

SUBSEA 7 S.A. CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2025

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REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the Shareholders of Subsea 7 S.A.
412F, route d'Esch
L-1471 Luxembourg

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Subsea 7 S.A. and its subsidiaries (the "Group") included on pages 146 to 210, which comprise the Consolidated Balance Sheet at 31 December 2025, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and the Notes to the Consolidated Financial Statements, including material accounting policy information.

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the consolidated financial position of the Group at 31 December 2025, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Merger with Saipem S.p.A.

We draw your attention to Note 1 'General information' of the Consolidated Financial Statements which explains that Subsea 7 S.A. entered into a binding merger agreement with Saipem S.p.A. on 23 July 2025. Management expects that the merger will complete in the second half of 2026 subject to conditions precedent including regulatory approvals. Following the effective date of the merger, Subsea 7 S.A. will be absorbed by Saipem S.p.A., and the latter entity will be renamed Saipem7 S.p.A. Management prepared the Group's financial statements on the going concern basis.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of the audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter:	Recognition of revenues on long-term contracts
Description of key audit matter:	<p>A significant proportion of the Group’s revenue is derived from long-term contracts. As detailed in Note 3 ‘Material accounting policies’ to the Consolidated Financial Statements, these contracts include complex technical and commercial risks and often specify performance milestones to be achieved throughout the contract period, which can last several years.</p> <p>Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement, with estimates being made to:</p> <ul style="list-style-type: none"> • assess the total contract costs; • assess the stage of completion of the contract; • assess the proportion of revenues, including variable consideration, to recognise in line with contract completion; • forecast the profit margin on each contract incorporating appropriate allowances for technical and commercial risks related to performance milestones yet to be achieved; and • appropriately identify, value, and provide for onerous contracts. <p>There is a range of acceptable outcomes resulting from these judgements that could lead to different revenue being reported in the Consolidated Financial Statements.</p> <p>The Group has detailed procedures and processes in place to manage the commercial, technical and financial aspects of long-term contracts. The processes include the preparation of a Project Monthly Status Report (PMSR), which includes key accounting and forecast information for the relevant contract.</p> <p>The risks of material misstatement are that the accounting for the Group’s significant contracts does not accurately reflect the progress made or consider all commercial and technical risks associated with the contract due to inaccurate estimation, inappropriate recognition of unagreed income, or management override of results. Consequent to this the contract revenue and margin at the reporting date would be materially incorrect.</p>
Our response:	<p>Our audit procedures over the recognition of revenues on long-term contracts included, among others, the following:</p> <p>We evaluated the relevant information technology systems and performed procedures over the operating effectiveness of internal controls over the accuracy and timing of long-term contract revenue and margin recognised in the Consolidated Financial Statements, including controls over:</p> <ul style="list-style-type: none"> • the detailed contract reviews (being the PMSR process and controls) performed by management and reviewed at the project and the Group level that included estimating total costs, stage of completion of contracts, and evaluating contract profitability; and • the transactional controls that underpin the production of underlying contract-related cost balances including the purchase-to-pay, vessel costs and payroll cycles. <p>For the most significant contracts and those which are subject to estimation uncertainty, we:</p> <ul style="list-style-type: none"> • read the relevant clauses within selected contracts to obtain an understanding of the specific terms; • obtained the PMSR and gained an understanding of the performance and project status; • corroborated management’s positions through the examination of externally generated evidence, such as customer correspondence and correspondence with legal advisors; • discussed and understood management’s estimates for total contract costs and forecast costs-to-complete, considering the impact of cost inflation, and taking into account the historical accuracy of such estimates; • discussed and understood management’s estimates in recognising actual or potential variation orders/unagreed income, taking into account the historical accuracy of such estimates; • agreed project revenue, costs, and margin from supporting documentation to the PMSRs, to the trial balance, and to the Annual Report; • re-performed the percentage-of-completion calculations; • considered whether provisions for onerous contracts reflect the contractual position and the requirements of IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’; • for day-rate/reimbursable contracts tested for appropriate cut off and revenue recognition. • for a selection of smaller projects, we performed additional testing focusing on unusual or large movements in revenue or margin. <p>We assessed the adequacy of the disclosures in Note 3 ‘Material accounting policies’ and Note 5 ‘Segment information’ to the Consolidated Financial Statements in relation to revenue.</p>

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ *CONTINUED*

Key audit matter:	Vessel fleet impairment assessments
Description of key audit matter:	<p>At 31 December 2025, the carrying amount of the owned vessel fleet was \$3.3 billion as detailed in Note 14 'Property, plant and equipment' to the Consolidated Financial Statements. During the year impairment charges of \$10.1 million were recognised, mainly relating to vessel-related equipment.</p> <p>Vessels within property, plant and equipment are subject to an impairment test where indicators of impairment exist. Impairment charges are recognised when necessary to bring the carrying amounts of specific assets to their recoverable amount defined as the higher of value-in-use or fair value less costs to dispose.</p> <p>If there is an indication that an impairment loss no longer exists or has decreased, the entity is required to calculate the recoverable amount of the asset and reverse the impairment loss up to the lower of the recoverable amount or historical cost, if appropriate.</p> <p>The process for determining whether impairment indicators exist is complex and requires significant management judgement.</p> <p>The key factors are:</p> <ul style="list-style-type: none"> • the forecast utilisation of the owned vessel fleet; • the determination of the value-in-use of the cash-generating units in which the vessels are allocated; and • the external broker estimates of market valuation. <p>The subsequent process for determining the amount of impairment which may result from the above indicators is also complex and requires significant management judgement and estimates.</p> <p>The risks of material misstatement are that the carrying amount of the owned vessel fleet within property, plant and equipment could be overstated or understated.</p>
Our response:	<p>Our audit procedures over the vessel fleet impairment assessments included, among others, the following:</p> <p>We evaluated management's assessment for indicators of impairment or for indicators of reversal of impairments related to vessels within property, plant and equipment.</p> <p>We obtained an understanding of the internal financial controls for the vessel impairment process including the determination of assumptions used within the models to assess the recoverable amount.</p> <p>We obtained management's impairment assessment.</p> <p>For vessels where an impairment trigger was identified, we analysed the recoverable amount considering the value-in-use of the cash-generating units in which the vessels are allocated.</p> <p>We reviewed the external broker valuations obtained by management for each vessel and assessed the independence, objectivity and competence of the broker as well as the adequacy of the respective assumptions and methods used, the reasonableness of the conclusions reached, and their consistency with management's analysis.</p> <p>We assessed the determination of the vessels' useful lives including residual values.</p> <p>We obtained an understanding of management's rationale for the impairment and assessed it for appropriateness against the criteria as per IAS 36 and assessed if any impairment reversal triggers of the vessel fleet existed.</p> <p>We assessed the completeness and the accuracy of the impairments identified by management.</p> <p>We evaluated the adequacy of the Group's disclosures in Note 14 'Property, plant and equipment' regarding the impairments of owned vessel-related equipment in the Consolidated Financial Statements.</p>

Key audit matter:	Goodwill impairment assessments
Description of key audit matter:	<p>As detailed in Note 12 'Goodwill', the Consolidated Financial Statements include \$157.0 million of goodwill at 31 December 2025.</p> <p>Goodwill is subject to an annual review for impairment or when indicators of impairment exist.</p> <p>An estimate of the recoverable amount of the cash-generating units (CGU) to which goodwill is allocated is prepared. The estimated recoverable amount is determined based on the calculation of the value-in-use of the CGUs. The outcome of the impairment review could vary significantly if different assumptions were applied in the models.</p> <p>The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows with many of the key underlying assumptions being impacted by political and economic factors. The key assumptions include:</p> <ul style="list-style-type: none"> • the future Adjusted EBITDA assumptions taken from the Group's most recent budgets and plans for the next five years approved by management ("the Plan"); • the Adjusted EBITDA forecasts and long-term growth rate used beyond the period covered by the Plan considering the significance of the terminal value cash flows to the total value-in-use; also considering the expected impact of climate change; • the pre-tax discount rate applied to future cash flows; and • the forecast capital expenditure necessary to maintain the function of the assets in the CGU. <p>The risk of material misstatement is that the carrying amount of goodwill could be overstated.</p>
Our response:	<p>We understood the internal controls for the goodwill impairment process including the determination of assumptions used within the models to assess the recoverable amount of goodwill and evaluated the appropriateness of management's identification of the Group's CGUs.</p> <p>We assessed management's impairment testing by obtaining the supporting model and assessing the methodology and key assumptions made:</p> <ul style="list-style-type: none"> • the Adjusted EBITDA forecasts – we evaluated these and tested the underlying values used in the calculations by comparing management's forecast to the latest management approved five-year plan; • we assessed the actual performance in the year against the prior year budgets to evaluate historical forecasting accuracy; • we evaluated Adjusted EBITDA forecasts against market expectations, historical levels, and the impact of climate change; • terminal value – we evaluated revenue and Adjusted EBITDA forecasts beyond the five-year plan period; • long-term growth rate – we compared the rates applied by management to available externally developed rates; • we assessed the level of forecast capital expenditure necessary to maintain the function of the assets in the CGUs; • pre-tax discount rate – we involved our valuations specialists in our evaluation of the discount rate to consider the appropriateness of the rate used; • we considered the difference between the market capitalisation and the carrying value of the Group's net assets; and • we tested the arithmetical accuracy of the models. <p>We re-performed sensitivity analysis around the key assumptions for all CGUs in order to ascertain the extent of change in those assumptions required individually or collectively to result in an impairment of goodwill. For those CGUs which were most sensitive, we discussed the basis for these cash flows with management and the Group's Audit and Sustainability Committee.</p> <p>We examined the sensitivity disclosures presented in the Consolidated Financial Statements to consider whether reasonably possible changes to assumptions that could lead to a material impairment had been disclosed.</p> <p>We assessed the adequacy of the disclosures in Note 12 'Goodwill' to the Consolidated Financial Statements.</p>

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ *CONTINUED***Other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report from pages 131 to 136, the Corporate Governance Statement from pages 48 to 69 and the Additional Information from pages 211 to 214 but does not include the Consolidated Financial Statements and our report of “réviseur d'entreprises agréé” thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the Consolidated Financial Statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended (“ESEF Regulation”).

In preparing the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the Consolidated Financial Statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 8 May 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is twelve years.

The Consolidated Management Report is consistent with the Consolidated Financial Statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 48 to 69 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the Consolidated Financial Statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the Consolidated Financial Statements of the Group as at 31 December 2025 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- financial statements prepared in valid xHTML format; and
- the XBRL markup of the Consolidated Financial Statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the Consolidated Financial Statements of the Group at 31 December 2025, identified as 222100AIFOCBCY80AH62-2025-12-31, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Ernst & Young

Société anonyme
Cabinet de révision agréé

Emmanuel Mareschal

Luxembourg, 25 February 2026

CONSOLIDATED INCOME STATEMENT

For the year ended (in \$ millions, except per share data)	Notes	2025 31 Dec	2024 31 Dec
Revenue	5	7,086.3	6,837.0
Operating expenses	6	(6,011.4)	(6,132.3)
Gross profit		1,074.9	704.7
Administrative expenses	6	(340.5)	(297.2)
Share of net income of associates and joint ventures	16	36.3	38.0
Net operating income		770.7	445.5
Finance income	8	22.8	24.4
Other gains and losses	7	(84.4)	(0.5)
Finance costs	8	(87.3)	(101.2)
Income before taxes		621.8	368.2
Taxation	9	(217.6)	(151.6)
Net income		404.2	216.6
Net income attributable to:			
Shareholders of the parent company		411.4	201.4
Non-controlling interests	26	(7.2)	15.2
		404.2	216.6
Earnings per share			
	Notes	\$ per share	\$ per share
Basic	11	1.39	0.68
Diluted ^(a)	11	1.38	0.67

(a) For explanation and a reconciliation of diluted earnings per share please refer to Note 11 'Earnings per share' to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended (in \$ millions)	Notes	2025 31 Dec	2024 31 Dec
Net income		404.2	216.6
<i>Items that may be reclassified to the income statement in subsequent periods:</i>			
Net foreign currency translation gains/(losses)		102.5	(21.9)
Net commodity cash flow hedge losses		(2.0)	(2.5)
Share of other comprehensive income/(loss) of associates and joint ventures	16	6.0	(8.4)
Tax relating to components of other comprehensive income	9	(2.0)	2.2
<i>Items that will not be reclassified to the income statement in subsequent periods:</i>			
Remeasurement (loss)/gain on defined benefit pension scheme	36	(0.6)	0.9
Tax relating to remeasurement (loss)/gain on defined benefit pension scheme	9	0.2	(0.2)
Fair value adjustment on other financial assets		0.1	–
Other comprehensive income/(loss)		104.2	(29.9)
Total comprehensive income		508.4	186.7
Total comprehensive income attributable to:			
Shareholders of the parent company		514.5	172.1
Non-controlling interests		(6.1)	14.6
		508.4	186.7

