SUBSEA7 AT A GLANCE

People
15,072

Countries
34

Projects completed in 2024
81

Suppliers
8,000+

Vessels
41

OUR VISION

To make possible the global delivery of offshore energy for today and tomorrow.

OUR STRATEGY

We create sustainable value by delivering offshore energy transition solutions, enabling the subsea movement of hydrocarbon molecules and electrons.

Continuous evolution of lower-carbon oil and gas

We design and install subsea systems that leverage enabling products, digitalisation and lower-carbon-intensity solutions. We create value for our clients by accelerating field developments and optimising field economics.

Enabling the growth of renewables and emerging energy

We deliver projects in offshore wind and CCS, and we integrate energy systems through electrification. Our long-term strategy includes floating wind and hydrogen.

HOW WE 'MAKE POSSIBLE'

We have a long track record of delivering complex projects, leveraging strong expertise and experience, as well as our modern, capable fleet.

We have six key differentiators that support our strategy:

- **Early engagement and system innovation**
- **Collaboration and partnerships**
- **Integrated services**
- **Sustainable delivery**
- **Digital solutions**
- **Enabling products**

OUR BUSINESS UNITS

- **Subsea and Conventional**
- **Renewables**
- **Corporate**

Subsea7 reports financial results for three business units:

Subsea and Conventional – focused on lower-carbon oil and gas and CCS, operating under the Subsea7 brand

Renewables – focused on fixed offshore wind and including our early stage strategy in floating wind. It operates under the Seaway7 brand

Corporate – including our autonomous subsidiaries Xodus and 4Subsea

2024 FINANCIAL PERFORMANCE

Subsea and Conventional | Renewables

Net income
$217m
2023: $10m

Free cash flow
$583m
2023: $79m

Net debt
$602m
2023: $552m

Liquidity
$1.3bn
2023: $1.6bn

GLOBAL ENABLER RIGID PIPELAY VESSELS

SEVEN VEGA

SEVEN OCEANS

SEVEN BOREALIS

SEVEN NAVICA

	SEVEN VEGA	SEVEN OCEANS	SEVEN BOREALIS	SEVEN NAVICA
Built	2020	2007	2012	1999
Rigid pipe diameter	4” to 20”	6” to 16”	4” to 46”	2” to 16”
Type	Reel-lay	Reel-lay	S-lay, J-lay	Reel-lay

TO THE SHAREHOLDERS OF SUBSEA 7 S.A.

Subsea7 reported strong operational and financial results in 2024 as it continued to capitalise on the upcycle in the subsea industry and growth in offshore wind. Leveraging our market-leading fleet, in combination with strong project execution, Group revenue increased by 14% year-on-year to $6.8 billion, while our Adjusted EBITDA margin improved to 16% from 12%. Net income increased to $217 million, from $10 million in 2023.

The improved financial outcome for the year was the result of professional execution of the many projects worldwide. The complexity of our projects is at the core of what we do. Experienced people, working well together, manage the many risks in the coordination of engineering, fabrication, transportation, installation and commissioning of projects. Despite activity on contracts won in a less favourable environment during 2020 and 2021, the financial performance of the Group in both 2023 and 2024 met our objectives and shows good progress overall.

With an $11 billion backlog of high-quality projects, and industry dynamics that look set to remain favourable, the Board of Directors and the senior management team are focused on fulfilling the Group's potential to generate strong net cash flow, while remaining disciplined in our reinvestment strategy and prioritising returns to shareholders.

The market and our strategy

Driven by population growth and economic development, it is estimated that on the current trajectory, global demand for energy will continue to increase into the 2030s. Whether demand is met by traditional hydrocarbon resources, or by renewable developments, Subsea7 is positioned to benefit from this long-term structural trend.

For the foreseeable future, the continued development of oil and natural gas will remain essential. Among the world's resources, deepwater developments – the focus of Subsea7's subsea strategy – rank competitively both in terms of economic breakeven and carbon intensity. In addition, the long lead time to first production, and long production plateau, make deepwater developments resilient to volatility in the short-term commodity prices. Consequently, deepwater projects are likely to remain the priority for future development by our clients, and therefore central to our subsea strategy. Beyond our traditional core markets, we see new regions opening including Guyana, Suriname and Namibia.

During the year, the Group completed scopes on offshore wind projects representing four gigawatts. Since our entry into the renewable market in 2009, the capacity installation supported by Subsea7 is sufficient to meet the electricity

Our Values

Safety

Our goal is an incident-free workplace. We work every day, everywhere to make sure all our people are safe.

Integrity

We apply the highest ethical standards in everything we do. We treat clients, our people, partners and suppliers fairly and with respect.

Sustainability

We take a proactive approach towards our social responsibilities, mitigate the impact of our activities on our planet's environment and respond to the effects of climate change.

requirement of almost 19 million homes. While the pace of global transition to sustainable energy sources is a complex issue, the offshore wind industry continues to make significant strides. In 2024, key markets successfully navigated the challenges of higher financing and supply costs, concluding four licence rounds aimed at developing 17 gigawatts of wind power. Challenges remain: permitting and regulatory delays continue to hamper schedules adding unnecessary cost to the industry; the slow build-out of grid connections creates a bottleneck for industry growth; and an ever-increasing size of wind turbines risks undermining the efficiencies that can be gained from standardisation. Despite these constraints, the installed base of offshore wind is expected to grow at nearly 20% per year until at least 2035, providing exciting opportunities for the Group.

A value-driven approach to growth opportunities

Both the subsea and offshore wind markets offer substantial opportunities for Subsea7. Each must be addressed in a disciplined manner, with a strong focus on risk-adjusted value creation, recognising the cyclical nature of parts of our business and the uncertain pace of the energy transition.

Over the past decade, Subsea7 has crafted a strong position within the subsea industry, with major investments in a modern fleet, and a track record of delivering complex projects that is second to none. Exciting potential lies in both the subsea and offshore wind markets, which offer substantial opportunities for Subsea7. Strong, disciplined focus on risk-adjusted value creation is key to our success. One such focus is the development of technology that can enhance the value of the solutions we provide to our clients.

2024 was a particularly affirming year for our Renewables strategy. The decisive action taken to increase the selectivity of our bidding activity – achieving a fairer balance of pricing and risk – drove the improvement in our profitability and has given us greater predictability in our project execution. We begin 2025 on a positive footing and with confidence that we can continue to capture a fair share of the growing market for wind turbine foundation and inter-array cable installation, while delivering acceptable levels of profitability.

With potential in both our subsea and offshore wind businesses, we will approach reinvestment opportunities in a disciplined manner, focusing on maintaining favourable supply-demand tension for our solutions and protecting the positive trajectory of our cash generation and return on capital.

An evolution in our Sustainability reporting

Within this year's Annual Report, Subsea7 has reported its environmental and social impact in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). In its inaugural year, this has required a significant effort from our Board of Directors, senior management team, as well as our strategy, sustainability and finance functions (amounting to over 15,000 workhours) to ensure we report in a transparent and rigorous manner. The process necessitated an extra 57 pages of disclosures that aim to help our stakeholders understand our strategy, impact, risks and opportunities. Our new double materiality assessment has been a key component of this effort. I am pleased with the collaboration and effort demonstrated across the Group to achieve this milestone.

Shareholder returns

In 2024, the Group committed to return at least $1 billion to shareholders in the form of dividends and share repurchases over the four years from 2024 to 2027, and in 2024 $250 million was returned. It is proposed that a dividend of NOK 13 per share, equating to approximately $350 million be returned in 2025, payable in two equal instalments, and subject to shareholder approval at the AGM on 8 May 2025. This represents growth of 40% from the distributions made in 2024.

My thanks

I would like to thank the ~15,000 individuals whose combined commitment and efforts have been instrumental in delivering strong financial and operational results in 2024. I am also grateful to our shareholders for their continued support and trust as we execute our strategy to capitalise on strong existing markets and capture new growth opportunities. Our clients, partners and suppliers have played a crucial role in delivery of complex energy developments in a safe and efficient manner. I thank them for their collaboration and loyalty and look forward to future successes.

Kristian Siem
Chairman

26 February 2025

Performance

We are driven to achieve the outcomes our clients want. We are trusted to achieve superior performance from every project.

Collaboration

We work closely and openly together with clients, partners and suppliers at a local and global level to deliver safer and stronger results for all.

Innovation

We create smarter and simpler solutions to meet the industry's needs. We combine technology, expertise, assets and partnerships to deliver projects in new ways.

"Subsea7's strategy has delivered material growth in profitability in 2024, and the outlook is strong for the coming years."

JOHN EVANS
CHIEF EXECUTIVE OFFICER

A strong financial performance in 2024

Subsea7's revenue increased 14% year-on-year to $6.8 billion, and our Adjusted EBITDA margin expanded 390 basis points to 16%, reflecting our late-cycle exposure to the recovery in the subsea market and structural growth in the offshore wind industry, as well as solid project execution. Driven by strong demand for our services and selective tendering, the mix of long-term contracts in our $11 billion backlog has continued to shift towards those won in a favourable environment, underpinning our confidence in the future.

Revenue in Subsea and Conventional increased 12% year-on-year to $5.5 billion, driven by high activity in Brazil, Norway and Australia, and our Adjusted EBITDA margin increased to 16%. This yielded an Adjusted EBITDA of $897 million – including a contribution of $36 million from the OneSubsea joint venture – up 47% year-on-year.

Revenue in Renewables increased 29% year-on-year to $1.2 billion due to high utilisation of our vessels in the UK, Germany and Taiwan. Our Adjusted EBITDA margin reached 15% as a result of the decisive action taken to improve the selectivity of our bids, as well as strong project execution.

Tendering activity remained at high levels in 2024, with order intake of $8.2 billion, equivalent to a book-to-bill of 1.2 times, including major awards in Brazil, the US, Türkiye, and in the UK in offshore wind. Tendering activity remains strong and our teams in subsea and offshore wind are actively bidding for projects worth around $28 billion, supporting our confidence in the outlook for both business units.

In 2024, the Group made the final payment for the acquisition of a 10% stake in OneSubsea, a subsidiary of SLB, which is also our partner in Subsea Integration Alliance. This stake in OneSubsea reaffirms our integrated subsea offering – a key competitive differentiator – and reinforces our relationship with SLB as we address the opportunities and challenges presented by the energy transition.

Following the delivery of our new build wind installation vessels, organic reinvestment was $349 million in 2024, from $581 million in the prior year and, at year end, net debt was $602 million (comprising net financial debt of $147 million and lease liabilities of $455 million). Balance sheet leverage increased slightly year-on-year but, with a net debt-to-EBITDA ratio of just 0.6 times, we maintained the balance sheet strength that is crucial to our through-cycle resilience, essential in retaining agility to seize opportunities, and supportive of our clients' confidence in our ability to deliver billion-dollar projects.

Investment case

A differentiated offering

- Positioned in structural growth energy markets of today and tomorrow
- A full suite of subsea and offshore wind solutions to move hydrocarbon molecules and electrons subsea
- World-class fleet of high specification enabling vessels
- Subsea Integration Alliance with OneSubsea to provide industry-leading SURF and SPS offering

Proven track record of delivery

- Robust project execution delivering large and complex energy projects
- Track record of strong project execution across the globe, managing a supply chain of over 8,000 suppliers
- Creating value and unlocking developments through early engagement and customer alliances

Differentiators driving success in subsea

In 2024, the subsea business leveraged the Group's differentiators of early engagement, collaborations and alliances and an integrated offering to deepen its relationships with key clients as the subsea market continued to tighten. Our clients increasingly came to Subsea7 to help plan and execute their portfolio of developments.

In 2024, Subsea Integration Alliance extended its relationship with Equinor through a new long-term strategic alliance. The agreement represents an innovative way of working that enables a deeper collaboration to improve the return profile of developments, unlocking potentially stranded hydrocarbon reserves. It includes an exclusive cooperation on two challenging projects: the Wisting field offshore Norway and Bay du Nord offshore Canada. By engineering optimised solutions together with Equinor, Subsea Integration Alliance aims to deliver development plans that are economically viable and can make progress towards sanction.

During 2024, we also built upon our successful relationship and track record of performance with Turkish Petroleum, with whom we have been working since 2021 on the development of the giant Sakarya gas field. In 2024, Subsea7 was awarded a contract for the installation of Türkiye's first floating production unit, marking our fourth scope on the Sakarya development. Subsea7 was also subsequently awarded a multi-year, wide-ranging, inspection, repair and maintenance contract, demonstrating our ability to deliver engineering solutions through the full asset lifecycle.

During the year, we extended our successful position in Brazil with the award of the Búzios 9 development, representing our fifth major contract award in the country since 2020 for a combined value of $5.4 billion. The sustained level of activity generated by these projects will enable us to unlock efficiencies in engineering, optimise project execution and maximise the utilisation of our fleet. Additionally, in Brazil, we secured four three-year contracts for our pipelay support vessels (PLSVs) worth $1.4 billion. The visibility on cash generation provided by these contracts underpins our commitment to shareholder returns for the coming three years.

