
Gross profit	408	416	349	328	285	235	335	301	442

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.

Steel is a pass-through cost for Sif. Therefore, contribution is a better performance indicator for comparison Year-on-Year.

Gross profit and EBITDA

Gross profit per ton also improved compared to the same period in 2020 and arrived at € 408 for the first half of 2021. This resulted in EBITDA of € 20.2 million (€ 230 per ton) compared to € 11.5 million (€ 151 per ton) for the first half of 2020. Improving margins in combination with solid execution and low sickness leave contributed to improvement in EBITDA.

At the end of the first half of 2021 Sif employed 194 temporary workers (190 end of June 2020) and 388 permanent staff (314 end of June 2020), both FTE. The increase in permanent staff is mainly attributable to the acquisition of KCI the engineers.

Net debt and solvency

No external debt (excluding lease liabilities), in line with the 30 June 2020. The cash position amounted to € 61.7 million (€ 38.3 million at the end of the first half of 2020). This strong improvement is primarily attributable to higher profits and received pre-payments. The leverage ratio at the end of June 2021 was zero. For covenant purposes, net debt is stated on an IFRS16 excluded basis. The leverage covenant as of end of 2020 is fixed at 2.5 until the current credit facility reaches maturity on March 31, 2024. Solvency covenant going forward is >35%. With 44% at the end of June 2021, Sif is well within covenants.

Operating working capital

The demand for operating working capital defined as current operating assets minus current operating liabilities was - € 56.9 million (- € 64.5 million at the end of June 2020).

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

Orderbook tons and Outlook

Today's order book for the remainder of 2021 shows an estimated 2021 full year production of 180-185 Kton. This implies an expected production of roughly 90 Kton for the second half of 2021 where we will mainly manufacture for the Dogger Bank A project. We expect a significantly higher EBITDA level in 2021 compared to 2020.

The orderbook for 2022 and beyond has 270 Kton contracted work and 130 Kton under exclusive negotiations. With a significant number of tenders in process we are well positioned for the years to come. The upscaled ambitions for production of sustainable energy by various European countries, the USA and Asia, imply the offshore wind supply chain will be facing high growth rates for the years to come. The announced entrance of various new Monopile manufacturers underpins the assumption that the Monopile will remain the foundation of choice in the years to come. Likely and in addition to the monopile foundation of choice, alternative foundation solutions like floating Wind will be needed to be able to address the ever-increasing Offshore Wind ambitions.

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 2021 as prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting give 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 2021 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, 27 August 2021
Fred van Beers (CEO)
Ben Meijer (CFO)

Financial Calendar

Trading Update Q3 2021 5 November 2021

Presentation of 2021 Interim Results

Following this release, the CEO and CFO of Sif will present the 2021 interim results during VCR webcast of a live-analyst meeting on August 27, 2021 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