CONSOLIDATED BALANCE SHEET

At (in \$ millions)	Notes	2025 31 Dec	2024 31 Dec
Assets			
Non-current assets			
Goodwill	12	157.0	183.7
Intangible assets	13	111.7	87.6
Property, plant and equipment	14	3,760.2	3,960.8
Right-of-use assets	15	309.5	400.3
Interests in associates and joint ventures	16	370.2	367.2
Advances and receivables	17	57.8	49.1
Derivative financial instruments	33	22.9	62.9
Other financial assets	33	1.1	1.1
Deferred tax assets	9	119.3	93.6
		4,909.7	5,206.3
Current assets			
Inventories	18	51.8	57.4
Trade and other receivables	19	836.3	663.8
Current tax assets		157.4	105.3
Derivative financial instruments	33	55.6	74.1
Assets classified as held for sale	20	165.2	–
Construction contracts – assets	22	602.1	774.1
Other accrued income and prepaid expenses	21	276.7	214.6
Restricted cash		6.0	9.5
Cash and cash equivalents	23	969.7	575.3
		3,120.8	2,474.1
Total assets		8,030.5	7,680.4
Equity			
Issued share capital	24	599.2	599.2
Treasury shares	25	(60.2)	(69.1)
Paid in surplus		2,551.5	2,545.9
Translation reserve		(533.3)	(632.7)
Other reserves		(8.5)	(17.5)
Retained earnings		1,857.6	1,824.6
Equity attributable to shareholders of the parent company		4,406.3	4,250.4
Non-controlling interests	26	38.5	44.6
Total equity		4,444.8	4,295.0
Liabilities			
Non-current liabilities			
Borrowings	27	402.4	583.8
Lease liabilities	28	184.9	231.1
Retirement benefit obligations	36	13.8	8.1
Deferred tax liabilities	9	121.5	87.3
Provisions	32	22.1	29.1
Contingent liabilities recognised	33	–	0.4
Derivative financial instruments	33	21.6	10.7
Other non-current liabilities	29	1.0	1.0
		767.3	951.5
Current liabilities			
Trade and other liabilities	30	1,501.9	1,429.2
Derivative financial instruments	33	30.1	35.3
Tax liabilities		113.9	125.0
Borrowings	27	181.3	138.2
Lease liabilities	28	164.9	223.8
Liabilities included in disposal group classified as held for sale	20	50.4	–
Provisions	31	55.8	63.0
Construction contracts – liabilities	22	701.5	392.3
Deferred revenue	37	18.6	27.1
		2,818.4	2,433.9
Total liabilities		3,585.7	3,385.4
Total equity and liabilities		8,030.5	7,680.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(in \$ millions)	Issued share capital	Treasury shares	Paid in surplus	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2025	599.2	(69.1)	2,545.9	(632.7)	(17.5)	1,824.6	4,250.4	44.6	4,295.0
Comprehensive income									
Net income/(loss)	-	-	-	-	-	411.4	411.4	(7.2)	404.2
Net foreign currency translation gains	-	-	-	101.4	-	-	101.4	1.1	102.5
Net commodity cash flow hedges	-	-	-	-	(2.0)	-	(2.0)	-	(2.0)
Remeasurement loss on defined benefit pension scheme	-	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	6.0	-	6.0	-	6.0
Fair value adjustment on other financial assets	-	-	-	-	0.1	-	0.1	-	0.1
Tax relating to components of other comprehensive income	-	-	-	(2.0)	0.2	-	(1.8)	-	(1.8)
Total comprehensive income	-	-	-	99.4	3.7	411.4	514.5	(6.1)	508.4
Transactions with owners									
Dividends paid	-	-	-	-	-	(368.3)	(368.3)	-	(368.3)
Share-based payments	-	-	8.7	-	-	-	8.7	-	8.7
Tax effects on share-based payments	-	-	1.0	-	-	-	1.0	-	1.0
Shares reallocated relating to share-based payments	-	8.9	-	-	-	(8.9)	-	-	-
Vesting of share-based payments	-	-	(4.1)	-	-	4.1	-	-	-
Reclassification of financial assets	-	-	-	-	5.3	(5.3)	-	-	-
Total transactions with owners	-	8.9	5.6	-	5.3	(378.4)	(358.6)	-	(358.6)
Balance at 31 December 2025	599.2	(60.2)	2,551.5	(533.3)	(8.5)	1,857.6	4,406.3	38.5	4,444.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(in \$ millions)	Issued share capital	Treasury shares	Paid in surplus	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	608.6	(31.1)	2,579.7	(607.2)	(7.3)	1,780.3	4,323.0	34.1	4,357.1
Comprehensive income									
Net income	-	-	-	-	-	201.4	201.4	15.2	216.6
Net foreign currency translation losses	-	-	-	(21.3)	-	-	(21.3)	(0.6)	(21.9)
Net commodity cash flow hedge losses	-	-	-	-	(2.5)	-	(2.5)	-	(2.5)
Remeasurement gain on defined benefit pension scheme	-	-	-	-	0.9	-	0.9	-	0.9
Share of other comprehensive loss of associates and joint ventures	-	-	-	-	(8.4)	-	(8.4)	-	(8.4)
Tax relating to components of other comprehensive income	-	-	-	2.2	(0.2)	-	2.0	-	2.0
Total comprehensive income	-	-	-	(19.1)	(10.2)	201.4	172.1	14.6	186.7
Transactions with owners									
Dividends paid	-	-	-	-	-	(163.1)	(163.1)	-	(163.1)
Shares repurchased	-	(87.3)	-	-	-	-	(87.3)	-	(87.3)
Share cancellation	(9.4)	46.7	(37.3)	-	-	-	-	-	-
Share-based payments	-	-	6.2	-	-	-	6.2	-	6.2
Vesting of share-based payments	-	-	(3.3)	-	-	3.3	-	-	-
Tax effects on share-based payments	-	-	0.6	-	-	-	0.6	-	0.6
Shares reallocated relating to share-based payments	-	2.6	-	-	-	(2.6)	-	-	-
Reclassification adjustment relating to ownership interests	-	-	-	(6.4)	-	5.3	(1.1)	(4.1)	(5.2)
Total transactions with owners	(9.4)	(38.0)	(33.8)	(6.4)	-	(157.1)	(244.7)	(4.1)	(248.8)
Balance at 31 December 2024	599.2	(69.1)	2,545.9	(632.7)	(17.5)	1,824.6	4,250.4	44.6	4,295.0

CONSOLIDATED CASH FLOW STATEMENT

(in \$ millions)	Notes	2025 31 Dec	2024 31 Dec
Operating activities			
Income before taxes		621.8	368.2
Adjustments for non-cash items:			
Impairment of goodwill		17.6	6.2
Impairment of property, plant and equipment, intangible assets and right-of-use	13,14, 15	13.6	15.8
Impairment of interests in associates and joint ventures		1.7	–
Depreciation and amortisation charges	6	679.2	622.5
Movement in foreign exchange embedded derivatives		69.2	(105.8)
Adjustments for investing and financing items:			
Share of net income of associates and joint ventures ^(a)	16	(38.0)	(38.0)
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	6	(2.4)	0.1
Remeasurement loss on business combination	7	–	0.9
Release of contingent consideration post measurement period	33	(0.3)	–
Finance income	8	(22.8)	(24.4)
Finance costs	8	87.3	101.2
Adjustments for equity items:			
Share-based payments	35	8.7	6.2
		1,435.6	952.9
Changes in working capital:			
Decrease in inventories		0.4	0.9
(Increase)/decrease in trade and other receivables		(199.7)	185.9
Decrease/(increase) in construction contract – assets		153.2	(338.7)
Increase in other working capital assets		(59.2)	(6.6)
(Decrease)/increase in trade and other liabilities		(10.8)	24.2
Increase in construction contract – liabilities		379.0	186.1
(Decrease)/increase in other working capital liabilities		(29.2)	3.7
Net movement in working capital		233.7	55.5
Income taxes paid		(198.6)	(77.0)
Net cash generated from operating activities		1,470.7	931.4
Cash flows used in investing activities			
Proceeds from disposal of property, plant and equipment		1.8	59.7
Purchases of property, plant and equipment and intangible assets		(281.0)	(348.7)
Investments in associates and joint ventures		–	(153.3)
Interest received	8	22.8	24.4
Acquisition of business (net of cash acquired)		(2.8)	–
Dividends received from associates and joint ventures	16	41.2	3.4
Repayment of loan by joint venture		4.4	0.9
Net cash used in investing activities		(213.6)	(413.6)
Cash flows used in financing activities			
Interest paid		(66.3)	(75.6)
Proceeds from borrowings		50.0	170.0
Repayment of borrowings		(189.4)	(294.8)
Cost of share repurchases	25	–	(87.3)
Payments related to lease liabilities – principal	28	(266.8)	(189.6)
Payments related to lease liabilities – interest	28	(25.1)	(33.6)
Acquisition of shares in non-wholly-owned subsidiary		–	(6.4)
Dividends paid to shareholders of the parent company	10	(376.2)	(162.9)
Net cash used in financing activities	33	(873.8)	(680.2)
Net increase/(decrease) in cash and cash equivalents		383.3	(162.4)
Cash and cash equivalents at beginning of year	23	575.3	750.9
Decrease/(increase) in restricted cash		3.5	(2.1)
Effect of foreign exchange rate movements on cash and cash equivalents		7.6	(11.1)
Cash and cash equivalents at end of year	23	969.7	575.3

(a) Share of net income of associates and joint ventures excludes an impairment charge of \$1.7 million (2024: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

By virtue of its incorporation in Luxembourg, Subsea 7 S.A. is a company domiciled in Luxembourg whose common shares trade on Oslo Børs and as American Depositary Receipts (ADRs) over-the-counter in the US. The address of the registered office is 412F, route d'Esch, L-1471 Luxembourg.

Subsea 7 S.A. is the holding company of the Subsea7 Group. Subsea 7 S.A.'s principal place of business is Luxembourg. The Subsea7 Group is a global leader in the delivery of offshore projects and services for the evolving energy industry.

The Group provides products and services required for subsea field development, including project management, design and engineering, procurement, fabrication, survey, installation and commissioning of production facilities on the seabed and the tie-back of these facilities to fixed or floating platforms or to the shore. The Group offers a full spectrum of products and capabilities including remotely operated vehicles and tooling services to support exploration and production activities and to deliver full life-of-field services to its clients. Through its Renewables business unit, the Group offers expertise in the fixed and floating wind market, including the procurement and installation of offshore wind turbine foundations and inter-array cables as well as heavy lifting operations for renewables structures and heavy transportation services. The Group provides engineering and advisory services to clients in the oil and gas, renewables and utilities industries through its wholly-owned, autonomous subsidiaries Xodus and 4Subsea.

Authorisation of Consolidated Financial Statements

Under Luxembourg law, the Consolidated Financial Statements are approved by the shareholders at the Annual General Meeting. The Consolidated Financial Statements were authorised for issue by the Board of Directors on 25 February 2026.

Presentation of Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Consolidated Financial Statements comply with Article 4 of the EU IAS Regulation.

Amounts in the Consolidated Financial Statements are stated in US dollars (\$), the currency of the primary economic environment in which the Group operates. Group entities whose functional currency is not the US dollar are consolidated in accordance with the policies set out in Note 3 'Material accounting policies'.

The Consolidated Financial Statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments and balances required to be measured at fair value. The principal accounting policies adopted are consistent with the Consolidated Financial Statements for the year ended 31 December 2024, except where stated in Note 2 'Adoption of new accounting standards'.

Going concern

The Consolidated Financial Statements have been prepared on the going concern basis. Management has concluded that there are no significant doubts over the application of the going concern assumption and no disclosable material uncertainties which cast doubt upon the Group's ability to continue as a going concern.

At 31 December 2025, the Group had a solid cash position with cash and cash equivalents of \$969.7 million. Total borrowings were \$583.7 million, with amounts drawn under both of the Group's UK Export Finance facilities and the Group's South Korean Export Credit Agency facility. The Group's \$600 million multi-currency revolving credit and guarantee facility was unutilised.

The Group's borrowings and guarantee facilities contain financial covenants, including a maximum level of net debt to earnings before interest, tax, depreciation and amortisation. During the year ended 31 December 2025, all financial covenants were met with significant headroom, and the Group expects to be able to comply with all financial covenants during the going concern assessment period, being 12 months from the date of signing of the Consolidated Financial Statements by the Subsea 7 S.A. directors. The Group ended the year with backlog of \$13.8 billion, an increase of \$2.6 billion compared to 31 December 2024.

On 23 February 2025, Subsea 7 S.A. and Saipem S.p.A. signed a Memorandum of Understanding to regulate the terms of a possible merger between the two companies. Subsequently, on 23 July 2025, Subsea 7 S.A. and Saipem S.p.A. entered into a binding merger agreement, governing the final terms of the proposed merger including the combination of the Group's business with the Asset Based Services business of Saipem S.p.A., including Offshore Wind, and form an operationally autonomous company within the new combined group. The proposed merger is subject to conditions precedent, including regulatory approval in certain jurisdictions, and anticipated to be completed in the second half of 2026.

Upon completion of the conditions precedent including obtaining the required regulatory approvals, and as approved on the 25 September 2025 by the shareholders of Subsea 7 S.A. and Saipem S.p.A. respectively, the proposed business combination will be effected by way of an EU cross-border statutory merger of the Group's parent company, Subsea 7 S.A. into Saipem S.p.A. within the meaning of the provisions of the European Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law, and Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions (the EU Mobility Directive). By virtue of the proposed merger, Subsea 7 S.A., a company incorporated in Luxembourg, will be absorbed by Saipem S.p.A., a company incorporated in Italy, which will acquire all assets and assume all liabilities and other legal relationships of Subsea 7 S.A. and will be renamed Saipem7 S.p.A.

The absorption of Subsea 7 S.A. into Saipem S.p.A. (renamed Saipem7 S.p.A.) itself will have no impact on the Group's ongoing operations or the ability of the Group to continue as a going concern. Completion of the proposed merger is subject to, among other things, the admission to listing and trading of the shares of the combined company on Euronext Oslo in Norway. The merged company, Saipem7 S.p.A. will remain incorporated in Italy and listed on Euronext Milan in Italy.

Management considers that the Group's ability to continue as a going concern will not be impacted should the proposed merger not be completed. The Group will generate sufficient cash flow and have access to adequate liquidity to support the assumption that the Group will continue as a going concern. Management has performed stress tests of future cash flow forecasts to evaluate the impact of severe but plausible downside scenarios. These include scenarios which reflect extended periods of low energy prices and potential operational-related issues which could adversely impact the Group. In all scenarios, which factor in an evaluation of whether the proposed merger completes or does not complete, management identified no forecast breaches of banking covenants and demonstrated sufficient liquidity for the Group.

Macroeconomic environment

During the year ended 31 December 2025, the Group's interest and fees on financial liabilities measured at amortised cost were \$50.2 million (2024: \$70.7 million), as disclosed within Note 8 'Finance income and finance costs'. Management has prepared an interest rate sensitivity analysis disclosed within the liquidity risk section of Note 33 'Financial instruments'. At 31 December 2025, the Group's liquidity, represented by cash and cash equivalents and undrawn borrowing facilities, was \$1.6 billion (31 December 2024: \$1.3 billion).

Measurement and disclosure of climate-related matters

Management has evaluated and provided relevant information to permit users of the Consolidated Financial Statements to assess how material climate-related matters were considered in preparing the Group's Consolidated Financial Statements. From 1 January 2024, the Group has elected to report, on a voluntary basis pending transposition into Luxembourg Law, disclosures related to the European Union (EU) Corporate Sustainability Reporting Directive (CSRD), with the applicable European Sustainability Reporting Standards (ESRS). The disclosures under CSRD on pages 70 to 126 provide users information on climate-related impacts, risks and opportunities related to the Group.