Track record for delivery in renewables

After commissioning our two new build installation vessels, in 2024 we focused on optimising the utilisation of our enlarged fleet and achieving strong project execution.

A total of 93 foundations, 40 turbines and over 400 kilometres of cables were installed during the year, supporting power generation capacity of four gigawatts and extending our long track record of efficient delivery.

In foundation installation, we remained focused on our core markets in Europe, where the regulatory environment is well understood and where we have long-term, collaborative relationships with key clients. In cable lay, our vessels benefit from fast transit speeds allowing access to the global market including Taiwan, the US, the UK and continental Europe.

During the year, Subsea7 continued to pursue CCS opportunities and executed the second phase of the Northern Lights project in Norway. Although currently a small market, CCS represents incremental optionality for our existing fleet of subsea pipeline installation vessels, as well as a potential source of market opportunity with SLB and OneSubsea through Subsea Integration Alliance.

Strong momentum expected to continue

Management is confident in the outlook for the Group supported by a high backlog and a robust tendering pipeline. The dynamic in subsea remains favourable, with strong demand from clients. While new vessels are being ordered in the offshore wind industry, these are focused away from our core services of foundation installation and cable lay where our opportunity to add value is greatest and where long-term demand is set to outstrip supply.

Looking ahead to 2025, revenue is anticipated to be between $6.8 and $7.2 billion. As the mix of activity continues to shift to projects won in a more favourable environment, our Adjusted EBITDA margin is expected to be between 18 and 20%. This margin is expected to continue to improve, exceeding 20% in 2026. Our disciplined approach to reinvestment underpins our expectation of significant cash generation in 2025 and 2026.

Overall, through strong positions in lower-carbon oil and gas, as well as offshore wind, Subsea7 is well placed to deliver the energy the world needs for today and tomorrow.

John Evans
Chief Executive Officer

Financial performance

- $11 billion backlog of high-quality projects with resilient economics provides visibility on 2025 and beyond
- On track to achieve 18 to 20% Adjusted EBITDA margin in 2025 with further upside expected in 2026
- Balance sheet strength, with a net debt-to-EBITDA of just 0.6 times, provides client and investor assurance

Shareholder returns

- Shareholder returns underpinned by high cash generation in 2025 and beyond
- At least $1 billion to be returned from 2024 to 2027
- Use of excess cash assessed annually by the Board
- Track record of delivering capital returns, with $2.5 billion returned since 2012

FULL SERVICE ACROSS THE DEVELOPMENT LIFECYCLE

	Concept	Design	Engineer	Procure and Fabricate
	Input at the concept phase allows for optimisation of later lifecycle stages.	Robust front-end engineering and design (FEED) ensures accurate forecasting.	Detailed engineering by experienced personnel delivers the best solution.	Efficient procurement and high-quality fabrication optimise costs.
What we do	Whether in oil and gas, wind or emerging energies, being involved at the earliest stage of development enables us to deliver maximum value. The concept stage is key to optimising costs and emissions during development and in the later lifecycle stages.	We advance the conceptual development through our FEED services to ensure the right solution is selected to fully optimise the development.	Engineering is at the core of what we do. Detailed engineering involves taking the initial solutions developed in the concept and FEED stages and refining these for execution. For certain wind projects, our engineering teams also support clients in their bids for offshore licences.	Our teams are able to execute large engineering, procurement, construction and installation (EPCI) projects in all our business units and in all geographies. The scale and global reach of our supply chain management differentiates us.
How we add value	We incorporate new technologies and standardisation into the design process to lower the total cost of development and optimise emissions. Our carbon estimator tool is used in all our significant tenders.	We work with our alliance and client partners to optimise solutions, align schedules and accurately forecast full lifecycle costs. The earlier our involvement, the more value we can add through optimised design.	Our global teams of experts have a track record for designing the best solutions and executing them. This stems from our ability to solve problems and engineer solutions.	We have a clear understanding of the risks and opportunities that exist when working with a large, global supply chain network. We have strong, collaborative relationships with our suppliers.

Late cycle exposure

Subsea7 is focused on the development stage of the project lifecycle and, as such, its activities are late cycle. In subsea, this follows the client's exploration and appraisal activities to define the characteristics of a reservoir. In offshore wind, it follows licence award, consenting and subsidy or power purchase agreement. Our contracts typically follow the final investment decision (FID) for a project by our client.

Contract structure

Within subsea, our contracts are mainly fixed-price EPCI scopes, typically three years long, with the first two years focused on engineering and procurement and offshore installation activity in the final year. In offshore wind, our contracts vary and include multi-year, fixed-price EPCI projects as well as shorter transport and installation (T&I) scopes on a fixed-price or day-rate basis.

Subsea7 provides project management, engineering and construction expertise across the full development lifecycle. These services are delivered to clients across the energy landscape, in oil and gas, offshore wind and emerging energies.

Install and Commission

World-class vessels enable safe, on-schedule and cost-efficient installation.

We install and commission subsea infrastructure for hydrocarbon and renewable energy developments in all water depths. We install turbines, foundations and inner-array cables for fixed and floating wind farms.

Our fleet of modern, high-specification vessels allows us to install market-leading solutions. Our experts have the experience to deliver these solutions safely and efficiently.

Maintain

Effective and responsive maintenance reduces the cost of ownership.

We specialise in maintaining offshore infrastructure through use of our dedicated fleet and technologies. Our digital products and services help optimise maintenance and reduce downtime and unplanned outages.

We incorporate our maintenance knowledge and digital monitoring into the design of the field, lowering the total cost of ownership for our clients.

Extend

New technologies extend the life of the field development and maximise the return on investment.

We have a growing portfolio of technologies that enable clients to extend the life of their assets through production enhancement, as well as the tie-in of satellite reserves.

Our technology portfolio offers a range of solutions for all field extension needs. We collaborate with partners across the supply chain to deliver these solutions.

Decommission

Facilitation of abandonment, decommissioning and reuse of infrastructure.

We have the capacity to decommission large-scale infrastructure in both oil and gas and wind markets. We can manage all aspects including regulation, technology, environment, planning, execution and costs.

We draw on our skills in engineering and project management, as well as our enabling vessels, to decommission fields, with high standards of safety and sustainability as a priority.

Supply chain management

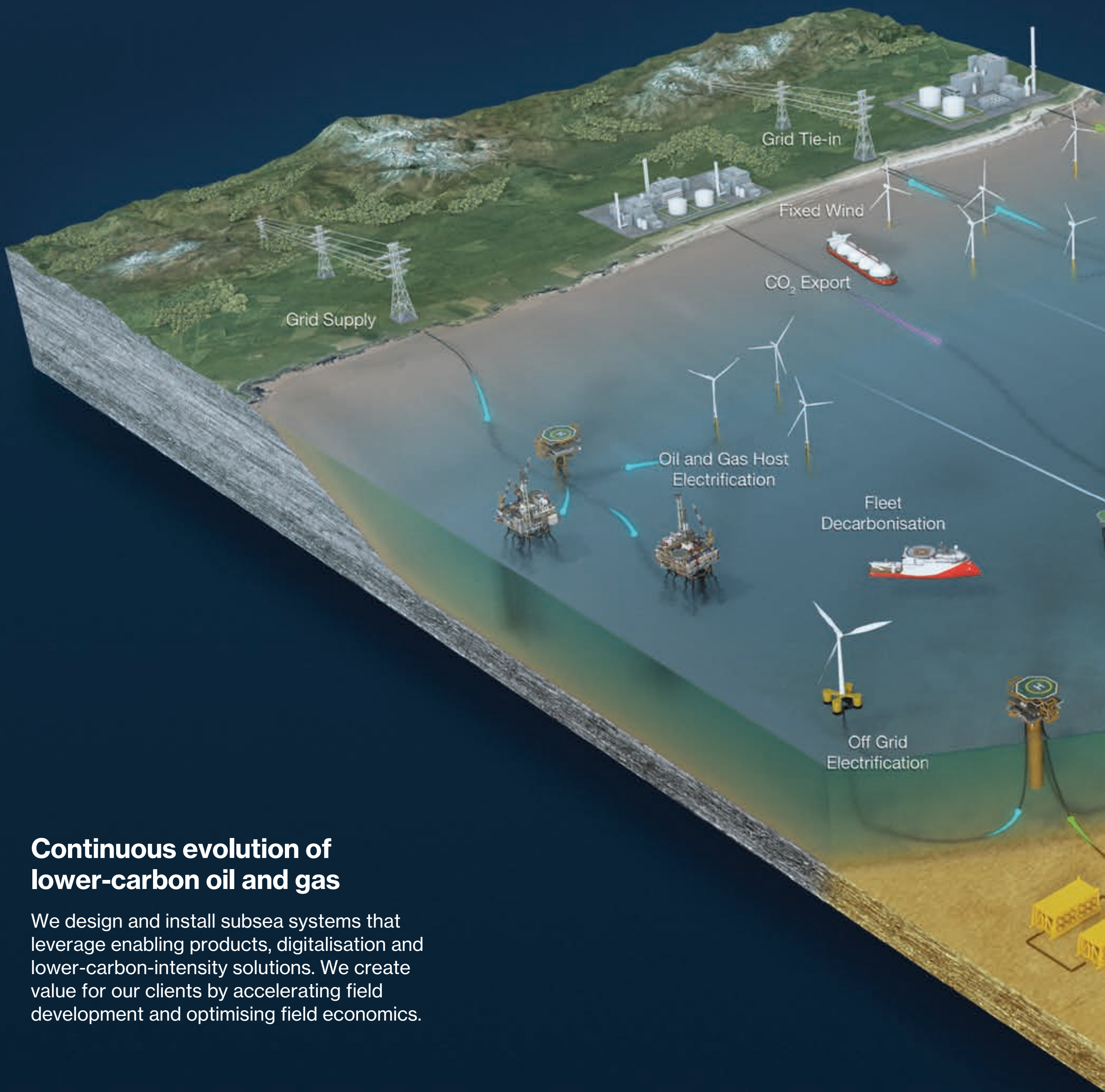
Our procurement teams and project managers are experts in coordinating a vast number of suppliers around the world. We have strong, collaborative relationships with key suppliers and work together to ensure capacity and delivery aligned with our clients' development schedules. We reduce our supply chain risk through back-to-back contracts and framework agreements with suppliers.

Fleet strategy

Subsea7 has a fleet of 41 vessels, of which 29 are owned and 12 are chartered. In order to maintain resilience and agility, we own the highest-specification vessels, which are key to winning and executing projects. We charter smaller construction vessels that support our key enablers. This balances our need for access to installation capacity while retaining flexibility in our cost base.

OUR WORLD

Subsea7 creates sustainable value by delivering the offshore energy transition solutions the world needs.

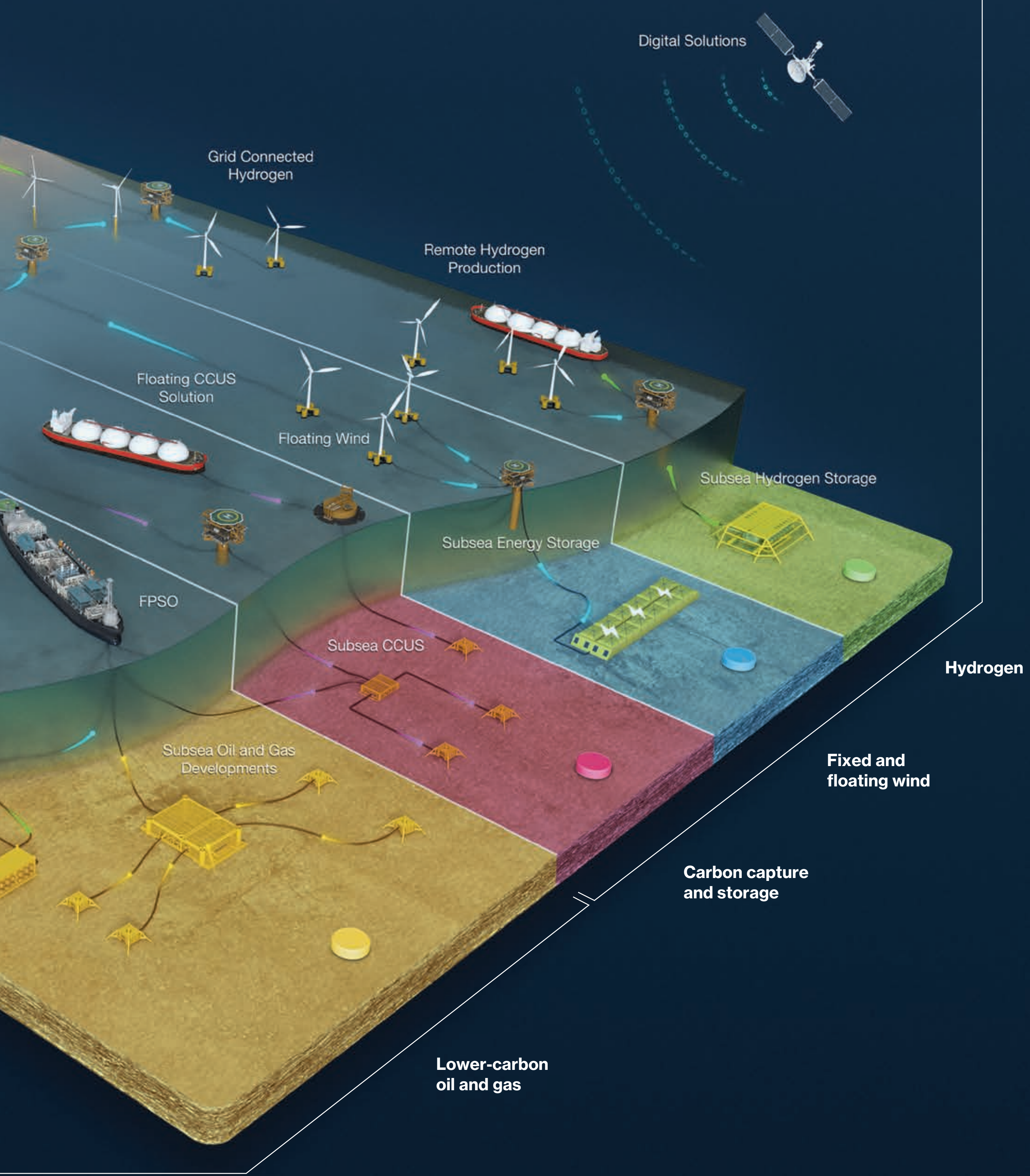


Continuous evolution of lower-carbon oil and gas

We design and install subsea systems that leverage enabling products, digitalisation and lower-carbon-intensity solutions. We create value for our clients by accelerating field development and optimising field economics.