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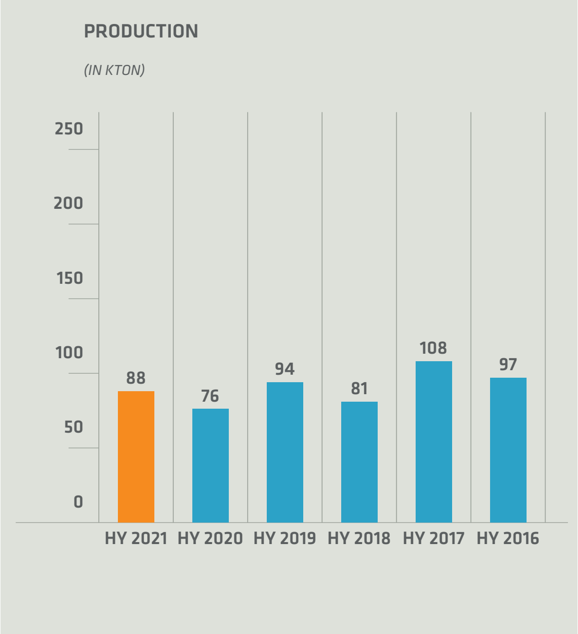
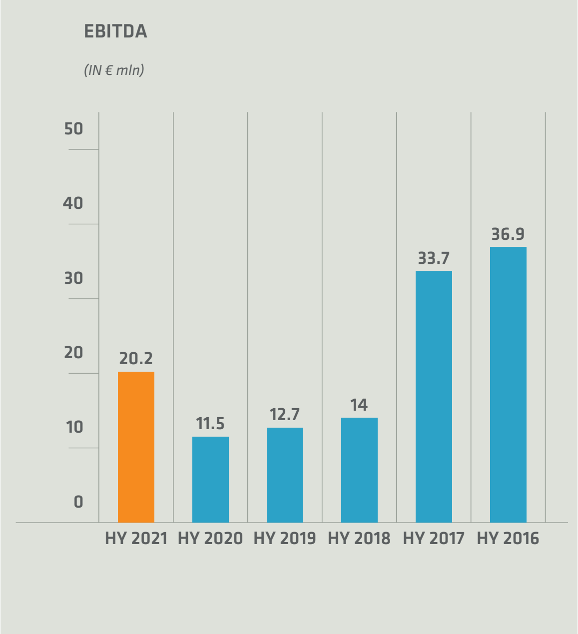
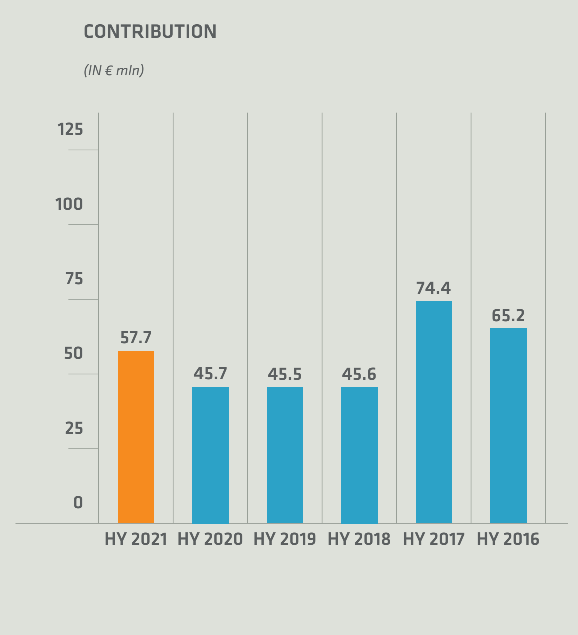
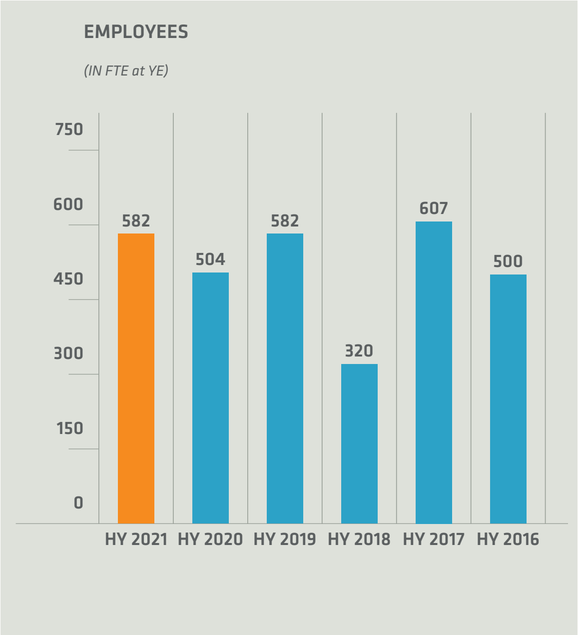

PRODUCTION
(IN KTON)
250
200
150
100
50
0
88
76
94
81
108
97
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017
HY 2016


EBITDA
(IN € mln)
50
40
30
20
10
0
20.2
11.5
12.7
14
33.7
36.9
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017
HY 2016


CONTRIBUTION
(IN € mln)
125
100
75
50
25
0
57.7
45.7
45.5
45.6
74.4
65.2
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017
HY 2016