The Group's current assessment of the range of economic and climate-related conditions that could exist in transitioning to a lower-carbon economy are reflected in the Group's medium and long-term plans. These considerations may affect certain significant judgements and key estimates impacting the Consolidated Financial Statements. The primary matters considered were:

Non-current assets

At 31 December 2025, the Group's owned vessels represented in excess of 85% of the total carrying amount of property, plant and equipment. Management considers that judgements and estimates impacted by climate-related considerations are most relevant to the matters below:

- carrying amount of assets
- impairment testing and value-in-use calculations
- remaining useful economic life of assets and residual values

The majority of the Group's vessels are deployed on oil and gas activities, and it is expected that oil and gas will continue to represent a significant, although declining component of the global energy mix until at least 2050 during the transition to sustainable lower-carbon sources of energy. Management considers that the Group is in a position to continue to utilise its vessels for oil and gas development and adapt certain vessels, where required, to perform non-oil and gas projects. Typically, new-build vessels are depreciated over 25 years, but a vessel can continue to be utilised beyond this period with appropriate levels of capital expenditure. The useful economic life and residual values of vessels are reviewed annually. No amendments were made to useful lives, and no indicators of impairment were identified as a direct result of climate-related matters for the year ended 31 December 2025 (2024: none).

Cash flow forecasts

Estimating future global energy demand and supply and the pace of future technological change is challenging and customer and competitor behaviour, political developments and government actions may impact the Group's operations. Cash flow projections used for impairment testing include climate-related risks and opportunities which may impact the Group's revenue, costs, including research and development costs, and capital expenditure. Management considers that costs related to the physical impacts of climate change, such as rising temperatures or the severity of weather events will not significantly impact the Group. The impacts of the enactment of future government or legislative policies are not currently factored into the cash flow projections utilised for impairment testing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***1. General information continued****Cash flow forecasts continued**

Terminal value cash flows within impairment modelling are calculated using an estimated sustainable cash flow level, reflecting climate-related aspects. International Financial Reporting Standards require the application of a steady or declining growth rate unless an increasing rate can be justified. Growth rates applied to the Group's Corporate and Subsea and Conventional business units are 2%, in line with the prior year, to align with expected demand for the Group's assets and resources in the medium to long-term, which covers a five-year period and beyond. Third-party projections indicate that offshore oil and gas will continue to be a significant source of energy through to 2050 and beyond. A growth rate of 4% has been applied to the Group's Renewables business unit reflecting the growing renewables sector within the transition to a lower-carbon economy. The discount rate utilised for these modelling calculations has not been adjusted for climate-related risk as these risks are adequately captured in the Group's medium and long-term plans and terminal value cash flows calculations.

Capital expenditure

Management has considered whether transitioning to a lower-carbon economy may lead to higher capital expenditure costs to develop or acquire technology to comply with environmental requirements and the Group's sustainability ambitions. Management has applied judgement when determining whether climate-related capital expenditure necessary to meet emission reduction targets is considered maintenance or enhancement. In compliance with International Financial Reporting Standards, cash flow projections utilised for impairment testing include maintenance capital expenditure only. Management continues to consider the development of lower-carbon emissions technologies which may be utilised by the vessel fleet in particular. Decarbonisation measures through the use of efficient, cleaner fuels, mainly related to the Group's vessel fleet, form a key part in the transition to lower-carbon emissions, but are dependent upon the development of suitable alternative fuels being available globally, at scale and being commercially viable.

Access to financial products

The Group utilises funding and financial products from financial institutions, such as banks and insurance companies. Certain institutions may reduce or stop providing funding and financial products to the Group based on climate-related considerations, this could result in higher costs for the Group. Management takes climate-related factors into consideration to ensure the Group's capacity and diversity of financial products is appropriate.

Emission trading schemes

Activities related to the Group's heavy transport vessels incur costs related to the EU Emissions Trading Scheme. During the year, the Group has purchased emissions allowances which are held for the Group's own use. Emissions allowances are recognised as a cost within operating expenses in the Group's Consolidated Income Statement, in line with the associated activity. Emissions allowances purchased exceeding emissions incurred to date are carried at cost within other current receivables on the Group's Consolidated Balance Sheet. No emissions allowances are purchased and held for trading purposes. Amounts received from clients related to emissions allowances are recognised in accordance with IFRS 15 'Revenue from Contracts with Customers', as one combined performance obligation.

2. Adoption of new accounting standards**Effective new accounting standards**

No new International Financial Reporting Standards (IFRS) were adopted by the Group for the year beginning 1 January 2025. Several amendments to existing IFRS were applied for the first time in 2025 but did not have a material impact on the Consolidated Financial Statements of the Group.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. There are no IFRS standards or amendments that have been issued but not yet adopted which are expected to have a material impact on the Group.

3. Material accounting policies**Basis of consolidation**

The Consolidated Financial Statements incorporate the financial statements of Subsea 7 S.A. (the Company) and entities controlled by the Company (its subsidiaries). Control is assumed to exist where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries

Assets, liabilities, income and expenses of a subsidiary are included in the Consolidated Financial Statements from the date the Group obtains control over the subsidiary until the date the Group ceases to control the subsidiary. Changes in the Group's interest in a subsidiary that do not result in the Group ceasing to control that subsidiary are accounted for as equity transactions.

Note 39 'Wholly-owned subsidiaries' includes information related to wholly-owned subsidiaries which are included in the Consolidated Financial Statements of the Group.

All subsidiaries are wholly-owned (100%) except those listed in Note 26 'Non-controlling interests'. Non-controlling interests comprise equity interests in subsidiaries which are not attributable, directly or indirectly, to the Company. Non-controlling interests in the net assets or liabilities of subsidiaries are identified separately from the equity attributable to shareholders of the parent company. Non-controlling interests consist of the amount of those interests at the date that the Group obtains control over the subsidiary together with the non-controlling shareholders' share of net income or loss and other comprehensive income or loss since that date.

Interests in associates and joint arrangements

An associate is an entity over which the Group has significant influence, but not control, and which is neither a subsidiary nor a joint venture. Significant influence is defined as the right to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Interests in associates and joint ventures are accounted for using the equity method. Under this method, the investment is recognised in the Consolidated Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture, less any provisions for impairment. The Consolidated Income Statement reflects the Group's share of net income or loss of the associate or joint venture. Losses in excess of the Group's interest (which includes any long-term interests that, in substance, form part of the Group's net investment) are only recognised to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Where there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share in the Consolidated Statement of Comprehensive Income.

The Group executes projects through unstructured joint operations where contracts are entered into by individual entities of the Group. Each party to the joint operation is responsible for their own specific contractual scope with associated revenue, expenses, assets and liabilities recognised in the Group's Consolidated Financial Statements.

Foreign currency translation

Each entity in the Group determines its own functional currency and items recognised in the financial statements of each entity are measured using that functional currency. Functional currency is defined as the currency of the primary economic environment in which the entity operates. While this is usually the local currency, the US dollar is designated as the functional currency of certain entities where transactions and cash flows are predominantly in US dollars.

All transactions in non-functional currencies are initially translated into the functional currency of each entity at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in non-functional currencies are translated to the functional currency at the exchange rate prevailing at the balance sheet date.

All resulting exchange rate gains and losses are recognised in the Consolidated Income Statement. Non-monetary items which are measured at historical cost in a non-functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items which are measured at fair value in a non-functional currency are translated to the functional currency using the exchange rate prevailing at the date when the fair value was determined.

Foreign exchange revaluations of short-term intra-group balances denominated in non-functional currencies are recognised in the Consolidated Income Statement. Revaluations of long-term intra-group loans are recognised in the translation reserve in equity.

The assets and liabilities of operations which have a non-US dollar functional currency are translated into the Group's reporting currency, US dollar, at the exchange rate prevailing at the balance sheet date. The exchange rate differences arising on the translation are recognised in the translation reserve in equity. Income and expenditure items are translated at the weighted average exchange rates for the year. On disposal of an entity with a non-US dollar functional currency the cumulative translation adjustment previously recognised in the translation reserve in equity is reclassified to the Consolidated Income Statement. At 31 December 2025, the exchange rates of the main currencies used throughout the Group, compared to the US dollar, were as follows:

GBP	0.743
EUR	0.850
NOK	10.103
BRL	5.544

Revenue from contracts with customers

The Group applies the IFRS 15 'Revenue from Contracts with Customers' five-step model whereby revenue is recognised at an amount which reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The Group's revenue comprises revenue recognised from contracts with customers for the provision of long-term fixed-price contracts, services under charter agreements, day-rate contracts, reimbursable contracts, cost-plus contracts (and similar contracts), each of which are considered to comprise one performance obligation. The following is a description of the principal activities, by operating segment, from which the Group generates revenue as disclosed in the disaggregated revenue analysis Note 5 'Segment information'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***3. Material accounting policies continued****Subsea and Conventional**

Subsea and Conventional work, which includes Engineering, Procurement, Installation and Commissioning (EPIC) contracts, is generally contracted on a fixed-price basis. The costs and margins realised on such contracts vary depending on a number of factors which may result in reduced margins or, in some cases, losses. The promised goods and services within each contract are considered to be distinct as a bundle under IFRS 15. Due to the significant integration, customisation and highly interrelated nature of the work performed they form one performance obligation with revenue being recognised over time. During a contract, work is performed for the sole benefit of the client who continually monitors progress. Clients may also participate in the supplier selection processes for procured items.

During the offshore phase of a contract, the Group typically executes work related to the installation of the client's assets. Due to the nature of the work performed, the Group would not have an alternative use for the works performed under a contract for a specific client. The transaction price for these types of contracts, where there is an element of variable consideration, which includes variation orders, claims, bonuses and liquidated damages, is based upon the single most likely outcome.

Any additional work, such as scope changes or variation orders, as well as other variable consideration, will be included within the total price once the amounts can be reasonably estimated and management has concluded that it is highly probable that recognition will not result in a significant revenue reversal in a future period.

For EPIC contracts, revenue is recognised in each period based upon the advancement of the work-in-progress. The input method used to progressively recognise revenue over time is based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the contract. This method provides a faithful depiction of the transfer of goods and services to the customer. Any significant upfront procurement which is not customised for the specific contract is not included within the actual cost of work performed until such time as the costs incurred are proportionate to the progress in satisfying the performance obligation. Similarly, an adjustment to the measurement of progress may be required where significant inefficiencies occur which results in the costs associated with inefficiencies being excluded from the total forecast cost-at-completion to estimate percentage-of-completion. Typically, payment is due from the customer between 30 to 60 days following the issuance of the invoice, although this may be longer depending upon the client or customary payment terms in certain geographies. The contracts have no significant financing component as the period between when the Group transfers promised goods or services to a customer and when the customer pays for those goods or services will be one year or less. In circumstances where the Group has recognised revenue, but not issued an invoice, the conditional entitlement to consideration is recognised as a construction contract asset. The construction contract asset is transferred to trade and other receivables in accordance with the contractual milestone schedule which reflects the unconditional entitlement to payment. The time elapsing before transfer to trade and other receivables may be different between contracts depending upon the contractual terms and conditions. Construction contract liabilities arise when progress billings to date exceed contract revenues recognised. Construction contract asset and liability balances at 31 December 2025 and 2024 are disclosed within Note 22 'Construction contracts'. Assurance type warranty periods commence at the completion of the contractual obligations and typically have a duration of between one and three years.

The Group's Pipelay Support Vessel (PLSV) contracts, offshore Brazil, are also included within Subsea and Conventional. PLSV revenue is based upon an agreed schedule of work applied to a range of daily operating activities pre-agreed with the customer. As such these contracts are considered to be distinct as a pattern and hence one performance obligation under the guidelines within IFRS 15. Each day is distinct with the overall promise being the delivery of a series of days which have the same pattern of transfer to the customer. The transaction price for all PLSV contracts is determined by the expected value approach being the number of days multiplied by the expected day-rate. This method of revenue recognition for PLSV contracts provides a faithful depiction of the transfer of goods and services. Typically, the value of work completed in any one month corresponds directly with the Group's right to payment. Payment is due from the client approximately 60 days following invoice date. These contracts have no significant financing component. Unbilled revenue related to work completed for the customer is included within Note 21 'Other accrued income and prepaid expenses'.

Certain Brazilian contracts contain escalation clauses which allow for inflationary adjustments on an annual basis to both revenue and costs denominated in Brazilian real. These are recognised as variable consideration and are included within the total price once the amounts can be reasonably estimated, and management has concluded that it is highly probable that recognition will not result in a significant revenue reversal in a future period.

Front-end engineering and design (FEED) studies undertaken by the Group are also included within Subsea and Conventional principally on a day-rate basis. Revenue recognition for day-rate contracts is described in the paragraph below.

The Group provides Remotely Operated Vehicles (ROVs), survey and inspection, drill-rig support and related solutions on a day-rate basis. Projects are contracted on the basis of an agreed schedule of rates applied to a range of daily operating activities. These contracts are considered to be distinct as a pattern and hence one performance obligation under the guidelines within IFRS 15. Each day is distinct with the overall promise being the delivery of a series of days that have the same pattern of transfer to the customer. The transaction price for all day-rate contracts is determined by the expected value approach, being the number of days multiplied by the expected day-rate. This method of revenue recognition for day-rate contracts provides a faithful depiction of the transfer of goods and services. Typically, the value of work completed in any one month corresponds directly with Subsea's right to payment. Payment is due from the client approximately 30–45

days following the invoice date. These contracts have no significant financing component. Unbilled revenue related to work completed for the customer, is included within Note 21 'Other accrued income and prepaid expenses'.

Customers, in certain circumstances, may request the commissioning of bespoke tooling. Revenue in relation to bespoke tooling, which is not significant in relation to the Group's overall revenue, is considered distinct in its own right. Dependent on the individual contract with the customer, revenue from the sale of this bespoke tooling may be recognised over time or at a point in time when control of the asset is transferred to the customer, generally on delivery.