Enabling the growth of renewables and emerging energy

We deliver projects in offshore wind and carbon capture and storage (CCS), and we integrate energy systems through electrification. Our long-term strategy includes floating wind and hydrogen.



INDUSTRY TRENDS

DEEPWATER RESILIENCE

The spot price of Brent averaged approximately $80 per barrel in 2024, but uncertainty regarding the supply-demand balance has pushed the forward curve below $70 per barrel. Despite the pullback, this remains a favourable price for the deepwater market on which Subsea7 is focused.

Deepwater exposure adds resilience

Our subsea business is focused on deepwater markets, enabled by specialist vessels that can install pipelines in water depths up to 3,000 metres. The economics of projects in deep water are attractive, with an average oil price breakeven of $34 per barrel and a materiality that makes them a strategic investment priority for our clients.

Late cycle, long-term projects add visibility

At the point of Subsea7's involvement, significant capital will have been invested by our clients in a subsea development, particularly after it has been sanctioned and procurement activity has commenced. Since January 2020, only one significant deepwater project in our backlog has been deferred by a year or more, and none have been cancelled. Given the very low cancellation rate and the typical three-year duration of our contracts, we have high visibility on the upcoming years. Our strong balance sheet enables us to weather economic downturns and adds confidence to our clients in our ability to deliver.

GAS AS A TRANSITION FUEL

Natural gas and gas-fired power play an important role in the energy transition, with significantly lower emissions than coal-fired power, while providing support to potentially intermittent energy from renewables sources. In addition, gas resources offer energy security and self-sufficiency to countries such as Türkiye and Guyana. Major gas-exporting nations such as Australia play a significant role in supplying this cleaner energy resource to global markets.

Rystad estimates that the proportion of offshore oil:gas production has shifted from 71:29 in 2000 to 60:40 in 2024, and will reach 53:47 by 2045. It estimates that this evolution will require the development of 745 trillion cubic feet of incremental gas reserves, equivalent to around 18 times the volume sanctioned in 2024.

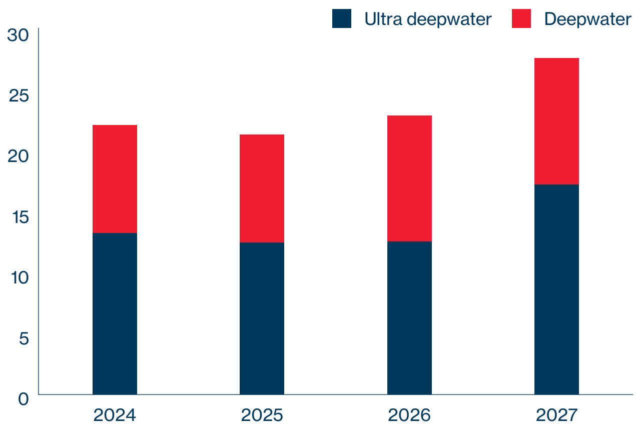
Subsea7's gas exposure

For Subsea7, gas developments have accounted for $4.9 billion revenue over the last three years, increasing from $1.2 billion in 2022 to $2.1 billion in 2024. This included work in Norway, Türkiye, Australia, Angola, Brunei, Trinidad and Tobago, and Guyana.

Our subsea engineering, procurement and installation solutions are highly competitive in both oil and gas. Over the long term, we would expect to have a similar position in both of these subsea markets, with an increasing proportion of our activity focused on gas developments over time.

SUBSEA SPENDING

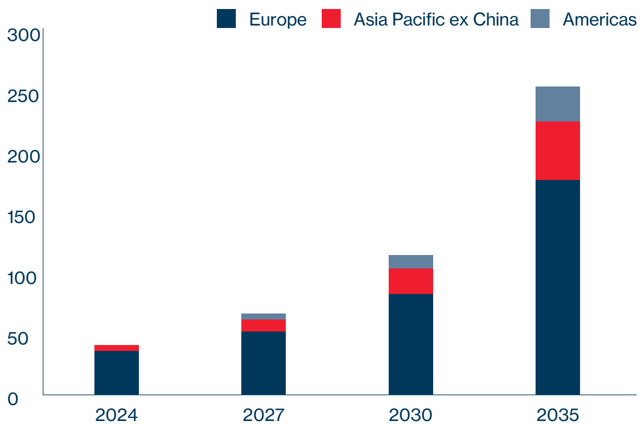
($bn, capex and opex)



Source: Rystad Energy ServiceCube (ex-Russia), February 2025

GLOBAL FIXED OFFSHORE WIND MARKET

Cumulative installations (GW)



Source: BNEF, February 2025

THE ENERGY TRANSITION

Subsea7's strategy is aligned with the energy transition in several ways: through our operations in offshore wind and CCS, our focus on deepwater oil and gas and in decarbonising our own fleet.

Subsea7, through its Seaway7 brand, has been operating in offshore wind since 2009, and by the end of 2024 had installed 1,220 foundations and nearly 3,000 kilometres of cables. Approximately 17% of Group revenue was derived from offshore wind in 2024, and our $2 billion offshore wind backlog as well as a strong pipeline of potential tenders support a positive outlook.

In 2024, Subsea7 completed its first carbon transportation and storage project, Northern Lights in Norway. Such projects utilise our existing subsea fleet and, as such, offer a new source of growth with minimal associated investment.

Deepwater developments have an advantaged carbon-intensity profile, primarily due to the efficiency and scale of these projects as they often target very large reservoirs.

As part of the broader maritime industry, Subsea7 is aiming to reduce the emissions associated with our fleet by 50% in 2035 and to reach Net Zero in 2050. Our strategy includes optimising fuel efficiency with our advanced digitisation tools and hybridising the power on our vessels through the addition of battery power. However, key to decarbonisation will be the use of clean fuels, and the availability of these at scale, globally, is a challenge for the entire maritime industry.

WIND MARKET DYNAMICS

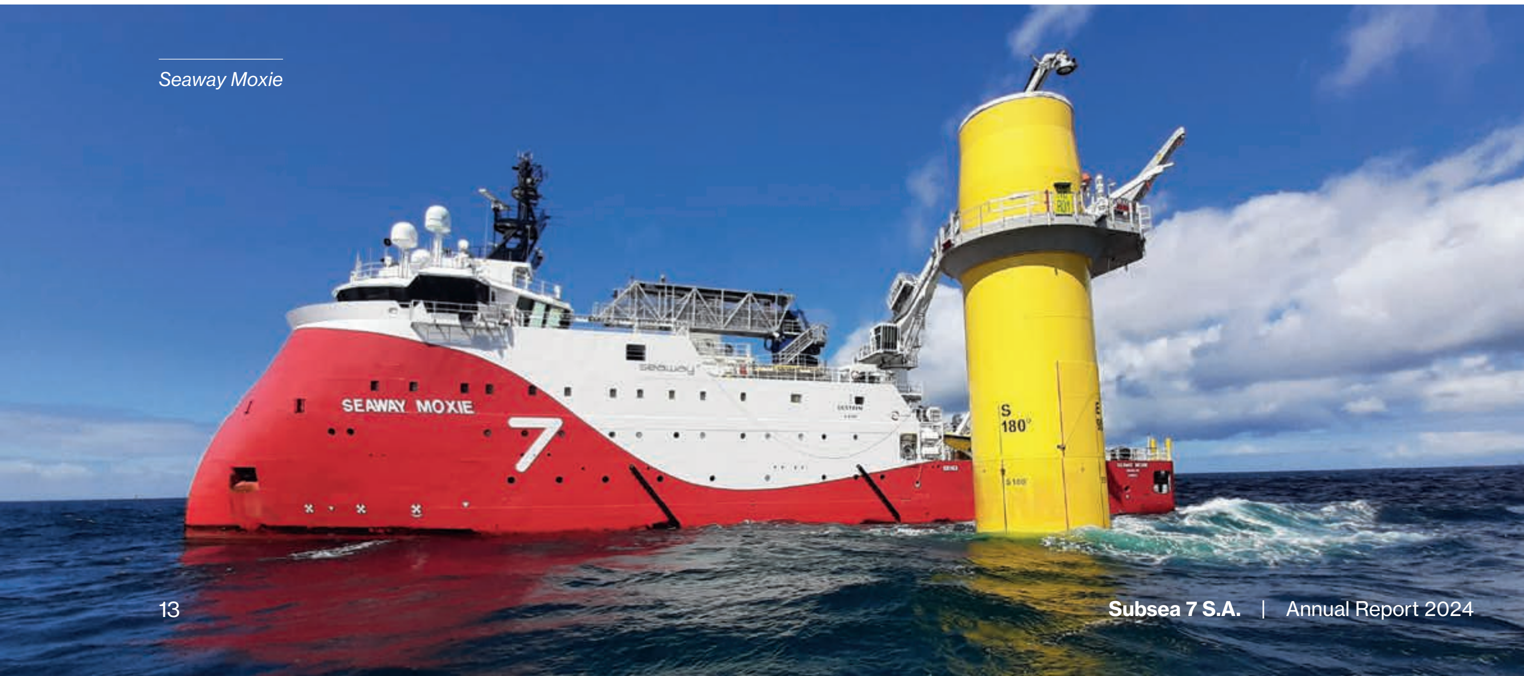
Over the last decade, the size of the average newly installed offshore wind turbine generator has increased from 4MW to 16MW, with a trend towards 20MW. Although the relationship is not linear, as turbine sizes grow, so do foundations, and these require greater lifting capabilities (in terms of both volume and weight) of installation vessels.

The continued push to larger turbine sizes is being challenged by the industry, with significant efficiencies to be gained through standardisation and stabilisation at 16MW. However, given the long lead time to delivery of a new build vessel, Subsea7 must take a long-term view of the market and potential trends.

Maintaining performance

Over the past year, we have been focused on achieving good operating efficiency from our fleet of six offshore wind vessels and delivering improved margins and returns on a sustainable basis. With improved recent results and a backlog of contracts with more favourable risk-reward characteristics, we are confident that our offshore wind business can create value.

Our strategy for future reinvestment in our wind fleet targets support from clients in the form of commitments to long-term contracts that aim to ensure high utilisation and safeguard return on investment. Our close, collaborative relationships with clients should ensure a win-win arrangement as we work together to realise their development goals.

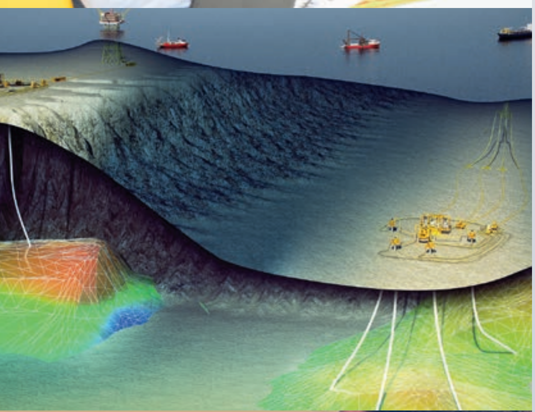


Seaway Moxie

OUR DIFFERENTIATORS

Early engagement and system innovation

We bring our clients supplier-led solutions during the early phase of development, including state-of-the-art technology and innovation, enabling optimisation of field architecture. We work with the supply chain and our own fleet schedules to secure capacity and guarantee project schedules. Use of our carbon estimator tool can reduce a development's carbon footprint by optimising the volume of steel and vessel utilisation. A deep understanding of the project challenges allows us to collaborate with all stakeholders to mitigate risk. Overall, we help our clients optimise their capital expenditure and life-of-field operating expenses to improve breakeven oil price economics. We achieve this with our Field Development Group of engineers and experts from key disciplines across the Group, as well as through Xodus, our autonomous subsidiary that provides consulting services.