EMPLOYEES
(IN FTE at YE)
750
600
450
300
150
0
582
504
582
320
607
500
HY 2021
HY 2020
HY 2019
HY 2018
HY 2017
HY 2016

Sif Interim Report 2021

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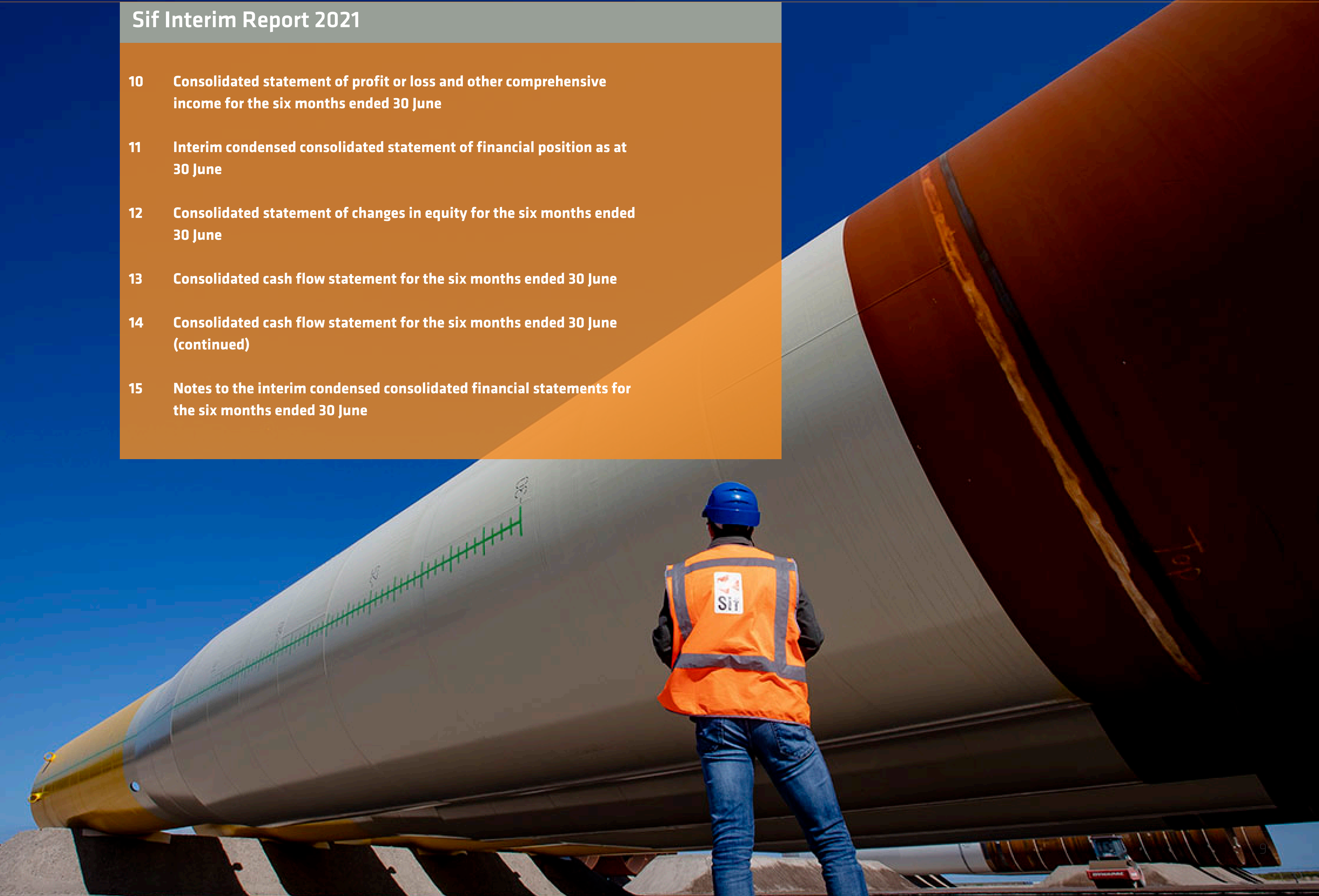

Consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June

AMOUNTS IN EUR '000	Notes		2021		2020
			Unaudited		Unaudited
Total revenue from contracts with customers	4		**249,273**		**151,244**
Raw materials		73,300		56,984	
Subcontracted work and other external charges		101,299		36,814	
Logistic and other project related expenses		16,998		11,718	
Direct personnel expenses		16,723		13,074	
Production and general manufacturing expenses		5,087		6,182	
Indirect personnel expenses		10,430		10,100	
Depreciation and amortization		9,822		9,590	
Facilities, housing and maintenance		1,928		2,479	
Selling expenses		262		362	
General expenses		3,013		2,128	
Operating profit			10,411		1,813
Impairment losses on financial assets		2		(21)	
Finance costs		(1,198)		(1,265)	
Finance costs and impairment losses			(1,196)		(1,286)
Share of profit of an associate and joint ventures			0		81
Profit before tax			9,215		608
Income tax expense			2,015		115
Profit after tax			**7,200**		**493**
Attributable to:					
Non-controlling interests			166		152
Equity holders of Sif Holding N.V.			7,034		341
Profit after tax			**7,200**		**493**
Earnings per share					
Number of ordinary shares outstanding			25,501,356		25,501,356
Basic earnings per share (EUR)			0.28		0.02
Diluted earnings per share (EUR)			0.28		0.02

Interim condensed consolidated statement of financial position as at 30 June

AMOUNTS IN EUR '000	Notes	30-Jun-2021 Unaudited	31-Dec-2020 Audited
Assets			
Intangible fixed assets		943	1,265
Property, plant and equipment	5	109,450	110,340
Right-of-use assets		50,879	51,902
Investment property		400	400
Investments in joint ventures		32	33
Deferred tax assets		783	349
Total non-current assets		162,487	164,289
Inventories		515	375
Contract assets	6	6,642	29,555
Trade receivables	7	43,927	43,661
Other current financial assets		-	15
Prepayments		3,288	1,307
Cash and cash equivalents		61,710	2,645
Total current assets		116,082	77,558
Total assets		**278,569**	**241,847**

AMOUNTS IN EUR '000	Notes	30-Jun-2021 Unaudited	31-Dec-2020 Audited
Equity			
Share capital		5,100	5,100
Additional paid-in capital		1,059	1,059
Retained earnings		84,527	80,316
Result for the year		7,034	7,271
Equity attributable to shareholder		97,720	93,746
Non-controlling interests		690	524
Total equity		98,410	94,270
Liabilities			
Lease Liabilities - non-current		48,771	50,139
Employee benefits - non-current		355	273
Other non-current liabilities		1,435	1,484
Total non-current liabilities		50,561	51,896
Lease Liabilities - current		5,103	4,625
Trade payables		39,841	63,438
Contract Liabilities		71,387	14,319
Employee benefits - current		1,483	2,042
Wage tax and social security		585	1,557
VAT payable		5,684	5,482
CIT payable		819	498
Other current liabilities		4,696	3,720
Total current liabilities		129,598	95,681
Total liabilities		180,159	147,577
Total equity and liabilities		**278,569**	**241,847**

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 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	-	-	-	7,034	7,034	166	7,200
Currency translation reserve	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	7,034	7,034	166	7,200
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 as at 30 June 2021	**5,100**	**1,059**	**84,527**	**7,034**	**97,720**	**690**	**98,410**
Balance as at 1 January 2020	5,100	1,059	74,828	5,488	86,475	222	86,697
Appropriation of result	-	-	5,488	(5,488)	-	-	-
Total comprehensive income							
Profit attributable to the shareholder	-	-	-	7,271	7,271	302	7,573
Total comprehensive income	-	-	-	7,271	7,271	302	7,573
Balance at 31 December 2020	**5,100**	**1,059**	**80,316**	**7,271**	**93,746**	**524**	**94,270**

Consolidated cash flow statement for the six months ended 30 June

AMOUNTS IN EUR '000	2021 Unaudited	2020 Unaudited
Cash flows from operating activities		
Profit before tax	9,215	608
Adjustments for:		
Depreciation and amortization of Property, Plant and Equipment	7,374	6,846
Depreciation of right-of-use assets	2,449	2,744
Unrealised changes in joint ventures	1	(81)
Impairment losses on financial assets	2	-
Net finance costs	1,196	1,265
Changes in net working capital		
o Inventories	(140)	27
o Contract assets and liabilities	80,308	46,014
o Trade receivables	620	20,041
o Prepayments	(1,934)	(855)
o Trade payables	(25,584)	9,136
Total changes in net working capital	53,270	74,363
VAT payable and receivable	192	(3,858)
Other financial assets	1,186	(65)
Employee benefits	(726)	(965)
Wage tax and social security	(1,141)	184
Other liabilities	174	(11,453)
Income taxes received / (paid)	(2,075)	1,331
Interest received / (paid)	(440)	(1,232)
Net cash from operating activities	**70,677**	**69,687**