Renewables

Renewables contracts which include the construction and installation of fixed offshore wind turbine foundations and inter-array cables, heavy lifting operations, decommissioning and heavy transportation are generally contracted on a fixed-price basis. Similar to EPIC contracts, the promised goods and services within renewables contracts are considered to be distinct as a bundle and hence one performance obligation with revenue being recognised over time. Although the promises within the contract are capable of being distinct, management has concluded that they are not due to the significant integration, customisation and highly interrelated nature of each contract. The contract work performed is for the sole benefit of the customer who continually monitors progress, and the Group would not have an alternative use for work performed under a specific contract. Clients may also participate in the supplier selection processes for procured items. The transaction price for these types of contracts, where there is an element of variable consideration, is based upon the single most likely outcome. Any additional work, such as scope changes or variation orders, as well as other variable consideration will be included within the total price once the amounts can be reasonably estimated, and management has concluded that this will not result in a significant revenue reversal in a future period.

For renewables contracts the input method used to progressively recognise revenue over time is based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs-at-completion of the contract. This method provides a faithful depiction of the transfer of the goods and services to the customer. Any significant upfront procurement which is not customised for the particular contract is not included within the actual cost of work performed at each period end. An adjustment to the measure of progress may be required where significant inefficiencies occur which were not reflected in the price of the contract. Typically, payment is due from the client approximately 30–45 days following the issuance of the invoice, although this may be longer depending upon the customer or customary payment terms in certain geographies. These contracts have no significant financing component as the period between when the Group transfers the promised goods or services to the customer and when the customer pays for those goods or services will be one year or less. In circumstances where the Group has recognised revenue, but not issued an invoice, the entitlement to consideration is recognised as a construction contract asset. The construction contract asset is transferred to trade and other receivables in accordance with the contractual milestone schedule which reflects the unconditional entitlement to payment. The time elapsing before transfer to trade and other receivables may be different between contracts depending upon the contractual terms and conditions. Construction contract liabilities arise when progress billings exceed contract revenues. Assurance type warranty periods commence at the completion of the contractual obligations. Construction contract asset and liability balances at 31 December 2025 and 2024 are disclosed within Note 22 'Construction contracts'.

The Group operates a fleet of vessels which provide heavy transportation services mainly related to the offshore energy sector, including the fixed offshore wind market. Under these contracts the Group's vessels transport a specific agreed-upon cargo for a single voyage. The Group treats these as voyage charter contracts and applies the input method to progressively recognise revenue over time based upon percentage-of-completion whereby total costs incurred to date are compared with total forecast costs at completion of the contract. This method provides a faithful depiction of the transfer of the goods and services to the customer. The Group generally has standard payment terms of approximately 10% freight paid on signing of contract, 40% on loading and 50% on discharge. These contracts have no significant financing component as the period between when the Group transfers the promised goods or services to the customer and when the customer pays for those goods or services will be one year or less. Voyage charter contracts consist of a single performance obligation of transporting cargo within a specified period. The voyage charters generally have variable consideration in the form of demurrage, which is recognised over the period in which the performance obligations are met under the contract. Demurrage is estimated at contract inception using either the expected value or most likely amount approaches. Such estimate is reviewed and updated over the term of the voyage charter contract.

Corporate

Revenue within the Group's Corporate business unit, which is not material to the Group, relates to activities in its autonomous subsidiaries, Xodus and 4Subsea. Contracts with customers in these subsidiaries are contracted on either a fixed-price or day-rate basis. Revenue related to these contracts is recognised using the method described previously for similar contracts within the Subsea and Conventional and Renewables business units. Payment is due from the client approximately 30–60 days following the issuance of the invoice. These contracts have no significant financing component as the period between when the Group transfers the promised goods or services to the customer and when the customer pays for those goods or services will be one year or less. Construction contract asset and liability balances related to fixed-price contracts at 31 December 2025 and 2024 are disclosed within Note 22 'Construction contracts'. Unbilled revenue-related work completed on day-rate contracts, which has not been billed to clients, is included within Note 21 'Other accrued income and prepaid expenses'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***3. Material accounting policies continued****Advances received from customers**

For certain contracts the Group may receive short-term advances from customers which are presented as deferred revenue within the Consolidated Balance Sheet. Advances received from customers include amounts received before the work is performed on day-rate and fixed-price contracts. The consideration is not adjusted for the effects of a financing component where the Group expects, at contract inception, that the period between when the customer pays for the service and when the Group transfers that promised service to the customer will be 12 months or less.

Variable consideration

Variable consideration is constrained at contract inception to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Warranty obligations

The Group provides warranties for the repair of defects which are identified during the contract and within a defined period thereafter. All are assurance-type warranties, as defined within IFRS 15, which the Group recognises under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The Group does not have any contractual obligations for service-type warranties.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. These amounts are calculated using the effective interest rate related to the period of the expenditure. All other borrowing costs are recognised in the Consolidated Income Statement in the period in which they are incurred.

Finance costs

Finance costs or charges, including premiums on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

Retirement benefit costs

The Group administers several defined contribution pension plans. Obligations in respect of such plans are charged to the Consolidated Income Statement as they fall due. In addition, the Group administers one defined benefit pension plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Taxation

Taxation expense or income recorded in the Consolidated Income Statement or Consolidated Statement of Other Comprehensive Income represents the sum of the current tax and deferred tax charge or credit for the year.

Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and further excludes items that are never taxable or deductible. The tax laws and rates used to compute the Group's current tax liabilities are those that are enacted or substantively enacted at the balance sheet date.

In accordance with IFRIC 23 'Uncertainty over Income Tax Treatments', a liability is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The liabilities are measured at the most likely amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets or liabilities are representative of taxes being owed by, or owing to, local tax authorities, and include the impact of any provisions required for uncertain tax treatments.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable income and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Such assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination) that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date. Deferred tax assets are only recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Deferred tax assets are derecognised or reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are substantively enacted and expected to apply in the period when the asset is realised, or the liability is settled. Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

Significant tax estimates and judgements

In accordance with IFRIC 23, a provision for an uncertain tax treatment is made where the ultimate outcome of a particular tax matter is uncertain. In calculating tax assets and liabilities, the Group assesses the probability of treatment being accepted and, where this is not probable and a reasonable estimate can be made, the Group recognises a provision for the adjustment it considers probable to be required.

OECD Pillar Two

The Group adopted the amendments to IAS 12 'Income Taxes' for the first time in 2023. The IASB amended the scope of IAS 12 to clarify that it applied to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense or income related to Pillar Two income taxes.

Dry-dock, mobilisation and decommissioning expenditure

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised in the Consolidated Balance Sheet as a distinct component of the asset and amortised over the period until the next scheduled dry-docking (usually between two-and-a-half years and five years). At the date of the next dry-docking, the previous dry-dock asset and accumulated amortisation is derecognised. All other repair and maintenance costs are recognised in the Consolidated Income Statement as incurred.

Intangible assets other than goodwill

Intangible assets acquired separately are measured at cost at the date of initial acquisition. Following initial recognition, intangible assets are measured at cost less amortisation and impairment charges. Intangible assets acquired as part of a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets acquired as part of a business combination are measured at acquisition date fair value less amortisation and impairment charges.

Internally generated intangible assets are not capitalised, with the exception of development expenditure which meets the criteria for capitalisation specified in IAS 38 'Intangible Assets'.

Intangible assets with finite lives are amortised over their useful economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life are accounted for by changing the amortisation period or method and are treated as changes in accounting estimates. The amortisation expense related to intangible assets with finite lives is recognised in the Consolidated Income Statement in the expense category consistent with the function of the intangible asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***3. Material accounting policies continued****Property, plant and equipment**

Property, plant and equipment acquired separately, including critical spare parts acquired and held for future use, are measured at cost less accumulated depreciation and accumulated impairment charges.

Assets under construction are recognised at cost, less any recognised impairment charges. Depreciation of these assets commences when the assets become operational and are deemed available-for-use.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Vessels	10 to 25 years
Operating equipment	3 to 10 years
Buildings	20 to 25 years
Other assets	3 to 7 years

Land is not depreciated.

Vessels are depreciated to their estimated residual value. Residual values, useful economic lives and methods of depreciation are reviewed at least annually and adjusted if appropriate.

Gains or losses arising on disposal of property, plant and equipment are determined as the difference between any disposal proceeds and the carrying amount of the asset at the date of the transaction. Gains and losses on disposal are recognised in the Consolidated Income Statement in the period in which the asset is disposed.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that non-financial assets, including intangible assets, property, plant and equipment and right-of-use assets, may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's fair value less costs of disposal and its value-in-use. Where an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset is allocated. Where the carrying amount of an asset exceeds its recoverable amount, the asset is impaired. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

Management has considered the potential impacts of climate risk and whether this will have an adverse impact on the future use of the Group's assets, including vessels and equipment. It is expected that oil and gas will continue to contribute a significant, although declining, part in the transition to sustainable lower-carbon energy until at least 2050. The Group is in a position to utilise its vessels and to adapt vessels, where required, for initiatives such as offshore carbon capture and storage. The Group, through Seaway7, also operates within the offshore renewable sector including fixed offshore wind, and it is expected that demand for the Group's services will increase due to climate-related opportunities. The Group continues to address the carbon emissions impact from vessel operations and invest in its fleet by assessing the viability of lower-carbon fuels and converting vessels to hybrid power where practical. The former is dependent upon the development of suitable alternative fuels being available globally, at scale, and commercially viable. The Group has launched and installed a digital data analytic system across its vessel fleet to establish and define robust operating baselines from which efficiencies can be implemented and measured. In addition, the Group has installed digital fuel flowmeters across its fleet to enable automated tracking and reporting of fuel use and Scope 1 GHG emissions. These climate-resilient strategies, including hybridisation of selected vessels in the existing fleet, offer potentially lower-carbon options to the Group's customers. Management does not consider there to be a significant risk that the Group's vessels will become obsolete due to climate considerations as they form a key part in the transition to the provision of sustainable energy.

Impairment charges are recognised in the Consolidated Income Statement in the expense category consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment charges may require to be reversed. If such an indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment charge is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment charge was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment charge been recognised for the asset in prior periods. Any such reversal is recognised in the Consolidated Income Statement. The following criteria are also applied in assessing impairment of specific assets:

Goodwill

An assessment is made at each reporting date as to whether there is an indication of impairment. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or group of CGUs, that are expected to benefit from the combination.

Each CGU, or group of CGUs, to which the goodwill is allocated initially represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and is not larger than an operating segment determined in accordance with IFRS 8 'Operating Segments'. If circumstances give rise to a change in the composition of CGUs and a reallocation is justified, goodwill is reallocated based on relative value at the time of the change in composition. Following any reorganisation, the CGU cannot be larger than an operating segment determined in accordance with IFRS 8. Impairment is determined by assessing the recoverable amount of the CGU, or group of CGUs, to which the goodwill relates. Recoverable amounts are determined based on value-in-use calculations using discounted pre-tax cash flow projections based on risk-adjusted financial forecasts approved by the Executive Management Team.

As cash flow projections are risk-adjusted for CGU-specific risks, risk premiums are not applied to the discount rate which is applied to all CGUs. The discount rate applied to the cash flow projections is a pre-tax rate and reflects current market assessments of the time value of money, risks specific to the Group and a normalised capital structure for the industry. Where the recoverable amount of the CGU, or group of CGUs, is less than the carrying amount, an impairment charge is recognised in the Consolidated Income Statement. Where goodwill forms part of a CGU, or group of CGUs, and part of the operation within that CGU is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed and the portion of the CGU retained.

Associates and joint ventures

At each reporting date the Group determines whether there is any objective evidence that the investment in an associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the estimated fair value of the associate or joint venture and its carrying amount. The resultant impairment charge is recognised in the Consolidated Income Statement.

Financial instruments

Classification and measurement

The Group's financial assets include cash and short-term deposits, trade and other receivables, construction contract assets, other receivables, derivative financial instruments and equity investments which are classified as other financial assets. The Group's financial liabilities include trade and other payables, contingent consideration, borrowings and derivative financial instruments.

Initial measurement is based upon one of four IFRS 9 'Financial Instruments' models: amortised cost; fair value through profit or loss (FVPL); fair value through other comprehensive income (with recycling of accumulated gains and losses); or fair value through other comprehensive income (without recycling of accumulated gains and losses).

Classification and subsequent measurement is dependent upon the business model under which the Group holds and manages the financial asset; and whether the contractual cash flows resulting from the instrument represent 'solely payments of principal and interest' (the 'SPPI criterion').

All financial assets are classified at initial recognition and are initially measured at fair value net of transaction costs, with the exception of those classified as FVPL. Classification as amortised cost is applicable where the instruments are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and the cash flows resulting from the instrument consist solely of principal and interest. Debt financial assets are subsequently measured at FVPL, amortised cost or fair value through other comprehensive income (FVOCI) depending on classification.

Equity instruments are reported as other financial assets and are subsequently measured at FVPL when not considered to be strategic in nature. Where the Group considers other financial assets to be strategic in nature and is expecting to hold them for the foreseeable future, the investments are measured at FVOCI with no recycling of gains or losses to profit or loss on derecognition.

All financial liabilities are classified at initial recognition and are initially measured at fair value net of transaction costs, with the exception of those classified as FVPL. Financial liabilities are measured at FVPL when they meet the definition of held-for-trading or when they are designated as such on initial recognition. Otherwise, financial liabilities are measured at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***3. Material accounting policies continued****Classification and measurement continued**

The Group enters into forward foreign currency contracts in order to manage its foreign currency exposures; these are measured at FVPL. The Group regularly enters into multi-currency contracts from which the cash flows may lead to embedded foreign exchange derivatives in non-financial host contracts, carried at FVPL. The Group reassesses the existence of an embedded derivative if the terms of the host financial instrument change significantly. The fair values of derivative financial instruments are measured on bid prices for assets held and offer prices for issued liabilities based on values quoted in active markets. Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognised in the Consolidated Income Statement within other gains and losses.

Cash and cash equivalents comprise cash at bank, cash on hand, money market funds, and short-term highly liquid assets with an original maturity of three months or less and which are readily convertible to known amounts of cash. Utilised revolving credit facilities are included within current borrowings. Cash and cash equivalents are measured at amortised cost.

Inventories

Inventories comprise consumables, materials and non-critical spares and are valued at the lower of cost and net realisable value.