Integrated services

Subsea7 offers integrated subsea umbilicals, risers and flowlines (SURF) and subsea production systems (SPS) solutions through Subsea Integration Alliance, our partnership with OneSubsea. Integration offers clients cost efficiency, streamlined operations, enhanced project execution and improved overall performance. Reflecting its success, the alliance has been awarded contracts worth $8 billion since inception, and Subsea7's share has represented more than 25% of the revenue of the Subsea and Conventional business unit. In 2021, Subsea Integration Alliance extended the integrated concept, delivering a 'Pore to Process' project at Sakarya in Türkiye that provided the client one interface for reservoir well completion, SURF and SPS, and an onshore receiving terminal. Pore to Process can also be reversed, offering CCS taking CO_2 from onshore industries to offshore sequestration sites.

Digital solutions

Subsea7's digitalisation strategy focuses on early engagement and project delivery. Ocean Plan is a proprietary platform that helps us accelerate and optimise developments using a catalogue of products to build virtual field architectures. It allows clients to assess capital expenditure, operating costs and emissions for various scenarios and field designs. During the delivery phase, we use product catalogues, automated engineering workflows and collaborative deliverable management software to improve the control, speed and efficiency of our project delivery. We use data-driven decision making to optimise our planning and our vessel operability to maximise our productivity and deliver predictable performance to our clients. We collate the data we generate throughout the project lifecycle to enable streamlined handover to operations and continuous organisational learning.

A NEW ALLIANCE WITH EQUINOR

At a glance

- A new alliance to enable early engagement and collaboration to optimise subsea development economics
- Exclusive collaboration for the Wisting field offshore Norway and Bay du Nord off Newfoundland and Labrador, Canada
- Any resulting subsea engineering, procurement and installation scopes for Wisting and Bay du Nord would be directly awarded to Subsea7

What it means for Subsea7

- Although final characteristics of the field developments are subject to ongoing design and engineering, Bay du Nord could represent a 'super-major' contract i.e. over $1.25 billion
- Installation of Bay du Nord and Wisting would likely commence beyond 2027, offering Subsea7 visibility on utilisation of its highest-specification pipelay vessels
- Follows projects in Norway and Brazil and strengthens the relationship with Equinor

Collaboration and partnerships

Collaboration is a core Value of Subsea7. We have a long-term track record of working together to address the challenges of delivering solutions for complex projects. We draw on the expertise of our engineers, experience of our project and supply chain managers and our high-specification, modern fleet of vessels.

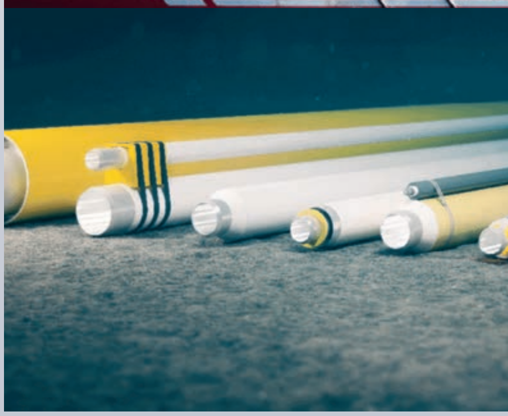
This is reflected in the success of alliances with companies such as Aker BP, bp and Equinor, and close collaboration with Shell, Chevron, several independent E&P companies and SSE Renewables. There is an increasing trend of clients coming directly to Subsea7 to sole-source their developments to minimise the tendering phase, accelerate developments and achieve first production or first power sooner.

Sustainable delivery

Sustainable delivery prioritises the material areas that create value for Subsea7 and its stakeholders. We communicate our sustainability through three pillars: i) Solutions for the world's energy needs, focused on delivering offshore energy for today and tomorrow and addressing our greenhouse gas emissions; ii) Safety and people including health and safety, talent attraction, development and retention, and diversity and inclusion; iii) Acting responsibly, centred on maintaining high standards of behaviour and ensuring compliance with legal and regulatory requirements, promoting transparency and accountability, and fostering a strong culture of integrity. These pillars are designed to help Subsea7 contribute positively to the global sustainability agenda while achieving long-term value creation for the business and its stakeholders.

Enabling products

Subsea7's strategy of enabling products focuses on delivering innovative and cost-effective solutions, leveraging extensive experience and technical expertise. These products include advanced riser and flowline systems, subsea processing, flow control and metering solutions as well as digital solutions for enhanced operational efficiency. Subsea7's enabling products are designed to improve project execution, reduce costs and ensure the integrity and reliability of offshore installations. By integrating these products into our offerings, Subsea7 aims to provide clients with comprehensive solutions that address the challenges of complex energy projects, ultimately driving value and sustainability in the offshore energy sector. An example of our enabling products, bundle pipelines, is outlined below.



ENABLING PRODUCTS – BUNDLE PIPELINES

At a glance

- The pipeline bundle concept is unique to Subsea7
- We combine lines for production, water and gas injection and umbilicals for power and data transmission into one length of pipe
- The Group has a fabrication facility for bundles in Wick, in the UK, principally serving the UK and Norway
- Bundles are a cost-efficient solution for short tie-backs that minimise vessel time and accelerate development

What it means for Subsea7

- We have undertaken 91 bundle projects in the UK and Norway, supporting our market leadership in the region
- Bundles are included in our solution for Aker BP's developments of Fenris and Yggdrasil in Norway
- The concept could also be well-suited to a closed sea such as the Caspian, offering growth opportunities
- By reducing the carbon footprint of a development, the concept helps Subsea7 and its clients reduce emissions

STRONG PERFORMANCE ACROSS THE GROUP

Subsea7 reports the financial results of three business units:

Subsea and Conventional

Renewables

Corporate

The Corporate business unit includes early-stage activities in hydrogen, as well as contributions from Xodus and 4Subsea. While these form an important part of our strategy for the future, they did not make a significant financial contribution in 2024.

Subsea and Conventional

Our Subsea and Conventional business unit is a world leader in delivering complex offshore projects to the oil and gas industry. It operates under the Subsea7 brand. It predominantly includes the financial results for our **Lower Carbon Oil and Gas** strategy and also encompasses our activities in CCS.

In 2024, revenue from the Subsea and Conventional business unit increased 12% to $5.5 billion, and Adjusted EBITDA improved to $897 million from $612 million in the prior year, resulting in a margin of 16.3%, up from 12.4%. This was driven by solid project execution as well as improved risk-reward within our backlog of subsea projects. Net operating income was $404 million, more than double the prior year's income of $196 million.

During the year, utilisation of our vessels in Subsea and Conventional was high. Key offshore activities included the Bacalhau and Mero 3 projects in Brazil and the Sangomar project in Senegal. In Australia, our vessels were active on the Scarborough and Barossa developments. We substantially completed Marjan 2, in Saudi Arabia, as well as the Gas to Energy project in Guyana. The Northern Lights project in Norway also saw completion of offshore activities.

As part of our alliance with Aker BP, our facilities at Vigra and Wick were active welding pipelines and fabricating bundle pipelines for the Skarv, Fenris and Yggrasil fields in Norway. We also completed some early offshore work, laying the first production pipeline and bundle. In addition, several large projects in the engineering and procurement phases made

Seven Kestrel

progress during the year, including Sakarya Phase 2 in Türkiye and Búzios 8 in Brazil.

Backlog

In 2024, notable new awards included Búzios 9 in Brazil, Trion in the Gulf of Mexico and additional scopes at Sakarya. In addition, we were awarded four three-year contracts for our PLSVs in Brazil. Overall, our order intake in Subsea and Conventional in 2024 was $6.7 billion, a book-to-bill ratio of 1.2 times, and our backlog increased 6% to $9.0 billion. Of this, $4.8 billion is for execution in 2025. Tendering activity remains high.

Capital expenditure

In 2024, organic reinvestment in Subsea and Conventional fell to $145 million from $156 million in the prior year and focused on dry docking costs, maintenance and minor upgrades. We also completed the investment in OneSubsea, with the final payment of $153 million, and we acquired a heavy construction vessel, now named *Seven Merlin*, for $83 million.

Renewables

Subsea7's Renewables business unit primarily comprises the activities of Seaway7, a market leader in fixed offshore wind. Seaway7 is also responsible for our activities in floating offshore wind, although this remains early-stage and did not make a significant contribution to the 2024 financial results. As such, this business unit aligns with our **Renewables and Emerging Energies** strategy.

In 2024, revenue from the Renewables business unit increased 29% to $1.2 billion, and Adjusted EBITDA improved to $185 million from $103 million in the prior year, resulting in a margin of 15.0%, up from 10.7%. This was driven by a strong focus on execution and greater selectivity in project bidding to ensure a favourable balance of risk and reward. Net operating income was $53 million, up from a prior year loss of $74 million.

During the year, *Seaway Strashnov* and *Seaway Alfa Lift* were active in the UK on Dogger Bank A and B and Moray West, while in Germany, *Seaway Ventus* completed its inaugural turbine installation scopes at Gode Wind 3 and Borkum Riffgrund 3. Our cable-lay vessels, *Seaway Aimery*, *Seaway Phoenix* and (on charter) *Maersk Connector*, were active in Taiwan and the US on the Yunlin, Zhong Neng, Hai Long and Revolution projects.

Backlog

In 2024, notable new awards included the Baltica 2 substation scope in Poland, East Anglia Two and Hornsea 3 cable-lay projects in the UK and an incremental scope at Dogger Bank for turbine installation. Our Renewables backlog increased 6% to $2.1 billion, of which $1.0 billion is for execution in 2025. Tendering activity remains high and, despite political change in certain geographies, we are confident in the long-term potential for backlog growth.

Capital expenditure

In 2024, capital expenditure in Renewables fell to $73 million from $400 million in the prior year following the delivery of new build vessels *Seaway Alfa Lift* and *Seaway Ventus*. Reinvestment was focused on vessel maintenance and minor upgrades.

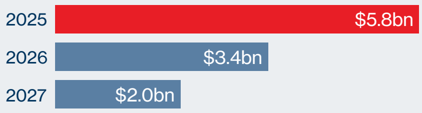
2024 FINANCIAL RESULTS

ORDER INTAKE

$8.2bn

BACKLOG BY YEAR OF EXECUTION

$11.2bn

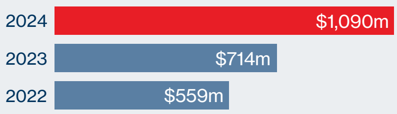


REVENUE

$6.8bn

ADJUSTED EBITDA

$1,090m




SEVEN NAVICA
subsea 7
SEVEN NAVICA

COMMITTED TO OPERATING IN A SAFE AND ETHICAL MANNER

Subsea7 has a strong values-led culture and believes that operating in a safe, ethical and responsible manner is at the heart of creating sustainable value for all our stakeholders.

2024 at a glance

Below are some key figures from 2024 across all sustainability dimensions.

Cumulative power capacity of renewables projects supported to end of 2024

15.8GW

(2023: 11.9GW)

GHG emissions intensity ratio

109

Scope 1 GHG tCO_2-e/$ millions revenue (2023: 110)

Purchased onshore electricity from renewable energy tariffs

74%

(2023: 69%)

Lost-time injury frequency

0.04

rate per 200,000 hours worked (2023: 0.03)

Women in top management positions[1, 2]

20%

(2023: 16%)

Employees completing cybersecurity e-learning

99%

(2023: 97%)

Employees completing compliance and ethics e-learning including anti-corruption[1, 3]

100%

of target population (2023: 98% of target population)

Percentage of suppliers with a contract that included human rights clauses

85%

(2023: 83%)

Environmental incident frequency

0.9

rate per 200,000 hours worked (2023: 1.18)

1. Metric is consistent with the Sustainability Statements.
2. Top management includes the Executive Management Team and the Leadership group.
3. Percentage has been rounded to 100%. The actual is 99.7%.

OUR EVOLVING APPROACH TO SUSTAINABILITY

At Subsea7, our approach to sustainability extends beyond the way we work and the behaviours we value to encompass the business impacts, risks and opportunities associated with the transition to lower-carbon energy sources. We prioritise material topics that create long-term value for both the business and its stakeholders.