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

AMOUNTS IN EUR '000	2021 Unaudited	2020 Unaudited
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(277)
Purchase of property, plant and equipment	(4,777)	(4,322)
Acquisition of subsidiaries	(578)	-
Net cash from (used in) investing activities	**(5,355)**	**(4,529)**
Cash flows from financing activities		
Movements in revolving credit facility	-	(25,419)
Payment of lease liabilities	(3,197)	(2,979)
Dividends	(3,060)	-
Net cash from (used in) financing activities	**(6,257)**	**(28,398)**
Net increase / (decrease) in cash and cash equivalents	59,065	36,760
Cash and cash equivalents at 1 January	2,645	1,579
Cash and cash equivalents at 30 June	**61,710**	**38,339**

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 2021 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 2020.

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 2020, except for the adoption of new standards effective as of 1 January 2021. 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 Significant accounting policies

Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. During reassessment, the provisional gain is recorded in other liabilities.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

3 New and amended standards and interpretations

Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and measurement, IFRS 4 Insurance contracts and IFRS 16 Leases- Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021

The amendments to IFRS 9, IFRS 7, IAS 39, IFRS 4 and IFRS 16 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The amendments also provide a relief for contractual modifications or changes to cash flows that are directly required by the reform and is required to be applied by entities applying IFRS 4 that are using the exemption from IFRS 9 and for IFRS 16 lease modifications required by the IBOR reform. The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an nearly risk-free rate (RFR) instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

4 Operating segments

The following table presents revenue and profit information for the Group's operating segments for the six months ended 30 June 2021 and 2020, respectively.

AMOUNTS IN EUR '000	2021					2020				
	Wind	Oil & Gas	Marshalling	Other	Total	Wind	Oil & Gas	Marshalling	Other	Total
Revenue from contracts with customers:										
- Revenue from construction contracts	243,081	247	1,343	1,904	246,575	140,907	6,347	629	-	147,883
- Revenue from storage and rental	-	-	1,915	783	2,698	-	-	2,469	892	3,361
Total revenue from contracts with customers	243,081	247	3,258	2,687	249,273	140,907	6,347	3,098	892	151,244
Segment contribution	53,739	286	1,063	2,588	57,676	40,590	3,468	797	873	45,728
Gross profit	33,478	275	1,038	1,075	35,866	24,053	782	797	840	26,472
Indirect personnel expenses					(10,430)					(10,100)
Depreciation and impairment					(9,822)					(9,590)
Facilities, housing & maintenance					(1,928)					(2,479)
Selling expenses					(262)					(362)
General expenses					(3,013)					(2,128)
Other (income) / expenses					-					-
Net finance costs					(1,196)					(1,286)
Joint ventures					-					81
Total profit before tax					**9,215**					**608**

Definitions for applied segments

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

- Wind, which produces and delivers monopiles, transition pieces or other foundation components for the off-shore wind industry;
- Oil and Gas, which produces and delivers piles, pile sleeves, pin-piles etcetera for application in the oil and gas industry;
- Marshalling, which concerns logistical handling of Offshore Wind installations for third parties;
- Other, not Wind, Oil and Gas or Marshalling.

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.

4 Business combinations

Acquisition of KCI the Engineers B.V.

On 15 March 2021, the Group acquired 100% of the voting shares of KCI The Engineers B.V. (hereafter "KCI"), an unlisted company based in the Netherlands involved in the engineering of solutions for the oil & gas market, renewables market and other equipment. The acquisition results in a stronger knowledge base of design engineering competences for the Group, focused on both bottom fixed foundations and substations and future alternatives such as floating foundations.

The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of KCI for the three and a half month period from the acquisition date.