Treasury shares

Treasury shares are the Group's own equity instruments which are repurchased and shown within equity at cost, using the first-in first-out basis. Gains or losses realised or incurred on the purchase, sale, reallocation or cancellation of the Group's own equity instruments are recognised within equity. No gains or losses are recognised in the Consolidated Income Statement.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past transaction or event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised represents the best estimate of the expenditure expected to be required to settle the present obligation. Estimates are determined by the judgement of management supplemented by the experience of similar transactions, and, in some cases, advice from independent experts. Contingent liabilities are disclosed in Note 32 'Commitments and contingent liabilities' but not recognised until they meet the criteria for recognition as a provision. Where the Group is virtually certain that some, or all of, a provision will be reimbursed, that reimbursement is recognised as a separate asset. The expense relating to any provision is reflected in the Consolidated Income Statement at an amount reflective of the risks specific to the liability. Where the provision is discounted, any increase in the provision due to the passage of time is recognised as a finance cost in the Group's Consolidated Income Statement.

The following criteria are applied for the recognition and measurement of significant classes of provisions:

Onerous contracts

The Group recognises provisions for onerous contracts once the underlying event or conditions leading to the contract becoming onerous are probable and a reliable estimate can be made. Onerous fixed-price contract provisions are assessed in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Onerous provisions are calculated on a least net cost basis, which includes unavoidable costs only, while comparing these costs to the cost of cancelling a contract and incurring early termination fees. The cost of fulfilling a contract includes both the incremental costs of fulfilling the contract and an allocation of other costs which relate directly to fulfilling the contract.

Legal claims

In the ordinary course of business, the Group is subject to various claims, litigation and complaints. An associated provision is recognised if it is probable that a liability has been incurred and the amount can be reliably estimated.

Earnings per share

Earnings per share is calculated using the weighted average number of common shares and common share equivalents outstanding during each period excluding treasury shares. The potentially dilutive effect of outstanding performance shares is reflected as share dilution in the computation of diluted earnings per share.

Right-of-use assets and lease liabilities

The Group applies IFRS 16 'Leases' and assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right-to-use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease, which is the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at, or before, the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets which vary as follows:

Vessels	2 to 5 years
Operating equipment	2 to 5 years
Land and buildings	3 to 10 years

The cost of a right-of-use asset includes an estimate of costs expected to be incurred by the Group on termination of the lease to reinstate the underlying asset to the condition required by the terms and conditions of the lease. The Group assumes the obligation for those costs either at the commencement date or as a consequence of having utilised the underlying asset during the period. Right-of-use assets are subject to a review for indicators of impairment at least annually.

Lease liabilities

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase options reasonably certain to be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses an incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Remeasurements resulting from a change in the lease term are determined by discounting the revised lease payments using the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the incremental borrowing rate at the date of reassessment.

The Group applies the short-term lease recognition exemption to its short-term leases, which are those leases which have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the low-value assets recognition exemption to assets which are considered to be low value, as defined by IFRS 16 'Leases'. Lease payments on short-term leases and leases of low-value assets are recognised as expenses in the Consolidated Income Statement on a straight-line basis over the lease term.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies which are described in Note 3 'Material accounting policies', management is required to make judgements, estimates and assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other assumptions that management believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised in line with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Revenue recognition

Group revenue for the year ended 31 December 2025 was \$7.1 billion (2024: \$6.8 billion). The Group's accounting policies under IFRS 15 'Revenue from Contracts with Customers' are detailed in Note 3 'Material accounting policies'. The Group accounts for long-term construction contracts for engineering, procurement, installation and commissioning (EPIC) projects using the percentage-of-completion method, which is standard practice in the industry. Contract revenue, total cost estimates and estimates of physical progression are reviewed by management on a monthly basis. Any adjustments made as a result of these reviews are reflected in contract revenue or contract costs in the reporting period, based on the percentage-of-completion method.

To the extent that these adjustments result in a reduction or elimination of previously reported contract revenue or costs, a charge or credit is recognised in the Consolidated Income Statement; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project, the stage of project completion and the size of the adjustment. Additional information that enhances and refines the estimating process is often obtained after the balance sheet date but before the issuance of the Consolidated Financial Statements, which may result in an adjustment to the Consolidated Financial Statements based on events, favourable or unfavourable, occurring after the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***4. Critical accounting judgements and key sources of estimation uncertainty continued****Revenue recognition continued**

The percentage-of-completion method requires management to make reliable estimates of physical progression, costs incurred, full project contract costs and full project contract revenue. The Group's Project Monthly Status Reports (PMSRs) evaluate the likely outcome of each individual project for the purpose of making reliable estimates of revenue, cost and progression, measured either by cost incurred to date or physical progression. A key element of the PMSRs is the estimate of contingency. Contingency is an estimate of the costs required to address the potential future outcome of identified project risks. The Group uses a systematic approach in estimating contingency based on project size. This approach utilises a project specific risk register in order to identify and assess the likelihood and impact of these risks. The most significant risks and uncertainties in the Group's projects typically relate to the offshore phase of operations. Identified risks that materialise may result in increased costs. Contingency associated with identified risks are removed from the full project cost estimate throughout the remaining life of the project if the identified risks have not, or are not, expected to materialise.

Goodwill carrying amount

At 31 December 2025, goodwill of \$157.0 million was recognised on the Group's Consolidated Balance Sheet (2024: \$183.7 million). Goodwill is reviewed at least annually to assess whether there is objective evidence to indicate that the carrying amount of goodwill requires impairment at a CGU level. The impairment review is performed on a value-in-use basis which requires the estimation of future cash flows. Further details relating to the impairment review process are disclosed in Note 3 'Material accounting policies' and Note 12 'Goodwill'.

Property, plant and equipment

At 31 December 2025, property, plant and equipment with a carrying amount of \$3.8 billion was recognised on the Group's Consolidated Balance Sheet (2024: \$4.0 billion). Property, plant and equipment is recorded at cost and depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Management uses its experience to estimate the remaining useful economic life and residual value of an asset.

A review for indicators of impairment is performed at each reporting date. When events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a review for impairment is carried out by management. Where the value-in-use method is used to determine the recoverable amount of an asset, management uses its judgement in determining the CGU to which the asset belongs, or whether the asset can be considered a CGU in its own right. The level of aggregation of assets is a significant assumption made by management and includes consideration of which assets generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management has determined that vessels are not CGUs individually as they do not generate cash inflows independently of other Group assets. Once the CGU has been determined management uses its judgement in determining the value-in-use of the CGU, as detailed in Note 12 'Goodwill'. Where an asset is considered a CGU in its own right management uses its judgement to estimate future asset utilisation, cash flows, remaining life and the discount rate used.

Recognition of provisions and disclosure of contingent liabilities

At 31 December 2025, provisions with a carrying amount of \$77.9 million were recognised on the Group's Consolidated Balance Sheet (2024: \$92.1 million). In the ordinary course of business, the Group becomes involved in contract disputes from time-to-time due to the nature of its activities as a contracting business involved in multiple long-term projects at any given time. The Group recognises provisions to cover the expected risk of loss to the extent that negative outcomes are likely and reliable estimates can be made. The final outcomes of these contract disputes are subject to uncertainties as to whether or not they develop into formal legal action and therefore the resulting liabilities may exceed the liability anticipated by management.

Furthermore, the Group may be involved in legal proceedings from time-to-time; these proceedings are incidental to the ordinary conduct of its business. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. It is reasonably possible that the final resolution of any litigation could require the Group to incur additional expenditures in excess of provisions that it may have previously recognised.

Management uses its judgement in determining whether the Group should recognise a provision or disclose a contingent liability. These judgements include whether the Group has a present obligation and the probability that an outflow of economic resource is required to settle the obligation. Management may also use its judgement to determine the amount of the obligation or contingent liability. Management uses external advisers to assist with some of these judgements. Further details relating to provisions and contingent liabilities are shown in Note 31 'Provisions' and Note 32 'Commitments and contingent liabilities'.

Taxation

At 31 December 2025, non-current deferred tax assets were \$119.3 million (2024: \$93.6 million), current tax assets were \$157.4 million (2024: \$105.3 million), non-current deferred tax liabilities were \$121.5 million (2024: \$87.3 million) and current tax liabilities were \$113.9 million (2024: \$125.0 million). The Group is subject to corporate income tax in numerous jurisdictions and significant judgement is required in calculating the consolidated tax position. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on internal assessments, experience and appropriate external advice, including in respect of the recognition of assets relating to the future recoverability of tax losses and other attributes.

Each year a detailed review of the Group's uncertain tax treatments and provisions is undertaken in accordance with IFRIC 23. Where the outcome of these reviews differs from the amounts previously recorded, the difference will impact the tax charge in the period in which the outcome is determined. Details of key judgements and other issues considered are set out in Note 9 'Taxation'.

5. Segment information

The Group operates with an organisational structure comprising three business units: Subsea and Conventional, Renewables and Corporate. These business units represent the Group's operating segments and are defined as follows:

Subsea and Conventional

The Subsea and Conventional business unit includes:

- Subsea Umbilicals, Risers and Flowlines (SURF) activities related to the engineering, procurement, installation and commissioning of highly complex subsea oil and gas systems in deep waters, including the long-term contracts for PLSVs in Brazil;
- Conventional services including the fabrication, installation, extension and refurbishment of fixed and floating platforms and associated pipelines in shallow water environments;
- Activities associated with the provision of inspection, repair and maintenance (IRM) services, integrity management of subsea infrastructure and remote intervention support;
- Activities associated with heavy lifting operations and decommissioning of redundant offshore structures;
- Activities associated with carbon capture, utilisation and storage (CCUS); and
- Share of net income of the Group's associate, OneSubsea.

This segment includes costs, including depreciation, amortisation, impairment charges and impairment reversals, related to owned and long-term leased vessels, equipment and offshore personnel deployed in Subsea and Conventional activities.

Renewables

The Renewables business unit comprises activities primarily related to the delivery of fixed offshore wind farm projects and floating wind activities. Activities include the procurement and installation of offshore wind turbine foundations and inter-array cables as well as heavy lifting operations and heavy transportation services for renewables structures. This segment includes costs, including depreciation, amortisation and impairment charges, related to owned and long-term leased vessels, equipment and offshore personnel deployed in Renewables activities.

Corporate

The Corporate business unit includes Group-wide activities, and associated costs, including captive insurance activities, operational support, corporate services and costs associated with discrete events such as restructuring. The Corporate business unit also includes the results of the Group's autonomous subsidiaries, Xodus and 4Subsea, and activities in emerging energies such as hydrogen. A significant portion of the Corporate business unit's costs are allocated to the Subsea and Conventional and Renewables business units based on a percentage of external revenue.

The accounting policies of the business units are the same as the Group's accounting policies, which are described in Note 3 'Material accounting policies'.

Allocations of costs also occur between segments based on the physical location of personnel. The Chief Operating Decision Maker (CODM) is the Chief Executive Officer of the Group. The CODM is assisted by the other members of the Executive Management Team. Neither total assets nor total liabilities by operating segment are regularly provided to the CODM and consequently no such disclosure is shown.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***5. Segment information continued**

Summarised financial information, including the disaggregation of the Group's revenue from contracts with customers, concerning each operating segment is as follows:

For the year ended 31 December 2025

(in \$ millions)	Subsea and Conventional	Renewables	Corporate	Total
<i>Selected financial information:</i>				
Revenue ^{(a)/(b)/(c)}				
Fixed-price contracts	4,974.0	1,214.1	18.8	6,206.9
Day-rate contracts	785.6	–	93.8	879.4
	5,759.6	1,214.1	112.6	7,086.3
Operating expenses	(4,868.8)	(1,096.6)	(46.0)	(6,011.4)
Share of net income of associates and joint ventures	38.0	–	–	38.0
Depreciation, mobilisation and amortisation charges	(540.1)	(119.6)	(19.5)	(679.2)
Impairment of goodwill	–	–	(17.6)	(17.6)
Impairment of property, plant and equipment, intangible assets and right-of-use assets	(5.0)	(6.5)	(2.1)	(13.6)
Impairment of interests in associates and joint ventures	–	–	(1.7)	(1.7)
Net gain/(loss) on disposal of property, plant and equipment and maturity of lease liabilities	2.6	(0.2)	–	2.4
<i>Reconciliation of net operating income/(loss) to income before taxes:</i>				
Net operating income/(loss)	762.0	75.3	(66.6)	770.7
Finance income				22.8
Other gains and losses				(84.4)
Finance costs				(87.3)
Income before taxes				621.8
Adjusted EBITDA ^(d)	1,304.5	201.6	(25.7)	1,480.4
Adjusted EBITDA margin ^(d)	22.6%	16.6%	(22.8%)	20.9%

(a) Revenue represents only external revenue for each segment. An analysis of inter-segment revenue has not been included as this information is not provided to the CODM.

(b) Two clients (2024: two clients) within the Subsea and Conventional segment in the year individually accounted for more than 10% of the Group's revenue. The revenue from these clients was as follows: Client A \$1,466.4 million (2024: \$1,036.0 million) and Client B \$826.5 million (2024: \$815.5 million).

(c) Revenue from contracts with customers recognised over time as defined by IFRS 15.

(d) Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. For explanations and reconciliations of Adjusted EBITDA and Adjusted EBITDA margin refer to 'Additional information – APMs' on pages 211 to 214.

For the year ended 31 December 2024

(in \$ millions)	Subsea and Conventional	Renewables	Corporate	Total
<i>Selected financial information:</i>				
Revenue ^{(a)/(b)/(c)}				
Fixed-price contracts	4,815.1	1,190.8	16.8	6,022.7
Day-rate contracts	684.9	41.6	87.8	814.3
	5,500.0	1,232.4	104.6	6,837.0
Operating expenses	(4,974.6)	(1,140.3)	(17.4)	(6,132.3)
Share of net income/(loss) of associates and joint ventures	38.1	–	(0.1)	38.0
Depreciation, mobilisation and amortisation charges	(488.7)	(115.9)	(17.9)	(622.5)
Impairment of goodwill	–	(6.2)	–	(6.2)
Impairment of property, plant and equipment and intangible assets	(3.7)	(10.8)	(1.3)	(15.8)
Net (loss)/gain on disposal of property, plant and equipment and maturity of lease liabilities	(1.4)	1.3	–	(0.1)
<i>Reconciliation of net operating income/(loss) to income before taxes:</i>				
Net operating income/(loss)	403.5	53.4	(11.4)	445.5
Finance income				24.4
Other gains and losses				(0.5)
Finance costs				(101.2)
Income before taxes				368.2
Adjusted EBITDA ^(d)	897.3	185.0	7.8	1,090.1
Adjusted EBITDA margin ^(d)	16.3%	15.0%	7.5%	15.9%

- (a) Revenue represents only external revenue for each segment. An analysis of inter-segment revenue has not been included as this information is not provided to the CODM.
- (b) Revenue from contracts with customers recognised over time as defined by IFRS 15.
- (c) Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. For explanations and reconciliations of Adjusted EBITDA and Adjusted EBITDA margin refer to 'Additional information – APMs' on pages 211 to 214.