Embedding sustainability across our business

Subsea7's approach to sustainability is guided by a materiality assessment to ensure we prioritise the impacts, risks and opportunities that are of significant importance to our stakeholders, as well as those that could have a material influence on our business and the world around us. Taking this approach allows sustainability matters to be integrated within strategic planning to support future preparedness and long-term profitability.

At the end of 2023, we undertook a double materiality assessment to validate whether our current material topics continue to be appropriate and to identify emerging issues. The findings of the assessment showed a total of 10 material topics, which represent Subsea7's most important focus areas. We have simplified these topics under a three-pillar sustainability framework presented on the next page.

Our sustainability framework is designed to enable Subsea7 to positively contribute to the global sustainability agenda while achieving long-term value creation for the business and its stakeholders: i) Solutions for the world's energy needs, focused on delivering offshore energy for today and tomorrow and addressing our GHG emissions; ii) Safety and people, centred on health and safety, talent attraction, development and retention, and diversity and inclusion; iii) Acting responsibly, maintaining high standards of behaviour, ensuring compliance with legal and regulatory requirements, promoting transparency and accountability, and fostering a strong culture of integrity.

Our commitment to sustainability is integral to our strategy and core Values. These Values, along with our Code of Conduct, define who we are and how we conduct business. We remain focused on these fundamental aspects of our business and continue to uphold ethical business practices and compliance throughout our organisation and supply chain. Our Environmental, Social and Governance (ESG) performance continues to be assessed by several ratings companies and our efforts are recognised.

Governance around sustainability matters

Subsea7 recognises the importance of having a solid governance framework around sustainability to ensure we have the correct agenda and that it is driven by effective leadership. For further details on sustainability governance, see the Sustainability Statements on pages 64 to 121.

Engaging with stakeholders

Engaging with and responding to our stakeholders is important to Subsea7's business development and sustained success. This involves building and maintaining a foundation of trust and long-term relationships. By understanding our key stakeholders' interests and priorities, we can better align on shared priorities and evaluate our strategic direction within the context of their expectations. Further details on stakeholder engagement and the types of topics discussed are included in the Sustainability Statements on pages 64 to 121.

Moving towards the new disclosure requirements

With the corporate sustainability reporting landscape evolving, Subsea7 has been preparing itself for the EU Corporate Sustainability Reporting Directive (CSRD). Throughout 2024, Subsea7 focused on its sustainability disclosures in accordance with the applicable European Sustainability Reporting Standards (ESRS) as set forth by the CSRD. The process included updating our materiality assessment based on a double materiality approach and providing transparency around various management practices, policies and controls to support greater transparency on several topics.

Subsea7's sustainability disclosures in line with the CSRD are reported in the dedicated Sustainability Statements section of this report.

READ MORE ON PAGE 64

WE SUPPORT

UN GLOBAL COMPACT

Since 2019, Subsea7 has been a signatory to the UN Global Compact. We remain committed to the UN Global Compact and the 10 key principles of that compact. Our approach to respecting and protecting human rights, providing safe and fair labour practices, safeguarding the environment and working against corruption in all forms is central to our ways of working and our sustainability efforts. By operating from these strong principles, we ensure we are making our best efforts to uphold the commitment to supporting these global challenges and driving towards a more sustainable future. We are pleased with the progress we are making in support of these principles.

Three pillars of sustainability

Overview of our strategic sustainability focus areas:

01

Solutions for the world's energy needs

Climate strategy

Delivering the offshore energy transition solutions the world needs to support a lower-carbon future economy. Adapting and managing the impacts, risks and opportunities to create long-term value.

GHG emissions

Improving the efficiency of our operations and our solutions in terms of greenhouse gas emissions in support of a Net Zero future.

Collaborations and partnerships

Building mutually beneficial partnerships to create impact and value.

02

Safety and people

Health and safety

Creating, maintaining and promoting a safe, secure and healthy work environment.

Talent attraction, development and retention

Encouraging people to achieve their career aspirations, in an environment where they can thrive, that supports their wellbeing, and where they have the relevant skills to deliver our strategy.

Diversity and inclusion

Fostering an inclusive environment to ensure equity and strengthen creativity, decision making and new ways of thinking in support of a sustainable future.

03

Acting responsibly

Business ethics

Ensuring ethical business conduct and compliance by those working in and for the Group.

Labour practices and human rights

Providing working conditions aligned with international standards with respect to labour practices and human rights.

Responsible supply chain

Working with our suppliers to align and uphold the key principles set out in our Code of Conduct for Suppliers.

IT cybersecurity and privacy

Ensuring adequate security systems and controls are in place to manage cybersecurity threats and events.

Ecological impacts*

Minimising the impact of our operational activities on marine and land-based ecosystems and biodiversity.

* Not assessed as material within the Group's double materiality assessment but considered important to Subsea7

OUR PEOPLE

Our employees are our most valuable asset, forming the core of our business and driving everything we do. The 'Being7' initiative represents our employer brand and the foundation of our culture. It encapsulates what we offer our employees, what they contribute to Subsea7 and the overall experience of working here.

2024 highlights

In 2024, we further enhanced our 'Being7' offering, providing our employees with a career they can be proud of, an incredible journey and an environment where they can thrive. Our 'Being7' offer is supported by our Learning and Development, Diversity and Inclusion (D&I) and Health and Wellbeing strategies.

Regular surveys help us identify areas for improvement to continually enhance Subsea7. In 2024, over 3,200 of our offshore and onshore employees were nominated for 'Being7 Stars' by their colleagues in recognition of fostering inclusivity at work.

Learning and development

The commitment to learning and development continued in 2024. We continued our Project Manager Diploma, Management Development, Leadership, and Safety Leadership programmes and introduced three new programmes to our Academy 7 suite: 'Project Success', 'Commercial Awareness' and the 'Rise' career development programme. We welcomed 184 new graduates to our 2024 class. Our annual Festival of Learning, themed 'Our Business Performance' attracted over 7,000 attendees participating in more than 80 sessions.

Diversity and inclusion

We maintain our focus on four pillars: inclusive culture, gender balance, nationality balance and the recruitment pipeline. After a successful pilot, we have globally launched our '7Ally Upstander' programme to our people on and offshore, tackling inappropriate workplace behaviour and promoting upstander behaviours and allyship. Offshore permanent female hires rose from 8% to 12%, while onshore permanent female hires rose from 38% in 2023 to 42% in 2024. We supported inclusivity by bringing more diverse thoughts, genders and under-represented nationalities through conversion programmes both onshore and offshore as well as investing in a Women in Business cohort.

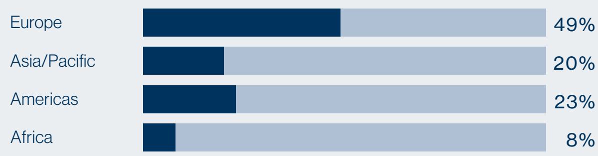
Health and wellbeing

As an employer that genuinely cares about our employees, we recognise the importance of providing health and wellbeing support. In 2024, we simplified access to our Employee Assistance Programme to ensure all our employees can quickly obtain the support they need, when they need it.

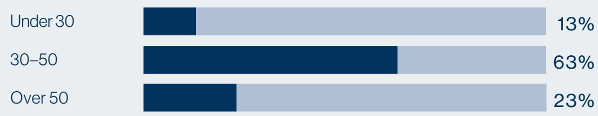
Globally, we supported our employees with various offerings and activities, including wellbeing days, talks and events in our offices. We supported our offshore crews with quarterly wellbeing campaigns and dedicated on-demand wellbeing podcasts. In 2024, we maintained our focus on enhancing the awareness of mental wellbeing and promoting greater conversations around various aspects of health and wellbeing. On World Mental Health Day, a session on 'Mental Health: A Male's Perspective' attracted over 600 attendees and served as a catalyst to encourage more open conversations. Local offices are creating space for discussion on important topics such as menopause, through speaker sessions and in-person coffee breaks, further enhancing our Being7 culture by fostering open and inclusive discussions.

OUR PEOPLE

NATIONALITY MIX

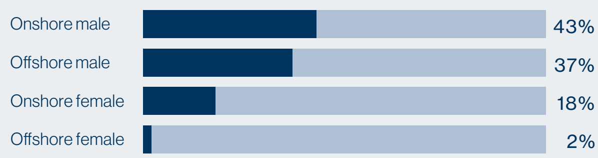


AGE MIX

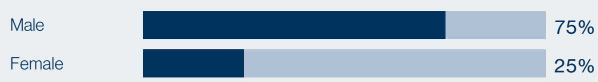


Note: 1% of headcount not recorded

GENDER MIX



EXECUTIVE MANAGEMENT



PRINCIPAL RISKS AND UNCERTAINTIES

Effective risk management is fundamental to the Group's performance and creates sustainable value for our stakeholders.

The Group's approach is to identify key risks at an early stage and develop actions to measure, monitor and mitigate against their likelihood and impact. This approach is embedded across the Group at executive level and throughout the operational and functional specialty levels. Risk management is an integral part of our day-to-day activities but annually we perform a wider risk assessment to identify our principal business, strategic, regulatory and sustainability risks. Priority risks are consolidated at Group level and are evaluated by the Executive Risk Committee; the assessment of these risks includes identifying the short, medium or longer-term nature of each.

The Group's operations and its strategy for oil and gas, renewables and emerging energies sources are driven by three business units. The Subsea and Conventional business unit focuses on subsea developments for lower-carbon-intensity oil and gas and applies its many years of experience and capabilities in delivering SURF and CCS. Renewables – through the Seaway7 brand – is focused on offshore wind, while the Corporate business unit focuses on early-stage activities in the subsea hydrogen and emerging energies markets. Climate-related risks, challenges and pressures are a key consideration in the Group delivering its strategic objectives and are, therefore, subject to ongoing assessment as part of the risk management processes in place.

The Subsea and Conventional business unit executes large and complex offshore projects for the energy industry, in all water depths, under the Subsea7 brand. Delivering a full range of early concept and design, EPCI services utilising pioneering products as well as digital and lower-carbon-intensity solutions for its clients. These solutions can be provided as an integrated solution through alliance partnerships and collaborations. Through the Group's life-of-field services, it provides fully integrated solutions, services and products that protect the integrity and optimise the performance of clients' field infrastructure as well as supporting digital solutions for the purpose of asset integrity management, condition monitoring and remote operations. The Group's experience in offshore project execution positions it well to support the offshore electrification of facilities, which will enable transformative solutions to subsea developments.

The Renewables business has over a decade of experience in delivering offshore wind projects. It offers services that include the installation of foundations, inter-array cables and substations. Seaway7 is one of only a few contractors that can provide EPCI expertise and can, therefore, offer a variety of contracting models ranging from single-scope transportation and installation, to integrated multi-scope and full EPCI contracts. Supporting these activities is its fleet of vessels, comprising heavy lifting, construction, cable installation and jack-up vessels for turbine installation, along with a fleet of six heavy transportation vessels. This enables us to support the market sector and deliver on our wider renewables and emerging energies strategy.

The world's demand for energy continues to grow. Whether this demand is met from lower-carbon-intensity oil and gas developments or from renewables, Subsea7's strategy places the Group at the heart of the energy transition and ready to meet the needs of our clients.

Offshore operations are required for both Subsea and Conventional as well as Renewables projects. These involve large, highly complex, technologically rich systems in diverse locations, where the Group often faces harsh and challenging conditions. Weather is of greater concern as the world experiences more extreme climate-related events. With the exception of certain long-term contracts and day-rate inspection, repair and maintenance work, the Group generally contracts on a fixed-price basis. The costs and margins realised on projects can vary from the original estimated amounts due to a number of factors, sometimes resulting in a reduced margin or loss.

Additional operating costs incurred as a result of cost increases in the supply chain, as well as general inflation, is an example of how certain external factors can negatively impact margins. The Group continuously assesses the risks involved in fixed-price contracts and uses its negotiated contract terms to mitigate certain aspects of these risks.

The Group operates in a predominantly cyclical industry where activity is strongly influenced by the current and forecast price of energy, as well as the impact of decisions taken by governing bodies, particularly regarding regulation, climate change, mitigation and adaptation, subsidies and fiscal incentives. While the world's demand for energy brings opportunities, the Group must remain cognisant of this cyclical nature and the speed at which the energy transition will take place, exercising discipline and maintaining a strong focus on risk-adjusted value creation.

The Group's risk management processes assist its ability to respond to changes in activity levels and apply appropriate measures to adjust its cost base as far as practical, while at the same time ensuring that an acceptable risk profile is maintained.

Roles and responsibilities

The Board of Directors has oversight of the Group's risk management activities and internal control processes. The Executive Management Team is responsible for designing and implementing a risk management framework from which the business maintains appropriate systems and procedures for the identification and management of risks, while ensuring, subject to an acceptable level of risk, that the Group is able to optimise stakeholder value. The Executive Risk Committee, comprising members of the Group's Executive Management Team, meets to review and discuss the Group's principal and

Seven Oceans and *Seven Vega*

priority risks and its risk management procedures and reports to the Chief Executive Officer.