The fair values of the identifiable assets and liabilities of KCI as at the date of acquisition were:

AMOUNTS IN EUR '000	Fair value recognized on acquisition
Assets	
Intangible fixed assets*	-
Property, plant and equipment	210
Right-of-use assets	214
Deferred tax assets	53
Contract assets	327
Trade receivables	888
Cash and cash equivalents	862
Other current financial assets	1,171
Other assets	209
Total assets	**3,934**
Liabilities	
Lease Liabilities	214
Trade payables	885
Other liabilities*	619
Total liabilities	**1,718**
Total identified net assets at fair value	**2,216**
Gain on bargain purchase on acquisition (provisional) **	776
Purchase consideration transferred	**1,440**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	862
Cash paid	(1,440)
Net cash flow on acquisition	**(578)**

*The valuation of intangible fixed assets and identification of other liabilities acquired has not been completed by the date the interim financial statements were approved for issue by the Board of Directors. Thus, intangible fixed assets and other liabilities may need to be subsequently adjusted, with a corresponding adjustment to the gain on bargain purchase prior to 1 March 2022 (one year after the transaction).

**As a result of the provisional items, the gain on bargain purchase has not been recognized in the statement of profit or loss yet. The amount has been recorded in other current liabilities.

At the date of the acquisition, the fair value of the trade receivables was EUR 0.9 million, which equals the carrying amount. As the outstanding receivables were collected shortly after acquisition date, the discounting of cash collection and adjustment of credit risks have no material impact.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

From the date of acquisition, KCI has contributed EUR 2.0 million of revenue and EUR 44 to the net profit before tax of the Group. If the acquisition had taken place at the beginning of the year, KCI would have contributed EUR 3.3 million of revenue (consolidated EUR 250.6 million) and a net loss before tax of EUR 0.3 million (consolidated EUR 8.9 million).

The (provisional) gain on bargain purchase is primarily attributed to the more challenging market conditions of KCI's existing business.

Acquisition related costs of EUR 0.2 million have been expensed and are included in General expenses in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

5 Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets with a cost of EUR 6.0 million (the six months ended 30 June 2020 EUR 3.4 million). All acquisitions are related to assets under construction (the six months ended 30 June 2020 EUR 3.3 million).

6 Contract assets and liabilities

AMOUNTS IN EUR '000	30-Jun-2021	31-Dec-2020
Contract assets	6,642	29,555
Contract liabilities	(71,387)	(14,319)
	(64,745)	**15,236**
Expenses incurred including realized profit to date	563,612	398,277
Invoiced terms	(628,357)	(383,041)
	(64,745)	**15,236**

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.

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 0.8 million at 30 June 2021 (31 December 2020: EUR 1.0 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 2021 no amount of the total open balance refers to related parties (at year end 2020 approximately EUR 32).

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
KCI The Engineers B.V.*	Schiedam	100

* Acquired per 15 March 2021

9 Off-balance sheet commitments

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

At 30 June 2021, the Group's commitments for the purchase of property, plant and equipment amounts to EUR 4.3 million (per 30 June 2020: EUR 1.4 million) relating to the purchase of property, plant and equipment items. The commitments for raw materials amounts to EUR 212.2 million (per 30 June 2020: EUR 46.9 million).

Guarantee facilities

At 30 June 2021 guarantee facilities of the Group can be specified as follows:

Name	Type	30 June 2021		31 December 2020	
AMOUNTS IN EUR '000		Total facility	Used	Total facility	Used
Euler Hermes S.A. / Tokio Marine Europe S.A.	General	130,000	127,929	130,000	117,930
Coöperatieve Rabobank U.A.	General	40,000	26,641	40,000	24,219
ING Bank N.V.	General	40,000	7,979	40,000	7,979
ABN AMRO Bank N.V.	General	40,000	14,909	40,000	17,017
Coöperatieve Rabobank U.A.	Project	8,459	8,459	8,459	8,459
ING Bank N.V.	Project	8,459	8,459	8,459	8,459
Total		**266,918**	**194,376**	**266,918**	**184,063**

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 2021 the Group did pay out a dividend related to financial year 2020 amounting to EUR 3.1 million (in 2020 over 2019: none).

11 Events after the reporting period

There were no material events after 30 June 2021.

Roermond, 27 August 2021

The Board of Directors:

G.G.P.M. van Beers

B.J. Meijer

Contact

Sif Holding N.V.

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