Geographic information

Revenue from external clients

Based on the Group's subsidiaries' or branches' country of registered office holding the customer contract, revenue is split as follows:

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Norway	1,664.6	1,591.0
United Kingdom	1,580.6	1,238.9
Brazil	1,539.7	1,366.6
US	672.7	514.8
Netherlands	366.2	158.7
Australia	317.1	473.7
Türkiye	277.4	142.8
Germany	142.5	263.1
Saudi Arabia	130.2	219.0
Angola	122.6	198.0
Singapore	52.8	133.8
Egypt	48.8	41.4
Trinidad & Tobago	38.7	42.7
Mexico	36.7	6.7
Taiwan	34.0	289.1
Other countries	61.7	156.7
	7,086.3	6,837.0

- (a) Comparative information for the year ended 31 December 2024 includes revenue of \$51.4 million from the Group's subsidiaries or branches with a registered office in Guyana.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***5. Segment information continued****Non-current assets**

Based on the country of registered office of the Group's subsidiaries or branches, non-current assets for this purpose consist of intangible assets, property, plant and equipment, right-of-use assets and interests in associates and joint ventures, are located in the following countries:

At (in \$ millions)	2025 31 Dec	2024 31 Dec
United Kingdom	2,364.9	2,480.8
Norway	868.3	987.1
Isle of Man	641.1	581.4
Netherlands	416.6	400.8
US	122.3	170.1
Brazil	45.8	41.8
France	33.1	5.2
Angola	21.8	22.5
Other countries	37.7	126.2
	4,551.6	4,815.9

(a) Comparative information for the year ended 31 December 2024 includes non-current assets of \$64.8 million from the Group's subsidiaries or branches with a registered office in Egypt.

6. Net operating income

Net operating income includes:

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Employee benefits	1,630.9	1,603.3
Lease expense for short-term leased assets	804.5	791.5
Lease expense for low-value leased assets	0.4	1.2
Variable lease amounts not included within lease liabilities	4.1	(0.3)
Depreciation of property, plant and equipment (Note 14)	391.7	374.9
Amortisation of right-of-use assets (Note 15)	259.9	216.6
Amortisation of intangible assets (Note 13)	15.2	14.3
Amortisation of mobilisation costs	12.4	16.7
Impairment of goodwill (Note 12)	17.6	6.2
Impairment of property, plant and equipment (Note 14)	10.1	14.2
Impairment of intangible assets (Note 13)	2.1	1.6
Impairment of right-of-use assets (Note 15)	1.4	–
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	(2.4)	0.1
Research and development costs	12.8	13.5
Auditor's remuneration	4.9	4.3
Net credit impairment (reversal)/charge for financial assets (Note 33)	(0.3)	0.4
Net (decrease)/increase in allowances for expected credit losses for financial assets	(1.5)	1.2
Net increase/(decrease) in allowances for expected credit losses for construction contract assets (Note 22)	–	(0.4)

The total fees chargeable to the Group by the principal auditing firm Ernst & Young S.A. and other member firms of Ernst & Young Global Limited were:

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Audit fees	4.3	3.9
Other assurance fees	0.3	0.3
Non-audit fees	0.2	–
Tax fees	0.1	0.1
	4.9	4.3

Audit fees constitute charges incurred for the audit of the Consolidated Financial Statements and statutory financial statements of Subsea 7 S.A. and certain subsidiaries. Fees were primarily incurred in connection with the year ended 31 December 2025 but include final settlement of charges associated with the year ended 31 December 2024.

Tax fees constitute charges incurred for non-prohibited professional services rendered by the Group's principal auditor and member firms relating to the provision of tax advice and tax compliance services for work undertaken during the year ended 31 December 2025. Fees were primarily incurred in connection with the year ended 31 December 2025.

The Group's Audit and Sustainability Committee policy requires pre-approval of audit and non-audit services prior to the appointment of the providers of professional services together with highlighting excluded services which the Group's principal auditor cannot provide. The Audit Committee and Sustainability delegates approval to the Chief Financial Officer based on predetermined limits. The Audit and Sustainability Committee pre-approved or, in cases where pre-approval was delegated, ratified all audit and non-audit services, provided by the Group's principal auditor, to Subsea 7 S.A. and its subsidiaries during the year ended 31 December 2025.

Reconciliation of operating expenses and administrative expenses by nature

For the year ended (in \$ millions)	31 Dec 2025			31 Dec 2024		
	Operating expenses	Administrative expenses	Total expenses	Operating expenses	Administrative expenses	Total expenses
Direct project-related costs, including procurement	2,626.3	–	2,626.3	2,793.0	–	2,793.0
Employee benefits	1,430.5	200.4	1,630.9	1,418.4	184.9	1,603.3
Lease expense for short-term leased assets	803.3	1.2	804.5	790.4	1.1	791.5
Lease expense for low-value leased assets	0.3	0.1	0.4	1.1	0.1	1.2
Variable lease amounts not included within lease liabilities	4.1	–	4.1	(0.3)	–	(0.3)
Depreciation, amortisation and mobilisation	638.0	41.2	679.2	585.0	37.5	622.5
Impairment of goodwill	17.6	–	17.6	6.2	–	6.2
Impairment of property, plant and equipment	10.1	–	10.1	14.2	–	14.2
Impairment of intangible assets	2.1	–	2.1	1.6	–	1.6
Impairment of right-of-use assets	0.9	0.5	1.4	–	–	–
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	(2.4)	–	(2.4)	0.1	–	0.1
Net credit impairment (reversal)/charge for financial assets	(0.5)	0.2	(0.3)	0.4	–	0.4
Net increase/(decrease) in allowances for expected credit losses for financial assets	(1.5)	–	(1.5)	1.2	–	1.2
Net decrease in allowances for expected credit losses for construction contract assets	–	–	–	(0.4)	–	(0.4)
Other expenses	482.6	96.9	579.5	521.4	73.6	595.0
Total	6,011.4	340.5	6,351.9	6,132.3	297.2	6,429.5

7. Other gains and losses

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Fair value (losses)/gains on derivative financial instruments mandatorily measured at fair value through profit or loss	(0.8)	0.4
Net gains on business combinations post measurement periods	0.7	–
Remeasurement loss on business combination	–	(0.9)
Net foreign currency exchange gains ^(a)	(84.3)	–
Total	(84.4)	(0.5)

(a) Net foreign currency exchange gains include fair value gains and losses on embedded derivatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***8. Finance income and finance costs**

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Interest on financial assets measured at amortised cost	22.8	24.4
Total finance income	22.8	24.4

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Interest and fees on financial liabilities measured at amortised cost	50.2	70.7
Total borrowing costs	50.2	70.7
Less: amounts capitalised and included in the cost of qualifying assets	(4.9)	(6.6)
	45.3	64.1
Interest on lease liabilities	26.8	34.7
Transactional charges	12.1	2.0
Interest on tax liabilities	3.1	0.4
Total finance costs	87.3	101.2

Borrowing costs included in the cost of qualifying assets during the year were calculated by applying to expenditure on such assets an average capitalisation rate of 5.8% (2024: 6.8%) reflecting the cost of finance, dependent on the funding source.

9. Taxation**Tax recognised in the Consolidated Income Statement**

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Tax charged in the Consolidated Income Statement		
Current tax:		
Corporation tax on income for the year	215.8	143.6
Adjustments in respect of prior years	(4.3)	7.5
Total current tax	211.5	151.1
Deferred tax (credit)/charge for the year	(2.2)	11.6
Adjustments in respect of prior years	8.3	(11.1)
Total deferred tax charge	6.1	0.5
Total	217.6	151.6

Tax recognised in the Consolidated Statement of Comprehensive Income

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Tax charge/(credit) relating to items recognised directly in comprehensive income		
Current tax on:		
Exchange differences	2.0	(2.2)
Income tax recognised directly in comprehensive income	2.0	(2.2)
Deferred tax on:		
Remeasurement (loss)/gain on defined benefit pension scheme	(0.2)	0.2
Deferred tax recognised directly in comprehensive income	(0.2)	0.2
Total	1.8	(2.0)

Deferred tax recognised in the Consolidated Statement of Changes in Equity

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Share-based payments	(1.0)	(0.6)
Total	(1.0)	(0.6)

Reconciliation of taxation

Income taxes have been provided for in accordance with IAS 12 'Income Taxes', based on the tax laws and rates in the countries where the Group operates and generates taxable income.

The reconciliation below uses a tax rate of 23.87% (2024: 24.94%) which represents the blended tax rate applicable to Luxembourg entities.

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Income before taxes	621.8	368.2
Tax at the blended tax rate of 23.87% (2024: 24.94%)	148.4	91.8
Effects of:		
Different tax rates of subsidiaries operating in other jurisdictions	(8.4)	(11.0)
Non-qualifying depreciation	1.3	1.0
Net cost/(benefit) of tonnage tax regimes	15.5	(42.5)
Withholding taxes and unrelieved overseas taxes	58.5	45.8
Non-deductible legal and professional fees	8.9	–
Non-deductible expenses and non-taxable income	9.7	8.0
Tax effect of share of net income of associates and joint ventures	(8.3)	(8.6)
Movement in unprovided deferred tax	(22.3)	59.8
Revisions to uncertain tax treatments	10.3	10.9
Adjustments related to prior years	4.0	(3.6)
Taxation in the Consolidated Income Statement	217.6	151.6

Deferred tax

Movements in the net deferred tax balance and the categories to which they relate were:

(in \$ millions)	Property, plant and equipment	Accrued expenses and deferred income	Share- based payments	Tax losses	Other	Total
Balance at 1 January 2024	(45.5)	(34.1)	0.5	91.6	(4.8)	7.7
(Charged)/credited to:						
Consolidated Income Statement	18.3	(26.5)	0.6	15.1	(8.0)	(0.5)
Other comprehensive income	–	(0.2)	–	–	–	(0.2)
Changes in equity	–	–	0.6	–	–	0.6
Balance sheet reclassifications	(0.2)	–	–	–	–	(0.2)
Exchange differences	(0.6)	3.2	(0.4)	(4.2)	0.9	(1.1)
Balance at 31 December 2024	(28.0)	(57.6)	1.3	102.5	(11.9)	6.3
(Charged)/credited to:						
Consolidated Income Statement	(24.7)	38.7	1.7	(38.8)	17.0	(6.1)
Other comprehensive income	–	0.2	–	–	–	0.2
Changes in equity	–	–	1.0	–	–	1.0
Balance sheet reclassifications	–	–	–	(3.9)	–	(3.9)
Exchange differences	(1.6)	2.2	0.3	4.4	(5.0)	0.3
Balance at 31 December 2025	(54.3)	(16.5)	4.3	64.2	0.1	(2.2)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***9. Taxation continued****Deferred tax continued**

The main categories of deferred tax assets and liabilities recognised on the Consolidated Balance Sheet, before offset of balances within countries where permitted, were as follows:

At 31 December 2025

(in \$ millions)	Deferred tax asset	Deferred tax liability	Net recognised deferred tax asset/(liability)
Property, plant and equipment	10.1	(64.4)	(54.3)
Accrued expenses and deferred income	68.4	(84.9)	(16.5)
Share-based payments	4.3	–	4.3
Tax losses	64.2	–	64.2
Other	4.9	(4.8)	0.1
Total	151.9	(154.1)	(2.2)

At 31 December 2024

(in \$ millions)	Deferred tax asset	Deferred tax liability	Net recognised deferred tax asset/(liability)
Property, plant and equipment	31.5	(59.5)	(28.0)
Accrued expenses and deferred income	11.9	(69.5)	(57.6)
Share-based payments	1.3	–	1.3
Tax losses	102.5	–	102.5
Other	8.2	(20.1)	(11.9)
Total	155.4	(149.1)	6.3

Deferred tax is analysed in the Consolidated Balance Sheet, after offset of balances within countries, as:

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Deferred tax assets	119.3	93.6
Deferred tax liabilities	(121.5)	(87.3)
Total	(2.2)	6.3

At 31 December 2025, the gross amount and expiry dates of losses available for carry forward were as follows:

(in \$ millions)	Expiring within 5 years	Expiring in 6 to 10 years	Expiring in 11 to 20 years	Without limit	Total
Losses for which a deferred tax asset is recognised	–	–	–	221.6	221.6
Losses for which no deferred tax asset is recognised	93.8	333.3	128.9	2,252.3	2,808.3
Total	93.8	333.3	128.9	2,473.9	3,029.9

At 31 December 2024, the gross amount and expiry dates of losses available for carry forward were as follows:

(in \$ millions)	Expiring within 5 years	Expiring in 6 to 10 years	Expiring in 11 to 20 years	Without limit	Total
Losses for which a deferred tax asset is recognised	–	–	–	400.9	400.9
Losses for which no deferred tax asset is recognised	122.8	166.2	161.8	2,211.6	2,662.4
Total	122.8	166.2	161.8	2,612.5	3,063.3

The Group has recognised a deferred tax asset in respect of \$105.3 million of losses in Brazil (2024: \$45.1 million) out of a total of \$313.5 million, based on its forecast profitability; and continues to recognise \$34.2 million of losses in the UK (2024: \$221.5 million), having utilised \$187.3 million of previously recognised losses in the year.

Included in the above losses for which no asset is recognised were \$1.6 billion (2024: \$1.5 billion) in Luxembourg. Other jurisdictions with significant accumulated unrecognised losses include Saudi Arabia (\$218.7 million), and Singapore (\$134.4 million), the former as a result of uncertainty over the timing of future profitability, the latter being restricted in their utilisation against a vessel chartering trade.

In addition, the Group has other unrecognised deferred tax assets of \$39.8 million (2024: \$86.8 million) in respect of other temporary differences. These primarily relate to fixed asset timing differences in Nigeria and the Netherlands.