Sustainability-related risks, impacts and opportunities are identified through a combination of the Group's existing risk management framework and by way of a double materiality assessment. These risks are assessed in the same way as the Group's principal and priority risks. The Executive Sustainability Committee has responsibility for establishing the Group's reporting framework for: EU Corporate Sustainability Reporting Directive and EU Taxonomy.

The Group's CEO determines the level of risk that can be taken by the Group's business units on a country-by-country basis and by functional management. This is managed through Group policies and delegated authority levels, which provide the means by which risks are reviewed and escalated to the appropriate management level within the Group, including the Board of Directors.

Principal risks and uncertainties

Principal risks are those risks that, given the Group's current position, could materially threaten its business model, future performance, prospects, solvency, liquidity or reputation, or prevent the Group from delivering its strategic objectives.

The means by which the Group mitigates or eliminates these risks are shown on pages 30 to 46.

Additional risks and uncertainties that the Group is unaware of, or currently deems immaterial, may in the future have a material adverse effect on the Group's reputation, operations, financial performance and position. However, the Board of Directors believes that the Group's risk management and internal control systems have assisted, and will continue to assist, the Group to identify and respond to such risks.

Risk management and internal control

The Board of Directors is responsible for oversight of the Group's system of risk management and internal control and for reviewing its effectiveness. The Board of Directors recognises that any system of internal control can only provide reasonable and not absolute assurance that material financial misstatement and/or fraud will be detected or that the risk of failure to achieve business objectives is eliminated.

The Group's systems of internal control operate through a number of processes. The more significant include:

- delegated authority level matrices with certain matters being reserved for the Board of Directors
- annual review of the strategy, plans and budgets of individual business units to identify the key risks to the achievement of the Group's objectives
- monthly financial and operational performance reviews against budgets
- individual tender and contract reviews at various levels throughout the Group
- capital expenditure and investment reviews and authorisation
- regular reviews and reporting on the effectiveness of the Group's HSSEQ processes
- Group treasury policies
- Group taxation compliance and reporting policies and systems
- the Group's Whistleblowing policy, which allows individuals to raise concerns in confidence about potential breaches of the Code of Conduct
- Data Governance Council – reviews and monitors the Data Privacy Council (DPC) work in ensuring the Group's adherence to GDPR
- quarterly reporting to the Executive Management Team from the Global Applications and Systems Steering Committee (GASSC) on the integrity and security of its business and IT systems, including cyber risk
- cyclical reviews of all non-whollyowned subsidiaries, joint ventures and associates by the Joint Venture Steering Committee.

The Group's internal audit function, which reports directly to the Audit Committee, performs independent reviews of key business financial processes and controls and other areas considered to be of high business risk. The Audit Committee annually reviews and approves the internal audit plan and receives regular updates on internal audit's findings and the actions taken by management to address these.
The role of the Executive Risk Committee is to meet bi-annually to review the risks identified as impacting or having the potential to impact the Group's operations and strategic objectives, and to discuss emerging risks

MARKET RISKS

RISK

Strategic

The Group recognises that technology and enabling products, early engagement and engineering capabilities, digital solutions, collaboration and partnerships and integrated services are market differentiators and are key to delivering on its strategy. The Group's strategy is to create sustainable value by delivering the offshore energy transition solutions the world needs. By continuing to improve our solutions and the way we deliver them we can continue the evolution towards lower-carbon-intensity oil and gas developments, as well as enable the growth of renewables and emerging energies. This requires new products and solutions to make it possible but which bring with them the risk that demand for innovative designs, systems, products and solutions accelerates into the construction and installation phase without sufficient time to transition from development to production.

The Subsea and Conventional business is focused on deepwater developments and while these are complex projects, the Group's fleet of specialist vessels and prior track record of project execution position it well for selection in these projects. With attractive economic returns for clients, deepwater projects, once sanctioned, are rarely deferred, giving good visibility on the future work and the pipeline of activity.

Integrated services has become a preferred contracting model for many of our clients and is offered through Subsea Integration Alliance, our partnership with OneSubsea. As demand for energy continues to grow, many clients are looking to collaborate or partner with us on a single-source basis, minimising the tendering phase, reducing the time required to complete developments and achieve first production or first power. While the Group has developed the knowledge and ability to identify, manage and mitigate the risks associated with integrated services, and exercises discipline when committing assets, both of these models could threaten the Group's performance as a result of external factors beyond the Group's control.

Across the renewables market, finding the correct solutions and delivering on these is key, as is achieving a balanced risk profile with experienced clients and in countries where the regulatory environment is well understood. With improved results and a backlog of contracts with a better risk balance than prior years, Seaway7 is well-positioned to deliver on the Group's strategy to enable the growth of renewables.

The size and scale of offshore wind turbines continues to increase with a trend towards 20MW turbines for certain developments. This brings with it a risk that the size and complexity for the installation of the balance of plant elements could exceed the capabilities of our current asset base. Future investment in the fleet, is subject to commitments from clients securing long-term utilisation of assets, thereby giving a return on investment.

From time-to-time, the Group may engage in strategic business combinations, partnerships, joint ventures and acquisitions to support growth and market position. This brings risk in the form of potentially incorrect assessments of the target market, new and inherited legal and contractual liabilities, as well as operational and financial risks. It also carries the risk of failure to integrate new business combinations and their resources into the Group, and failing to deliver the Group's strategic objectives.

MITIGATION

Strategic

Technology-related risks are mitigated by employing qualified personnel, as well as working to industry and professional engineering standards combined with strict adherence to the Group's engineering management and control systems and procedures. The Group has a multi-stage gate process for the implementation of new technologies and products.

The Group brings extensive experience and engineering capabilities from a proven track record of project management and execution in the oil and gas sector to the offshore wind and emerging energies sectors, through investing in the right people and having the right technical capabilities and support assets, as well as through keeping pace with engineering developments, technologies and installation methodologies.

The Group values long-term partnering with experienced clients and operating in countries with well-established regulatory positions, as this allows greater certainty and ability to manage the risks involved in the energy transition as well as achieving a contractual risk profile with more favourable terms.

The Group utilises both internal resources and external advisers to perform thorough due diligence and ensures that an experienced management team is deployed to manage merger and acquisition opportunities. These teams ensure that operational management is engaged in the various phases of the transaction and subsequent integration phase post-completion to facilitate successful execution.

RISK

Competition

The Group faces competition from time-to-time to win contracts to ensure a sustainable backlog of future work across the business units. This competition may result in pricing pressures or a change to a contractor's risk profile, as competitors strive to win contracts and secure work. Depending on the market cycle, less favourable contractual terms that are more onerous for the contractor may increase liabilities, both actual and contingent, and adversely impact the Group's financial performance and position.

Furthermore, the competitive landscape could include further alliances as well as vertical and horizontal consolidations, to achieve economies of scale and scope and wider control of the value chain. Such initiatives could represent a threat to the Group's profile as a specialised offshore service provider.

MITIGATION

The Group endeavours to reduce its exposure to competition by differentiating itself from competitors. The Group's experience and resources, including its people, versatile and modern fleet, and proprietary technology and digital delivery offerings, help it respond effectively to challenges from competitors. The Group seeks, within the framework of the business's contractual risk profile, to promote and maintain industry-recognised balanced contracting forms.

The Group continues to partner with key clients and form alliances with other offshore energy services companies to offer packaged solutions and to contribute to the early development stages of projects, as well as offering cost-effective and efficient technical solutions.

Achieving a balanced allocation of risk remains central to profitability in the offshore wind sector, and Subsea7 remains disciplined in this area and has the necessary expertise and capabilities to deliver complex projects and market its EPCI track record. Its versatile fleet and track record are differentiators in relation to smaller contractors or new entrants and position the Group well to continue working with clients across the sectors and to maintain contractual discipline to achieve a balanced, manageable risk profile.

MARKET RISKS CONTINUED

RISK

Economic

The financial strength and the economic viability of our client's projects can be impacted by the fluctuation of energy prices and energy mix, which can be driven by global demand, political conditions, technological development or climate considerations. These, as well as other variable factors, determine the Group's level of activity in the sectors in which it operates, and are outside the Group's control but can have a direct impact on the operational and financial performance of the Group. Any significant change in the level, timing or nature of clients' expenditure plans could adversely impact the Group's order intake, financial performance, position and prospects. These factors may result in reduced levels of activity across certain parts of our business but, conversely, lead to a higher concentration of work activity across fewer countries and with fewer clients, exposing the Group to certain aggregation risks which may materialise by way of significant change to those countries' political strategy or regulatory regime or from an interruption in the client's planned activities.

As part of the Group's commitment to proactively participate in the energy transition, it combines many years of experience in offshore project execution a modern and an agile fleet to support the needs of its clients. Focusing on lower-carbon-intensity oil and gas developments, places the Group in a stronger market position to select projects with attractive commercial terms while also balancing a manageable geographical spread.

MITIGATION

The Group closely monitors market activity and collaborates with clients to understand their future project and expenditure plans. Early engagement in the design phase of an energy project enables the Group to better assess the risks and opportunities and the economic implications of projects as they progress towards construction. Following contract award, the Group can implement cost-reduction measures to adapt the projects to market conditions and work within the terms of the contracts to mitigate the effect of client-led changes to project schedules or work scopes. The Group has trialled alternative fuels on various vessels across the fleet and is positioned to make a change once alternative fuels are available globally and at a commercial scale.

The financial strength and solvency of our clients and suppliers is a specific area of focus before entering into contracts. The Group has successfully managed its cost base and continues to look for ways to improve efficiency and delivery through the implementation of digitalisation and standardisation. A potential increase in demand is managed through supplementing the fleet with the use of third-party vessels. Beyond the fleet, the Group engages with key stakeholders to explain the Group's approach and initiatives on energy transition, climate change and to ensure it maintains long-term alignment on economic activities. We also work with our clients and suppliers to ensure that risk on pricing and availability is addressed through contractual measures.

The Group seeks to diversify selectively into new markets, including emerging energies markets, and has a diverse portfolio of projects, which allows an element of mitigation across its global markets.

BUSINESS ENVIRONMENT RISKS

RISK

Geographic

The Group's operations depend on having access to a worldwide supply chain, capable of manufacturing and transporting products and providing services, to support both tenders and projects, but also to ensure no interruption to the maintenance and investment plans of the fleet. Access to transportation companies, shipyards, ports and fabrication yards, which can provide the appropriate level of expertise as well as accommodating the size and scale of the fleet and project infrastructure, is key to maintaining the Group's business operations. With each country having specific political, economic and social characteristics that can give rise to various risks and uncertainties, the Group's business operations, project execution, fleet investment and financial performance can be adversely impacted as a result of, but not limited to:

- economic instability
- political strategy, legal, fiscal and regulatory uncertainty and change, including individual countries' commitments, targets and measures to address climate change
- onerous local content obligations
- sanction, trade or tariff restrictions and export controls
- civil or political unrest, including war
- regime change.

MITIGATION

Country or regional risks are identified and evaluated before and during Group operations in such markets. Appropriate risk responses are developed and implemented to mitigate the likelihood and impact of identified risks. The Group adopts a proactive and rigorous approach to assessing and mitigating these risks and, where possible, looks to develop local or regional management teams to strengthen its knowledge of, and presence in, the countries of operation.

BUSINESS ENVIRONMENT RISKS CONTINUED

RISK

Technological innovation

Our clients seek cost-effective solutions to develop energy resources, particularly in deep water and challenging offshore environments, to enhance the full-field lifecycle. The Group's experience of designing and executing projects across the globe helps create sustainable value by delivering offshore energy transition solutions. To make this possible, the Group differentiates itself by focusing on early engagement and system innovation, collaboration and partnerships, integrated services, sustainable delivery, digital solutions and enabling products. Any failure by the Group to anticipate or respond appropriately to any of these elements could adversely affect the Group's ability to compete effectively for, and win, new work or achieve its targets and objectives of making possible the delivery of offshore energy for today and tomorrow.

The Group's ambition for proactive participation in the energy transition is focused through two key areas: lower-carbon-intensity oil and gas developments, and renewables and emerging energies. Technology advancements are key to progressing in these areas. The Group has to balance the risks of not investing sufficiently and losing market position versus investing in or developing technology that becomes superseded or immediately obsolete.

Introducing technology, systems or products that are insufficiently mature or unsatisfactorily implemented to keep pace with the timescale expected by society, governing bodies and countries to provide lower-carbon energy in a sustainable and cost-efficient way could have an adverse reputational and financial impact for the Group.

MITIGATION

The Group monitors industry trends and collaborates with clients to understand their technology requirements. This allows the Group to effectively invest in developing differentiated and cost-effective technologies to meet current and anticipated client demand.

In developing new technologies, systems and products, the risks associated with selecting and pursuing appropriate technological solutions, technical completion, commercialisation and successful implementation are carefully considered and addressed through adherence to industry-wide engineering standards and codes, technical readiness levels and contractual gate controls operated by knowledgeable and experienced Subsea7 personnel.

