

For immediate release

Empire Wind 2 monopiles-contract terminated

Empire Wind 1 monopile-contract progressing to plan

Roermond, The Netherlands, 3 January 2024, Sif Holding NV confirms receipt from Empire Offshore Wind LLC of notice of termination of the Empire Wind 2 monopile contract. The termination will affect the sequence of manufacturing for 2025 and 2026. Projections for adjusted EBITDA for 2025 and 2026 remain unchanged. The financing of Sif's plans to expand the manufacturing facilities at Maasvlakte 2 Rotterdam remains secured with the share of the advance factory payment for Empire Wind 2 converting into a perpetual bond. The monopile contract for Empire Wind 1 will continue as planned, with manufacturing scheduled to commence in the second half of 2024.

Sif was contracted by Empire Offshore Wind to manufacture 54 monopiles and transition pieces for Empire Wind part 1 and 84 monopiles for Empire Wind part 2. Sif was also in exclusive negotiations with Empire Offshore Wind for the manufacture of 84 transition pieces for Empire Wind part 2. Empire Offshore Wind's termination of the Empire Wind 2 contract means that such previously contracted capacity is removed from Sif's order book. As a result, Sif's order book today stands at a total of 550 Kton (including the part of the order book relating to production in Q4 2023) with 210 Kton of this amount pertaining to exclusive negotiations. Production of Empire Wind 2 was scheduled for the period 2025-2026.

Under the terms of the contract for monopiles for Empire Wind 2, Sif is entitled to cancellation fees in the event of early termination of the contract. Equinor will endeavor to fill the gaps in Sif's production schedule that arise due to the termination of the Empire Wind 2 contract. A successful effort could result in mitigation of the compensation fees to which Sif is entitled under terms of the contract.

The cancellation does not affect the financing of the expansion plans in Rotterdam that are in execution and on schedule. A budget of €328 million for the expansion plans has been secured including €50 million in advance payments by Empire Offshore Wind that were paid in 2022. The part of the advance payments that relates to Empire Wind 2 (€30.5 million) will be converted into a perpetual bond. The bond has no fixed maturity date and can be redeemed by Sif at its principal amount together with accrued and deferred interest at any time at their convenience. There is no risk of a covenant breach because of this cancellation.

The event will have an impact on projected production volumes for 2025 and possibly for 2026. The projected results that Sif announced in conjunction with the final investment decision in February 2023 nevertheless remain unchanged for 2025 (EBITDA of €135 million) due to an expected positive contribution from orderbook rescheduling and cancellation fees. The cancellation will not impact the start-up of the new factory although Sif expects that the ramp-up of production will be less steep than initially planned. Sif is confident that it can successfully fill production volumes for 2026 despite this cancellation and that volume and EBITDA projections for 2026 can be maintained with EBITDA of at least €160 million.

Fred van Beers, CEO of Sif Holding: “While it is disappointing that Empire Offshore Wind had to terminate supply contracts for their Empire Wind 2 US project for now, it is also clear that Sif’s monopile contract for Empire Wind 1 is not affected.

From a broader perspective we are confident that offshore wind developments in the United States, as is the case in Europe and the United Kingdom, will continue to ramp up given the urgent need for green energy and reduction of global warming. Empire Wind 1 remains, as originally planned, the launching project for our newly expanded production facility at Maasvlakte 2 with production starting from the end of July 2024. The first steel deliveries for this project are expected in January and February 2024. Over the coming period, we will enter into discussions regarding the effects of this termination in the same constructive manner as we have always done with Empire Offshore Wind, as a respected client and one of our launching customers, and with Equinor as a shareholder in the company. Together we will, as much as possible, pursue mitigating measures for the effects for both Empire Offshore Wind and Sif. This includes our full support to investigate the possibility of rescheduling and/or booking other projects for the relevant capacity.

Note: Empire Offshore Wind issued a press release related to this termination which can be found here: [Empire Wind 2 offshore wind project announces reset, seeks new offtake opportunities](#)

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ABOUT SIF HOLDING N.V.

Sif is a total solutions provider for design engineering and excellent manufacturing of offshore foundations for wind farms, including logistics and marshalling services. Sif traditionally serves the North-Western European markets and is exploring its global presence. Sif combines two highly automated and flexible production facilities in Roermond and Rotterdam (Tweede Maasvlakte) with technology leadership in rolling and welding of heavy steel plates, which is based on 75 years of experience and innovative in-house developed techniques and processes. Sif primarily produces monopiles, transition pieces and piles that are used to anchor jacket foundations in the seabed for offshore wind turbines.

ABOUT SIF’S EXPANSION PLANS FOR MANUFACTURING FACILITIES

In February 2023 Sif decided to invest an amount of €328 million in expansion of its manufacturing facilities at Maasvlakte 2, Rotterdam, the Netherlands. With the investment, Sif will more than double its production capacity to 500 Kton to create the world’s largest monopile manufacturing plant. The project is financed with €100 million advance payments from launching clients (Empire Wind and Ecowende), €50 million preferred equity from Equinor, €50 million ordinary equity from a rights issue in July 2023,



€80 million from a term loan and €40 million from a lease facility. The execution of the expansion project started in April 2023 and the first production is scheduled for July 2024. The work is expected to be completed in January 2025.