No deferred tax has been recognised in respect of taxable temporary differences related to the unremitted earnings of the Group's subsidiaries, branches, associates and joint ventures where remittance is not contemplated and where the timing of the distribution is within the control of the Group. The aggregate amount of unremitted earnings giving rise to such temporary differences for which deferred tax liabilities were not recognised at 31 December 2025 was \$343.6 million (2024: \$258.7 million).

Tonnage tax regime

The Group has elected to have qualifying vessel-related activities taxed under tonnage tax regimes in the UK, Norway and the Netherlands. The Group has re-elected into tonnage tax in the UK until 2030.

In 2025, the Group's elections resulted in a negative impact on the Group's tax charge of \$15.5 million (2024: positive impact of \$42.5 million) primarily driven by tax charges on vessels as a result of moving between qualifying and non-qualifying structures.

Uncertain tax treatments

The Group's business operations are carried out worldwide and, as such, the Group is subject to the jurisdiction of a significant number of tax authorities at any point in time.

The Group routinely has to manage tax risks in respect of permanent establishments, transfer pricing and other international tax issues. In common with other multinational companies, the conflict between the Group's global operating model and the jurisdictional approach of tax authorities can result in uncertainty as to the ultimate acceptability of the treatment of tax matters.

This often results in the Group's filing positions being subject to audit, enquiry and possible re-assessment. During 2025, the Group was subject to audits and disputes in, among others, Brazil, Germany, Mexico, Nigeria and Saudi Arabia. These audits are at various stages of completion. The Group's policy is to cooperate fully with the relevant tax authorities while seeking to defend its tax positions.

The Group provides for the amount of taxes that it considers probable of being payable as a result of such audits and for which a reasonable estimate can be made. Furthermore, for each reporting period management completes a detailed review of uncertain tax treatments across the Group and makes provisions based on the probability of a liability arising. It is possible that the ultimate resolution of these uncertainties could result in tax charges or credits that are materially higher or lower than the amounts provided for.

In the year ended 31 December 2025, the Group recorded a net increase in the financial impact of uncertain tax treatments of \$10.3 million (2024: \$10.9 million) as a result of revisions to estimated future obligations.

OECD Pillar Two

The Group is within the scope of the OECD Pillar Two model rules, and it applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. There are three transitional safe harbours which will apply through 2026, being a de minimis test, the routine profits test and the ability to undertake a simplified effective tax rate calculation. After applying these safe harbours, the Group does not believe it has any exposure to the legislation as it does not leverage off low tax jurisdictions, where it does not have relevant substance.

The Group has elected to be taxed under three European tonnage tax regimes and the activities of the Group's fleet can extend beyond the definition of international shipping (being the transportation of passengers or cargo by ships in international traffic) set out in the OECD model rules. As such, exposure to this tax could exist in the UK, the Netherlands, and Norway, as well as the Isle of Man, where the Group's captive insurance company is incorporated, but the level of other, non-tonnage tax, activities in each of the UK, the Netherlands and Norway, together with the level of substance maintained in those jurisdictions means that no top-up tax is expected other than in respect of Tartaruga Insurance Limited and for which a current year provision of \$0.7 million has been made in 2025.

10. Dividends

A dividend of NOK 13.00 per share was approved by the shareholders of Subsea 7 S.A. at the Annual General Meeting on 8 May 2025. The dividend, equivalent to a total of \$376.2 million, was paid in two equal instalments on 22 May 2025 and 6 November 2025 to shareholders of Subsea 7 S.A. with respective record dates of 15 May 2025 and 30 October 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***11. Earnings per share****Basic and diluted earnings per share**

Basic earnings per share is calculated by dividing the net income attributable to shareholders of the parent company by the weighted average number of common shares in issue during the year, excluding shares repurchased by the Group and held as treasury shares (Note 25 'Treasury shares').

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive common shares. The Group's potentially dilutive common shares include those related to performance shares.

The net income attributable to shareholders of the parent company and share data used in the basic and diluted earnings per share calculations were as follows:

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Net income attributable to shareholders of the parent company	411.4	201.4
Earnings used in the calculation of diluted earnings per share	411.4	201.4

For the year ended	2025 31 Dec Number of shares	2024 31 Dec Number of shares
Weighted average number of common shares used in the calculation of basic earnings per share	295,742,708	298,183,212
Performance shares	1,987,153	1,596,541
Weighted average number of common shares used in the calculation of diluted earnings per share	297,729,861	299,779,753

For the year ended (in \$ per share)	2025 31 Dec	2024 31 Dec
Basic earnings per share	1.39	0.68
Diluted earnings per share	1.38	0.67

During the year the following shares, that could potentially dilute the earnings per share, were excluded from the calculation of diluted earnings per share due to being anti-dilutive:

For the year ended	2025 31 Dec Number of shares	2024 31 Dec Number of shares
Performance shares	1,029,628	834,917

12. Goodwill

(in \$ millions)

	Total
Cost	
At 1 January 2024	2,462.0
Exchange differences	(24.9)
At 31 December 2024	2,437.1
Additions	1.9
Transfer to disposal group classified as held for sale (Note 20)	(15.4)
Exchange differences	115.7
At 31 December 2025	2,539.3
Accumulated impairment	
At 1 January 2024	2,269.8
Impairment charges	6.2
Exchange differences	(22.6)
At 31 December 2024	2,253.4
Impairment charges	17.6
Exchange differences	111.3
At 31 December 2025	2,382.3
Carrying amount	
At 31 December 2024	183.7
At 31 December 2025	157.0

For financial management and reporting purposes, the Group is organised into management regions. Management regions are aligned with the Group’s business units which are used by the Chief Operating Decision Maker (CODM) to allocate resources and appraise performance.

The Group has nine CGUs which are aligned with management regions. At 31 December 2025 the Group’s CGUs comprised:

- CGUs for GPC East, Brazil and GPC West, Gulf of Mexico, Norway, and UK GIRM which include activities connected with the performance of regional projects including SURF activities (related to the engineering, procurement, construction and installation of offshore systems), the results of the Group’s associate, OneSubsea, Conventional services (including the fabrication, installation, extension and refurbishment of platforms and pipelines in shallow water), the long-term PLSV contracts in Brazil, activities connected with the provision of inspection, repair and maintenance services, integrity management of subsea infrastructure and remote intervention support;
- Floating Wind CGU which includes activities related to floating wind solutions;
- Xodus CGU which includes activities related to engineering services, advisory services and environmental support;
- 4Subsea CGU which includes activities connected with integrity management of subsea infrastructure; and
- Renewables CGU which includes activities connected with three specialist segments of the fixed offshore wind market: the installation of offshore wind turbine foundations and inter-array cables, heavy lifting and heavy transportation operations related to the renewables sector.

The Group performed its annual goodwill impairment review at 31 December 2025. Subsequent to this review the carrying amounts of the goodwill were allocated to the following CGUs:

At (in \$ millions)	2025 31 Dec	2024 31 Dec
4Subsea	16.6	14.7
Gulf of Mexico	21.0	19.0
Norway	7.7	9.4
Renewables	89.8	105.3
UK GIRM	21.9	19.8
Xodus	-	15.5
Total	157.0	183.7

On 21 February 2025, an indirect subsidiary of Subsea 7 S.A. acquired the entire share capital of Daymark Energy Advisors Inc. The transaction resulted in the recognition of \$1.9 million of goodwill, which was included within the Xodus CGU.

Following the Group’s annual impairment review, impairment charges of \$17.6 million were recognised in the Xodus CGU. The impairment charges were driven by a decrease in the recoverable amounts as a result of a challenging business environment, in the short to medium term.

At 31 December 2025, there was no goodwill associated with the Floating Wind, GPC East, Brazil and GPC West and Xodus CGUs.

The recoverable amounts of the CGUs were determined based on a value-in-use calculation using pre-tax, risk-adjusted cash flow projections approved by the Executive Management Team covering a five-year period from 2026 to 2030. These projections include certain considerations for climate-related risks and opportunities. Future uncertainty around climate-related risks continue to be monitored including policy, regulatory, legal, technological, market and societal considerations. The present value of future cash flows is most sensitive to the terminal value assumptions; management considers that these represent an appropriate balance between the oil and gas business and the growing renewables sector within the transition to a lower-carbon economy. Cash flows beyond the five-year period were extrapolated in perpetuity using a 2.0% (2024: 2.0%) growth rate for the Corporate and Subsea and Conventional business units and a 4.0% (2024: 4.0%) growth rate for the Renewables business unit to determine the terminal value.

The pre-tax discount rate applied to the risk-adjusted cash flow projections was 11.9% (2024: 12.1%). Further information is included in Note 1 ‘General information’.

Key assumptions used in value-in-use calculations

Management considers that the calculations of value-in-use for all CGUs are most sensitive to the following key assumptions:

- Adjusted EBITDA forecasts;
- capital expenditure forecasts;
- the pre-tax discount rate; and
- the growth rate used to extrapolate cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***12. Goodwill continued****Key assumptions used in value-in-use calculations continued**

Adjusted EBITDA forecasts – the Adjusted EBITDA forecast for each CGU is dependent on a combination of factors including market size, market share, contractual backlog, gross margins, future project awards, asset utilisation and an assessment of the impacts of competition within the respective segments. Assumptions are based on a combination of internal and external studies, management judgements and historical information, adjusted for any foreseen changes in market conditions.

Replacement capital expenditure forecasts – the capital expenditure forecast for the Group is dependent on a combination of factors including market size, asset utilisation and asset age. Assumptions are based on a combination of internal and external studies, management judgements and historical information, adjusted for any foreseen changes in market conditions. Replacement capital expenditure represents the amounts estimated to maintain the function of the assets in the CGU.

Pre-tax discount rate – the pre-tax discount rate was estimated based on the weighted average cost of capital of the Group, amended to reflect a normalised capital structure for the energy sector. Risk premiums were not reflected in the discount rate applied to individual CGUs as the CGU cash flow projections were risk adjusted.

Growth rate estimates – the growth rate used to extrapolate the cash flow projections beyond the five-year period is broadly consistent with market expectations for long-term growth in the industry and assumes no significant change in the Group's market share and the range of services and products provided.

Sensitivity to changes in key assumptions

In determining the value-in-use recoverable amount for each CGU, sensitivities have been applied to key assumptions. The industry in which the Group operates is cyclical and highly dependent on energy prices; this could lead to changes in future cash flows which are greater than the sensitivity ranges applied.

In the performance of sensitivity analysis the impacts of the following changes to key assumptions were assessed:

- forecast Adjusted EBITDA – a 10% increase and decrease in the assumptions during the five-year period from 2026 to 2030, and the Adjusted EBITDA upon which terminal values have been calculated;
- replacement capital expenditure forecast – a 25% increase and decrease in the forecast replacement capital expenditure assumptions during the five-year period from 2026 to 2030, and the capital expenditure upon which terminal values have been calculated;
- pre-tax discount rate – an increase and decrease by 2 percentage points; and
- growth rate – an increase and decrease by 2 percentage points.

The impact on goodwill as a result of changes to the key assumptions used in the sensitivity analysis is as follows:

(in \$ millions)	Adjusted EBITDA		Discount rate		Capital expenditure		Long-term growth rate	
	10% decrease	10% increase	2% decrease	2% increase	25% decrease	25% increase	2% decrease	2% increase
Renewables	(89.8)	–	–	(89.8)	–	(89.8)	(89.8)	–

CGUs not impaired and not sensitive to impairment

Changes to the key assumptions used in the sensitivity analysis would not, in isolation, cause the recoverable amount of the 4Subsea, Gulf of Mexico, Norway and UK GIRM CGUs to be materially less than their carrying amount.

The Floating Wind, GPC East, Brazil and GPC West and Xodus CGUs have no goodwill at 31 December 2025, therefore any future changes in the key assumptions, in isolation, would not result in an impairment charge being recognised against goodwill.

13. Intangible assets

(in \$ millions)	Software	Other intangibles	Total
Cost			
At 1 January 2024	68.4	96.7	165.1
Additions	36.6	13.5	50.1
Disposals	(0.3)	(1.5)	(1.8)
Reclassifications ^(a)	(3.5)	–	(3.5)
Exchange differences	(1.6)	(1.9)	(3.5)
At 31 December 2024	99.6	106.8	206.4
Additions	21.3	9.5	30.8
Reclassifications ^(a)	–	4.1	4.1
Exchange differences	7.4	9.2	16.6
At 31 December 2025	128.3	129.6	257.9
Accumulated amortisation and impairment			
At 1 January 2024	30.2	76.4	106.6
Charge for the year	4.2	10.1	14.3
Eliminated on disposal	(0.3)	(1.5)	(1.8)
Impairments	0.3	1.3	1.6
Exchange differences	(0.6)	(1.3)	(1.9)
At 31 December 2024	33.8	85.0	118.8
Charge for the year	5.5	9.7	15.2
Impairments	2.1	–	2.1
Exchange differences	2.8	7.3	10.1
At 31 December 2025	44.2	102.0	146.2
Carrying amount:			
At 31 December 2024	65.8	21.8	87.6
At 31 December 2025	84.1	27.6	111.7

(a) Amounts reclassified from/(to) property, plant and equipment.

The table above includes assets under construction of \$4.9 million (2024: \$53.8 million). Other intangible assets includes capitalised expenditure related to the Group's digitalisation programme.