At each step of the innovation process, safety and the cybersecurity aspects of new technology, software and systems are considered to ensure the continuity of business and operations.

RISK

Climate

The Group is committed to delivering onshore and offshore solutions to meet the needs of its clients as well as its own strategy that supports sustainable energy sources. With a committed strategy to facilitating the transition towards lower-carbon and renewable energy sources.

It is also focused on climate change and meeting its own targets to reduce Scope 1 and 2 emissions and proactively participating in the energy transition in a safe, ethical and responsible manner. This is supported in part through investment in new technologies, innovative programmes and industry sector diversification that reduce both the Group's and its clients' emissions. Furthermore, the Group has an environmental management system that will underpin and consolidate its efforts to meet its targets and expectations.

The Group recognises the impacts of climate change and the potential effect on its business, value chain, end users and society and acknowledges the risks and potential effects on the business's future associated with not taking steps to mitigate its impact. These risks include:

- operational and financial risks relating to the effect of climate change, for example, the availability of sufficient volumes of alternative fuel that are commercially viable and can be sourced globally to support our goal of reducing Scope 1 and 2 emissions.
- emerging regulation leading to increased costs due to changes in GHG legislation including carbon taxes and emission schemes.
- regulation and supervision of climate-related risks in the financial sector, which could lead to challenges in accessing financial capital.
- our ability to keep pace with the timescale required to provide emerging energies in a sustainable and cost-efficient way.

MITIGATION

Group, country and regional risks are identified and evaluated before and throughout business operations, and appropriate risk responses are developed and implemented to mitigate the likelihood and impact of short and medium-term risks.

In 2024, the Group's sustainability targets and corporate disclosures are included in this document, where more detailed information of how sustainability and climate-related impacts, risks and opportunities are shown on pages 64 to 121, along with details of how these areas help shape the Group's strategy.

ORGANISATION AND MANAGEMENT RISKS CONTINUED

RISK

People

The Group, like many businesses, carries the risk of failing to attract and retain suitably skilled and capable personnel across all business units at a time when societal preferences, particularly in the younger demographic, are towards opportunities in energy transition rather than oil and gas. Failure to attract or retain talent or to maintain a collaborative working environment could adversely impact the Group's ability to execute projects and its future growth prospects.

The Group is a signatory to the UN Global Compact and is committed to its 10 principles that summarise responsibilities to respect human rights and to avoid and address any adverse impacts from the Group's activities. The Group is conscious that the geographic diversity of its operations and the many different types of work required to be performed by the Group's workforce and its suppliers and subcontractors can present increased risks of human rights violations and unacceptable labour practices. The Group is particularly focused on those human rights risks that would have the greatest impact, such as child labour, slavery and human trafficking, and other types of forced labour.

MITIGATION

The Group's commitment to lowering its own emissions but also finding solutions to support a lower-carbon energy transition, and its strong presence across all offshore energy types including renewables and emerging energies, is a differentiator. Having the ability to offer career opportunities as well as offering modern and flexible working arrangements, continues to generate positive employer engagement.

The Group utilises medium-term business projections to assess resource requirements, which allows timely, corrective intervention to appropriately resource the organisation in terms of size, profile, competency mix and location.

The Group monitors attrition by function and geography and has developed appropriate remuneration and incentive packages to help attract and retain key employees.

Performance management and succession planning processes are in place to develop staff and identify high-potential individuals for key roles in the business.

The Group has a human rights programme designed to identify and manage human rights risks, with a particular focus on child labour, slavery and human trafficking, and other types of forced labour, consistent with the UN Global Compact and the Building Responsibly Worker Welfare Principles. With the support of external experts, it has designed in-person training for delivery to a target audience of employees across the Group who have a role to play in identifying and managing the relevant risks. The Group conducts risk assessments to identify and understand where we might find risks and supports the creation of action plans to address high-risk areas and any gaps in our policies and procedures. The Group reinforces the importance of compliance with the Group's Code of Conduct and its Code of Conduct for Suppliers with internal personnel and its supply chain, respectively, as well as its Human Rights Policy Statement. All three documents include clear guidance and expectations regarding human rights standards.

RISK

Compliance and ethics

The Group is committed to conducting business in accordance with applicable law and the highest ethical standards. However, there is a risk that its employees, representatives or other persons associated with it may take actions that breach the Group's Code of Conduct or applicable laws, including, but not limited to, bribery or corruption.

The Group assesses such risks, which vary across its geographical locations. The Group has identified the following as being the most significant corruption risks it faces:

- small bribes and facilitation payments, especially in relation to the movement of vessels, people and materials
- illicit enrichment of public officials through hidden interests in local partners or suppliers that local content laws require us to use
- bribery to win work
- bribery to get variation orders approved
- bribery to get work certified or paid.

The above risks may increase when working with partners or third parties. These risks are inherent in our sector, in particular in countries where local content requirements are significant.

Any compliance and ethics breach could result in monetary penalties, convictions, debarment and damage to the Group's reputation and could impact its ability to do business.

MITIGATION

The Group is confident that the risks identified are adequately managed by its compliance and ethics programme and, in many cases, by its clients' robust procurement procedures. Integrity is one of the Group's Values and the Group has an Ethics Policy Statement and Code of Conduct, which clearly set out the behaviours expected of its employees and those who work for it including suppliers and other third parties. These policies are regularly updated to ensure they remain current.

The Group has a compliance and ethics programme underpinned by its Values and designed in accordance with international best practice to embed the Code of Conduct, prevent bribery and corruption, and manage compliance and ethics risks generally. The programme includes financial controls, risk assessments and procedures for managing third-party risks. Mandatory annual compliance and ethics e-learning, and an annual Integrity Day for employees, raise awareness, highlight the potential consequences and empower and embed a culture of integrity. Employees are encouraged to raise concerns about possible non-compliance through an externally administered whistleblowing line. There is a strong focus on a culture of ethics and integrity. More information can be found on our website and in our Sustainability Statement on pages 64 to 121.

A committee comprising the members of the Executive Management Team sets objectives for the implementation and continual improvement of the programme and monitors progress. Regular reports are provided to the Board of Directors.

The Group regularly engages an independent third-party assurance provider to benchmark its compliance and ethics programme against best practice, including the International Standards Organization's ISO 37001-2016 (the International Anti-Bribery Management System Standard). The Group's programme has been certified against ISO 37001-2016 bu EuroCompliance.

ORGANISATION AND MANAGEMENT RISKS CONTINUED

RISK

Information technology and operational systems, cyber risk and security

The Group's operations depend on the availability and security of a number of key information technology (IT) and operational technology systems. In 2024, the Group commenced a programme for upgrading its Enterprise Resource Planning (ERP) system, SAP, to SAP S/4HANA. The ERP system is an essential operating system for our business. The risks of not managing the upgrade of this critical system effectively could result in prolonged outages leading to significant business interruption, loss of data, additional time and expense and reputational damage. The Group's investment in its digitalisation programme combined with the acquisition of data-driven businesses means the risk of these systems being disrupted or compromised by a general failure or by cyberattacks is increasingly relevant. Reliance on the use of data and cloud storage facilities has the associated risks of IT, operational technology, systems and cybersecurity failures. Such risks include, but are not limited to:

- unauthorised access to key operational, financial or group-wide systems
- malware
- theft and misappropriation of sensitive information
- fraud attacks
- data management and non-compliance with legislation such as the EU General Data Protection Regulation (GDPR)
- increasing use of IT to interconnect with multiple stakeholders and the possibility of such interconnectivity being disrupted to their detriment
- denial of access to or utilisation of assets with the risk of a potential loss or damage event
- emerging threats, including advanced attacker tactics and techniques, and the use of social media and artificial intelligence.

Such breaches in security could adversely impact the Group's ability to maintain ongoing business operations and lead to financial and asset loss, reputational damage, potential physical harm, loss of client and shareholder confidence and could result in regulatory breach and subsequent penalties.

MITIGATION

The Group has highly skilled teams managing its critical systems and processes, utilising both in-house capabilities and external specialists to respond to system outages and to ensure the smooth transition and delivery of any upgrades such as SAP S/4HANA. The Group recognises the increased frequency of cybersecurity threats and events and takes this risk seriously. It reviews its infrastructure, suppliers, policies, procedures and defences to mitigate associated risks and keeps abreast of risk intelligence by engaging market-leading specialists where appropriate.

It assesses the technology framework against approved independent standards and maintains a programme of investment in new hardware, software and systems to ensure the integrity of its IT security and defences. The Group works with recognised independent industry experts to audit and test the sustainability of its security systems and assesses the business and operational impact of a cyber event, analysing varied scenarios, interruption types and the effectiveness of recovery plans.

The Group has a number of IT policies, including a policy on information security, designed to protect its systems and ensure their availability and integrity as well as combat attempted fraud. These policies are regularly reviewed to ensure they continue to address existing and emerging information security, cyber-maritime and cyber-crime risks as well as GDPR.

Mandatory internal e-learning courses and regular phishing simulation tests are used to maintain a high level of awareness among the workforce of IT security risks and of the Group's procedures to manage them.

The Group's Executive Vice President of Projects & Operations has responsibility for ensuring the setting and implementation of the Group's cybersecurity strategy. This is reported through the Executive Risk Committee, which reports to the Group's CEO on all matters of risk, and to the Board of Directors on a six-monthly basis. A member of the Board is identified as the Board's focal point for cybersecurity.

RISK	MITIGATION
Bidding The Group wins most of its work through a competitive tendering process. A significant proportion of the Group's work is undertaken by way of fixed-price contracts, which exposes the Group to increases in supply chain costs. Failure to secure and manage costs could impact the Group's financial performance. Risks include the inability to maintain price validity from our supply chain if there is commodity price fluctuation, rapid price escalation, delay in project award, or re-phasing that leads to schedule amendments. An inability to understand and respond to operational and contractual risks or accurately estimate project costs could have an adverse impact on the Group's legal liability and financial performance and position. Our clients' financial strength and the economic viability of their projects can be impacted by multiple factors that are outside the control of the Group and, in some instances, clients may request specific payment terms or payment deferrals, which can have a negative impact on the financial position of the Group.	All bids are subject to the Group's estimating and tendering processes and authority levels. Cost estimates are prepared on the basis of a detailed standard costing analysis, and the selling price, contract terms and financial milestones are based on the Group's commercial contracting standards and market conditions and, where appropriate, the financial due diligence of the parties involved. Where possible, key supply chain or subcontractor terms and conditions are negotiated alongside the main client contract to reduce the risk of non-alignment of contracting terms or the absence of price certainty. Volatility in commodity prices can be mitigated by including contractual adjustment mechanisms with both clients and suppliers. Before the tender is submitted, a formal multi-gate review process is performed. Tenders are first reviewed at a regional level where the technical, operational, legal and financial aspects of the proposal are considered in detail. Completion of the regional review process requires the formal approval of the appropriate level of management. Dependent on the tender value and complexity such as technology and partnering, there is an escalating level of approval required. Tenders meeting specific financial and risk criteria are reviewed and approved by the Tender Committee of the Board of Directors.
Realisation and renewal of backlog Delays (including those related to clients' final investment decisions), suspensions, cancellations, re-phasing or changes to scope or content of awarded projects recorded in backlog could materially impact the financial performance and position of the Group in current and future years.	The Group works to mitigate these risks through its contractual terms, including, where possible, provision for cancellation fees or early termination payments.

DELIVERY AND OPERATIONAL RISKS CONTINUED

RISK	MITIGATION
Joint ventures The Group may engage in commercial joint ventures with selected partners to obtain necessary expertise or local knowledge and contract or partner with specialist companies to develop new or emerging business opportunities. A failure to find an appropriate joint venture partner or a failure by a joint venture partner to perform to the standards required by the joint venture agreement could result in negative financial and reputational impact to the Group. Misalignment between Subsea7 and a joint venture partner on strategic matters could lead to a deadlock, impacting negatively, inter alia, on project execution. In addition, the failure of a joint venture partner to meet its financial obligations could result in an adverse impact on the Group's financial performance and position.	The Group seeks to ensure that selected joint venture partners not only have the necessary expertise, local knowledge and suitable financial profile but are also able to meet the Group's health, safety, security, environmental and quality (HSSEQ) standards and its Code of Conduct obligations. The Group has established appropriate governance and oversight mechanisms to monitor the performance of its joint ventures and joint venture partners with regard to such matters.
Project execution The Group executes complex projects, and a failure to have the best people, assets and technological solutions and engineering procedures to deliver these could result in failure and be damaging to the Group both reputationally and financially. As well as project execution, a failure to meet and achieve the necessary contractual requirements could have several adverse consequences, including contract disputes, rejected claims and cost overruns, which could expose the Group to operational and financial losses that are material to the Group's overall performance, position and reputation. For most contracts, the offshore execution phase, which generally involves the use of either single or multiple vessels, is usually the most hazardous, as this phase is exposed, among other risks, to adverse or extreme weather conditions or the risk of loss or damage to the contracted works. These hazards can result in scheduling adjustments, damage to vessels and equipment, repair or rework, injury to those working offshore or financial loss. The Group must also continue to innovate and develop products and solutions and maintain a fleet that allow it to deliver lower-carbon developments as well as to enable the growth of renewables and emerging energies. Errors or defects in product design and production could expose the Group to additional warranty or product liability risks. The size and scale of offshore infrastructure, particularly in the renewables sector, could stretch beyond the current fleet's capabilities or limit the supply-chain to fewer participants.	The Group assigns a project management team to every project. Every project is assessed by regional management using the Project Monthly Status Report review process. These reviews cover project progress, risk management, cost management, financial performance and sensitivity analysis. Detailed assessments of costs and revenue are estimated and reported upon, taking into account project performance, planning schedules, contract variations, claims, risk exposure, allowances and contingency analysis. The Group continues to promote a balanced approach to risk allocation and has supported the International Maritime Contractors Association in producing a set of contractual principles for the renewables industry. The Group is selective about which projects it undertakes, ensuring that those it takes on have a balanced risk profile where the risks retained are understood and can be managed. The Group factors the risk of adverse weather conditions into the design of its vessels, equipment and procedures and project scheduling, as well as the training of its offshore workforce. It also works to mitigate potential adverse financial consequences when negotiating contractual terms with its clients. Innovative products are commercialised after rigorous testing that is subject to a hierarchy of industry-recognised technical readiness level reviews.

RISK

Supply chain

In the current period of increased activity for the Group, there is a risk that the supply chain does not or cannot react at the same pace as demand and, hence, insufficient capacity causes a deterioration in the quality of the product or service, extended lead times or the inability to secure products. A reduced choice of suppliers would affect the Group's operational and financial performance and could result in longer lead times and higher costs.

Suppliers could face financial difficulty affecting their ability to perform, and, in more severe scenarios, this could result in suppliers being made insolvent. Other factors such as pandemics, extreme weather, financial uncertainty, civil unrest, political uncertainty, war or other unforeseen external factors could cause significant interruption affecting elements of the supply chain, affecting our ability to deliver our clients' projects and causing disruption to ongoing Group capital expenditure initiatives such as vessel construction, dry-dockings and upgrades.

Our supply chain is impacted by world events and rising inflation as well as increased demand. The war in Ukraine and consequent sanctions on Russia, increasing threats of trade sanctions and trade tariffs from certain jurisdictions and the likely retaliations, as well as other geopolitical challenges, continue to pose risks to the Group's operations. Unexpected increases in supply chain pricing or delays in delivering products could affect project scheduling as well as negatively impact the Group's financial performance.

The resultant time delays or increased costs could lead to irrecoverable costs to the Group and the imposition of financial penalties by clients, as well as reputational damage and reduced competitiveness. Cost is a necessary consideration in the selection of key suppliers and balancing this with quality and control assurance is a risk. Faulty or damaged components could result in additional project costs that may not be fully recoverable from the supplier and would be borne by the Group.

Increasing legislative requirements in relation to sustainability topics imposed on the supply chain, coupled with the potential failure of suppliers to accurately measure and provide reliable information on their sustainability performance, puts the Group at risk of working with suppliers who are not wholly compliant with the applicable legislation and could limit the Group's ability to accurately report its own performance.

MITIGATION

The Group seeks to develop strong, long-term relationships with high-quality and competent suppliers, working to balance costs at a sustainable level and not only engage on a lowest-bid basis. Long-term contractual arrangements and the use of collaboration models as appropriate allow us to secure supplier commitment and access in the current market as well as into the future, especially with our key category suppliers. We are developing supplier strategies, and partnerships with key suppliers, to service our energy transition clients. We are diversifying our supply chain by finding new suppliers, in some cases in different industries and new regions, which helps the Group to mitigate the risk of single-source suppliers exiting the sector.

Our supplier sourcing, qualification, screening, monitoring and assurance processes and procedures are designed to identify potential risks in our supply chain. Regular engagement with our key suppliers and ensuring the relevant topics are on the agenda help to reinforce our shared commitment to building long-term value through sustainable supply chain management.

The financial profile and outlook of the Group's key suppliers is reviewed during the pre-qualification process for suppliers and is considered prior to entering into project-related commitments. We are leveraging digital tools such as SAP Ariba throughout the entire supplier lifecycle to improve productivity and maintain reasonable levels of assurance that we can continue working with such suppliers. Unforeseen external factors leading to interruptions in supply chain delivery are difficult to manage; however, the Group evaluates these risks and where possible will seek to avoid single-source suppliers and will seek to mitigate the financial impact of any interruptions through appropriate contractual terms and conditions. These may include back-to-back supplier pricing, index-linked pricing and a balanced cost-escalation mechanism where appropriate.

If necessary, appropriate guarantees or performance-related bonds are requested from our key suppliers. As part of the supplier selection process, the Group engages qualified quality assurance and quality control specialists, and there is close collaboration between supply chain management and engineering. Both quality and engineering functions also play an active role throughout the duration of a project, with teams on the ground at key supplier locations to ensure quality standards and timelines for delivery are met and assurance policies are followed.

We are engaging with our key suppliers to better understand their sustainability commitments and where they are on their journey towards meeting their objectives. This allows us to prioritise and focus on ensuring that we work with a sustainable supply chain, in line with the Group's own priorities and focus areas.

DELIVERY AND OPERATIONAL RISKS CONTINUED

RISK

Health, safety, security, environmental and quality

The Group's projects are complex and are sometimes performed in unfamiliar environments in varied conditions. This requires continuous monitoring and management of health, safety, security, environmental and quality (HSSEQ) risks associated with transit routes, the location of work, project specification and installation methods – as well as addressing the location and assets utilised.

A failure to manage these risks could expose our people and those who work with us to security breaches, illness, injury or harm.

It could also result in an environmental event or cause injury or damage to other parties. It could result in significant commercial, legal and reputational damage or potential disbarment from working in the affected country.

The worldwide nature of the Group's operating activities carries the potential for significant health risks and disruption to its business operations. Communicable or infectious diseases can expose the Group to operational disruption and increased costs as a result of unexpected business interruptions or measures required to ensure the safe continuation of the business. The risks to the Group include additional costs to continue normal operational activities, revised arrangements to work safely in accordance with changes made in the law, quarantining or isolating crew and medical facilities and logistical issues associated with the international transit of vessels and people.

MITIGATION

The Group is focused on continuously monitoring HSSEQ performance at all levels and actively motivates, influences and guides the workforces' individual and collective behaviour.

The Group is committed to protecting the health, wellbeing and safety of its people and those working on its sites and vessels, as well as minimising its impact on the environment. The Group has an HSSEQ policy and detailed HSSEQ procedures designed to identify, assess and reduce such risks while ensuring compliance with relevant laws and regulations. The policy and procedures are subject to review, monitoring and certification by an independent, internationally recognised specialist firm.

The Group mitigates exposure to the risk of communicable or infectious diseases by developing health procedures and medical screening that adhere to the guidance and incorporate the best practice set out by world health organisations and industry experts and for offshore operations, in compliance with a vessel's flag state.

RISK

Fleet management

The Group has a fleet of vessels, which are required for the successful delivery of its projects. These vessels operate in a number of regions that are subject to political, fiscal, legal and regulatory risks. Risks also include regulatory requirements related to the crewing of the vessels in the regions where they are operating. Failure to manage such risks could lead to an adverse impact on the Group's financial performance and position.

Lack of vessel availability is a risk. Uncertainty in operational vessel schedules may lead to non-availability for other projects in the tendering or execution phase. Vessel availability could also be negatively impacted by delays to vessel construction, completion of maintenance, vessel upgrading or dry-docking activities. Access to shipyards, ports and facilities on a worldwide basis is key to ensuring that time-efficient maintenance and construction programmes are achieved. An inability to utilise certain locations could significantly impact business operations and project scheduling and result in contractual penalties, reputational damage and adversely affect the financial performance of the Group.

In extreme circumstances, the non-availability of a vessel or multiple vessels through loss or irreparable damage could compromise the Group's ability to meet its contractual obligations and cause financial loss. Conversely, an under-utilisation of the vessel fleet exposes the Group to a risk of under-recovery of its total fleet costs.

To maintain the competitiveness of the fleet, the Group from time-to-time makes significant investments in the construction, conversion or acquisition of new vessels. If the anticipated demand for those vessels does not materialise, such investments may not generate the intended financial return.

The Group also divests assets from time-to-time, either by sale for onward use or, in some cases, for decommissioning. It is important that assets are divested responsibly and that the Group takes reasonable measures to ensure it mitigates any future liabilities and, in the case of decommissioning activities, that it engages with responsible third parties who comply with the appropriate regulations, including the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships.

MITIGATION

The Group considers carefully the political, fiscal, legal and regulatory risks associated with the deployment of its vessels and crew into regions in which it operates or has to navigate. It also monitors developments to ensure it can respond appropriately.

To minimise the risk of non-availability, the Group dedicates resources to perform vessel scheduling centrally rather than at a business unit or region level. Vessel construction, maintenance, upgrading and dry-docking activities are subject to detailed planning, and controls are deployed to mitigate the risk of completion delays.

The design and operational capabilities of a vessel are carefully assessed before its deployment to a particular project and are then closely monitored during the project's execution. The impact of potential non-availability of a vessel is mitigated by both the size and flexibility of the Group's fleet and its ability to access the vessel charter market. The Group adjusts its fleet size to suit its view of the future market by cold- or warm-stacking its excess assets, as well as potentially returning chartered tonnage to the owners.

Before initiating the construction or acquisition of a new vessel, the Group conducts detailed analyses of the potential market and seeks to ensure that the vessel's technical specifications and projected capital and operating costs are appropriate for the anticipated market.

The Group assesses the market's need for new vessels and, after a rigorous technical and financial review, will decide to proceed with construction or conversion where there is sufficient future activity and when it anticipates acceptable financial returns on its investment.

The Group mitigates the risks associated with future liabilities of divested vessels through a know-your-client or supplier due diligence process and ensuring the contractual agreements contain detailed provisions associated with the onward utilisation or the minimum requirements to be met for any near-term decommissioning activities.

FINANCIAL RISKS

RISK

Revenue and margin recognition

Individual period performance may be significantly affected by the timing of contract completion, at which point the final outcome of a project may be fully assessed. Until then, the Group, in common with other companies in the sector, uses the percentage-of-completion method of accounting for revenue and margin recognition. This method relies on the Group's ability to estimate future costs in an accurate manner over the remaining life of a project. As projects may take a number of years to execute, this process requires a significant degree of judgement, with changes to estimates or unexpected costs or recoveries potentially resulting in significant fluctuations in revenue and profitability.

Inaccurate forecasting of the costs-to-complete a project and of the revenue that can be earned from the client for changes to contract scope could have a negative impact on the Group's management of its liquidity and weaken its financial position. Fixed-price contracts awarded at low or negative margins can create volatility when accounting for project performance, as forecast unavoidable losses are recognised in full in the period in which they are identified. Forecasting during pandemics and economic crises is complex and subject to increased volatility as changes unfold.

MITIGATION

Project performance is monitored by means of Project Monthly Status Reports (PMSRs) which record actual cost of work performed, the estimated cost-to-complete a project and the estimated full-life project revenue. The PMSR allows management to reliably estimate the most likely full-life profitability of each project. These PMSRs are subject to rigorous review and challenge at key levels of management within the Group. Note 4 'Critical accounting judgements and key sources of estimation uncertainty' to the Consolidated Financial Statements provides more detail of the Group's approach to revenue recognition on long-term contracts.

RISK

Cash flow and liquidity

The Group's working capital position will be affected by the timing of contract cash flows, because the timing of receipts from clients, typically based on achievements of milestones, may not necessarily match the timing of payments the Group makes to its suppliers.

In executing some of its contracts, the Group is required by its clients, in the normal course of business, to issue certain guarantees, e.g. performance, advance payments and bid bonds. Access to unsecured bilateral guarantee arrangements from financial institutions in support of these instruments is fundamental to the Group's ability to compete, particularly for large engineering, procurement, installation and commissioning (EPCI) contracts.

In rare instances, clients may request specific payment terms such as extended payment terms or payment deferrals, which can negatively impact the cash flow profile of projects.

The availability of short-term and long-term external financing is important to help meet the Group's financial obligations as they fall due. In the event that such financing were unavailable, reduced or withdrawn, the Group's activities would be significantly constrained.

MITIGATION

In addition to using its cash and cash equivalents balance and cash generated from operations, the Group has access to committed financing facilities to meet its core financing and working capital needs. The Group's cash position, liquidity, debt leverage and credit-rating-related metrics are monitored closely by both the Executive Management Team and the Board of Directors.

The Group works to mitigate client payment deferral request risks through its contract terms. In addition, the Group continuously assesses the creditworthiness of its client and supplier bases.