An impairment review was performed on the balances at 31 December 2025 and impairment charges of \$2.1 million (2024: \$1.6 million) were recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***14. Property, plant and equipment**

(in \$ millions)	Vessels	Operating equipment	Land and buildings	Other assets	Total
Cost					
At 1 January 2024	6,192.6	1,063.8	496.4	67.1	7,819.9
Additions	250.7	34.5	5.3	7.1	297.6
Exchange differences	(7.5)	(12.1)	(20.9)	(2.7)	(43.2)
Transfers	–	(1.1)	0.6	0.5	–
Reclassifications ^(a)	(0.2)	(5.4)	(0.8)	9.9	3.5
Disposals	(123.5)	(131.7)	(6.9)	(3.9)	(266.0)
At 31 December 2024	6,312.1	948.0	473.7	78.0	7,811.8
Additions	81.0	157.9	10.7	15.3	264.9
Acquisitions	–	–	–	0.1	0.1
Exchange differences	40.0	36.9	22.9	7.8	107.6
Transfer to disposal group classified as held for sale (Note 20)	(131.0)	–	–	–	(131.0)
Reclassifications ^(a)	–	–	–	(4.1)	(4.1)
Disposals	(56.8)	(31.2)	(5.9)	(7.7)	(101.6)
At 31 December 2025	6,245.3	1,111.6	501.4	89.4	7,947.7
Accumulated depreciation and impairment					
At 1 January 2024	2,512.9	872.1	310.5	54.4	3,749.9
Charge for the year	312.9	38.7	14.7	8.6	374.9
Impairments	10.8	3.4	–	–	14.2
Exchange differences	(5.5)	(7.2)	(10.6)	(1.9)	(25.2)
Eliminated on disposal	(120.8)	(131.3)	(6.9)	(3.8)	(262.8)
At 31 December 2024	2,710.3	775.7	307.7	57.3	3,851.0
Charge for the year	320.7	49.0	15.6	6.4	391.7
Impairments	3.0	7.1	–	–	10.1
Transfer to disposal group classified as held for sale (Note 20)	(37.2)	–	–	–	(37.2)
Exchange differences	26.6	28.6	11.7	4.6	71.5
Eliminated on disposal	(56.8)	(31.2)	(5.4)	(6.2)	(99.6)
At 31 December 2025	2,966.6	829.2	329.6	62.1	4,187.5
Carrying amount:					
At 31 December 2024	3,601.8	172.3	166.0	20.7	3,960.8
At 31 December 2025	3,278.7	282.4	171.8	27.3	3,760.2

(a) Amounts reclassified (to)/from intangible assets.

The table above includes assets under construction of \$105.1 million at 31 December 2025 (2024: \$123.3 million).

An impairment review was performed on the balances of property, plant and equipment at 31 December 2025 and impairments totalling \$10.1 million (2024: \$14.2 million) were recognised where the future recoverable amounts were reassessed and reduced. The impairment charges relate primarily to vessel-related equipment. The impairments were recognised in the Consolidated Income Statement within operating expenses. Recoverable amount is defined as the higher of value-in-use and fair value less costs of disposal and was determined by management based on an assessment of internal estimates and independent external valuations.

15. Right-of-use assets

(in \$ millions)	Vessels	Operating equipment	Land and buildings	Other assets	Total
Cost					
At 1 January 2024	598.1	14.8	149.1	2.2	764.2
Additions	80.4	1.8	9.7	0.6	92.5
Exchange differences	(8.2)	(1.5)	(8.1)	–	(17.8)
Remeasurements	59.6	11.6	40.7	0.1	112.0
Disposals	(0.6)	(0.6)	(3.1)	(1.0)	(5.3)
At 31 December 2024	729.3	26.1	188.3	1.9	945.6
Additions	91.2	0.7	30.3	0.4	122.6
Acquisitions	–	–	1.3	–	1.3
Exchange differences	15.2	3.6	(20.7)	0.2	(1.7)
Remeasurements	34.6	0.6	9.7	–	44.9
Transfer to disposal group classified as held for sale (Note 20)	(39.4)	–	–	–	(39.4)
Disposals	(159.2)	(0.2)	(7.4)	(0.8)	(167.6)
At 31 December 2025	671.7	30.8	201.5	1.7	905.7
Accumulated amortisation and impairment					
At 1 January 2024	258.9	12.4	72.0	1.5	344.8
Charge for the year	184.5	4.7	26.7	0.7	216.6
Exchange differences	(5.9)	(0.7)	(4.2)	(0.1)	(10.9)
Eliminated on disposal	(0.6)	(0.6)	(3.0)	(1.0)	(5.2)
At 31 December 2024	436.9	15.8	91.5	1.1	545.3
Charge for the year	225.4	5.1	29.1	0.3	259.9
Impairments	–	–	1.4	–	1.4
Exchange differences	11.9	2.1	(29.8)	0.3	(15.5)
Transfer to disposal group classified as held for sale (Note 20)	(27.3)	–	–	–	(27.3)
Eliminated on disposal	(159.2)	(0.2)	(7.4)	(0.8)	(167.6)
At 31 December 2025	487.7	22.8	84.8	0.9	596.2
Carrying amount:					
At 31 December 2024	292.4	10.3	96.8	0.8	400.3
At 31 December 2025	184.0	8.0	116.7	0.8	309.5

The Group leases vessels, operating equipment and properties with contracts which are typically for fixed periods but may have extension options used to maximise operational flexibility. The majority of extension and termination options held are exercisable only by the Group and not the respective lessors. Lease liabilities are disclosed within Note 28 'Lease liabilities'. Commitments to leases which have not yet commenced are disclosed within Note 32 'Commitments and contingent liabilities'.

An impairment review was performed on the balances at 31 December 2025 with impairment charges of \$1.4 million recognised (2024: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***16. Interests in associates and joint arrangements****Interests in associates and joint ventures**

At 31 December 2025 the Group had interests in nine joint ventures and one associate. The Group's ownership interests were as follows:

	Year end	Country of registration	Operating segment	Classification	Subsea7 ownership %
Belmet 7 Limited	31 December	Ghana	Subsea and Conventional	Joint Venture	49
Eidesvik Seven AS	31 December	Norway	Subsea and Conventional	Joint Venture	50
Eidesvik Seven Chartering AS	31 December	Norway	Subsea and Conventional	Joint Venture	50
GO FZE	31 December	Nigeria	Subsea and Conventional	Joint Venture	40
Global Oceon Engineers Nigeria Limited	31 December	Nigeria	Subsea and Conventional	Joint Venture	40
OneSubsea ^(a)	31 December	Various	Subsea and Conventional	Associate	10
SapuraAcergy Assets Pte Ltd ^(b)	31 January	Malaysia	Subsea and Conventional	Joint Venture	51
SapuraAcergy Sdn Bhd ^(b)	31 January	Malaysia	Subsea and Conventional	Joint Venture	50
Subsea Integration Alliance LLC	31 December	US	Subsea and Conventional	Joint Venture	50
Subsea 7 Malaysia Sdn Bhd	31 December	Malaysia	Subsea and Conventional	Joint Venture	30

(a) The OneSubsea associate comprises three entities: OneSubsea Processing AS, OneSubsea Investments UK Limited and OneSubsea LLC.

(b) The Group has 50% equity ownership in SapuraAcergy Sdn Bhd and 51% equity ownership in SapuraAcergy Assets Pte Ltd, however, 1% is subject to a put and call option for the benefit of its joint venture partner.

For all entities the principal place of business is consistent with the country of registration. For the majority of the entities the proportion of voting rights is consistent with the proportion of ownership interest, however in some cases some specific matters require unanimous approval of all shareholders.

All interests in joint ventures and associates are accounted for using the equity method. Financial information, using consistent accounting policies, for the year ended 31 December 2025 is used for all entities. The movement in the balance of investments in joint ventures and associates was as follows:

(in \$ millions)	2025	2024
At year beginning	367.2	342.0
Share of net income ^(a)	38.0	38.0
Impairments	(1.7)	–
Share of other comprehensive income/(loss)	6.0	(8.4)
Dividends received from associate	(41.2)	(3.4)
Net reclassification of investment balances	0.4	0.3
Exchange differences	1.5	(1.3)
At year end	370.2	367.2

(a) Share of net income excludes an impairment charge of \$1.7 million (2024: \$nil)

Net reclassification of investment balances

This amount relates primarily to reclassification within the Group's Consolidated Balance Sheet of the movement of negative investment balances to other non-current liabilities.

Summarised financial information

At 31 December 2025, none of the Group's investments in joint ventures were individually material to the Group therefore summarised financial information has not been provided.

The financial results of the Group's investment in its associate OneSubsea are significant to the Group. Summary financial information, including a reconciliation between the summarised financial information presented and the carrying amount of the Group's investment, is shown below. Amounts presented represent an IFRS conversion of OneSubsea's US Generally Accepted Accounting Principles (US GAAP) Consolidated Income Statement and Consolidated Balance Sheet. The amounts presented are inclusive of adjustments recognised by management when applying the equity method in addition to fair value adjustments applied on initial acquisition.

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Revenue	3,826.0	3,897.0
Net income	325.1	358.3
Other comprehensive income/(loss)	60.0	(84.0)
Total comprehensive income	385.1	274.3

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Non-current assets	3,322.2	3,353.8
Current assets	3,079.0	2,925.0
Current liabilities	(2,556.0)	(2,377.0)
Non-current liabilities	(462.3)	(491.0)
Net assets	3,382.9	3,410.8
Total equity	(3,382.9)	(3,410.8)
Subsea7 Group's share of equity (10%)	338.3	341.0

At (in \$ millions)	2025 31 Dec	2024 31 Dec
The Group's share of equity at year beginning	341.0	317.0
Net income attributable to the Group	32.5	35.8
Dividends received from associate	(41.2)	(3.4)
Other comprehensive income/(loss) attributable to the Group	6.0	(8.4)
Subsea7 Group's share of equity at year end	338.3	341.0
Carrying amount of investment in associate at year end^(a)	339.6	342.3

(a) The carrying amount of the Group's investment in its associate OneSubsea on the Consolidated Balance Sheet is inclusive of \$1.3 million representing stamp duty and professional fees arising on acquisition.

Interests in joint arrangements

The Group executes contracts on a regular basis through unstructured joint operations governed by alliance or consortium agreements. These agreements provide for joint and several liability for the parties involved. The material joint operations of the Group are detailed below.

The Group participates in Subsea Integration Alliance (SIA), through unincorporated strategic global operations between Subsea7 and OneSubsea. As part of the alliance, Subsea7 and OneSubsea agree terms and conditions on a project-by-project basis; this governs the relationship between the entities executing contracts with clients. SIA operates globally and provides clients with subsea technologies, production and processing systems, bringing together field development planning, project delivery and total lifecycle solutions under an extensive technology and services portfolio. Contracts with clients are entered into by individual entities of the Subsea7 and OneSubsea Groups.

Saudi Arabian Oil Company awarded a long-term frame agreement to a consortium consisting of Subsea7 and L&T Hydrocarbon Engineering. This unincorporated consortium is governed by a consortium agreement, and Subsea7 and L&T Hydrocarbon Engineering are jointly and severally liable to Saudi Arabian Oil Company for the various call-off work orders awarded to the consortium via the long-term frame agreement. The consortium's activities include project management, engineering, procurement, fabrication, transportation and installation of offshore facilities and infrastructure. The principal place of business of the unincorporated consortium is the Kingdom of Saudi Arabia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***17. Advances and receivables**

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Non-current amounts due from associates and joint ventures	23.0	32.8
Allowance for credit impairment	(1.6)	(1.6)
	21.4	31.2
Capitalised fees for long-term loan facilities	1.3	1.7
Deposits held by third parties	1.0	0.9
Other receivables	34.1	15.3
Total	57.8	49.1

18. Inventories

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Materials and non-critical spares	18.3	18.1
Consumables	33.5	39.3
Total	51.8	57.4

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Total cost of inventory charged to the Consolidated Income Statement	150.6	160.6
Write-down of inventories charged to the Consolidated Income Statement	3.8	1.3
Reversal of provision for obsolescence credited to the Consolidated Income Statement	(0.5)	(0.2)

At 31 December 2025, inventories are shown net of a provision for obsolescence of \$7.8 million (2024: \$4.2 million).

At 31 December 2025, there were no inventories pledged as security.

19. Trade and other receivables

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Trade receivables	681.7	522.6
Allowance for expected credit losses	(1.0)	(2.1)
Allowance for credit impairment	(22.9)	(21.6)
	657.8	498.9
Current amounts due from associates and joint ventures	12.8	8.0
Other receivables	26.6	34.0
Advances to suppliers	24.1	17.1
Other taxes receivable	115.0	105.8
Total	836.3	663.8

Details of how the Group manages its credit risk and further analysis of the trade receivables balance, allowances for expected credit losses and allowances for credit impairment are shown in Note 33 'Financial instruments'.

Other receivables include insurance receivables, customer retentions and deposits.

Other taxes receivable include value added tax, sales tax, withholding tax, social security tax and other indirect taxes.

20. Disposal group classified as held for sale

The Group recognised certain assets and liabilities as a disposal group classified as held for sale as follows:

At (in \$ millions)	2025 31 Dec
Assets	
Goodwill	15.4
Property, plant and equipment	93.8
Right-of-use assets	12.1
Inventories	6.4
Trade, other receivables, and construction contract – assets	37.5
Assets included in disposal group classified as held for sale	165.2
Liabilities	
Non-current lease liabilities	5.4
Current lease liabilities	10.0
Trade, other liabilities, and construction contract – liabilities	35.0
Liabilities included in disposal group classified as held for sale	50.4

In connection with a planned business divestment, management expect to dispose of the assets and liabilities recognised in the disposal group classified as held for sale within one year from initial classification. The results of the disposal group classified as held for sale for the year ended 31 December 2025 are included within the Renewables business unit. The disposal group classified as held for sale does not constitute a major line of business or major geographical area of operation.

21. Other accrued income and prepaid expenses

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Unbilled revenue	118.3	89.1
Allowance for expected credit losses	(0.2)	(0.6)
	118.1	88.5
Prepaid expenses	158.6	126.1
Total	276.7	214.6

Unbilled revenue relates to work completed on day-rate contracts, which had not been billed to clients at the balance sheet date. There were no contract liability balances which relate to this category of contract revenue. There were no significant movements in this balance during the year. Revenue of \$5.9 million (2024: \$16.1 million) was recognised in the year relating to performance obligations satisfied in previous years.

Prepaid expenses arise in the normal course of business and represent expenditure which has been deferred and which will be recognised in the Consolidated Income Statement within 12 months of the balance sheet date.

The movement in the allowance for expected credit losses in respect of unbilled revenue during the year was as follows:

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Allowance for expected credit losses		
At year beginning	(0.6)	(0.2)
Decrease/(increase) in allowance	0.4	(0.4)
At year end	(0.2)	(0.6)

Details of how the Group manages its credit risk are shown in Note 33 'Financial instruments'.

At 31 December 2025, the allowance for credit impairment in respect of unbilled revenue was \$nil (2024: \$nil).

22. Construction contracts

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Construction contracts – assets	602.1	774.1
Construction contracts – liabilities	(701.5)	(392.3)

(in \$ millions)	2025 31 Dec	2024 31 Dec
Revenue recognised which was included in construction contract liabilities at beginning of year	348.2	362.9
Revenue recognised from performance obligations satisfied in previous years	103.7	113.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***22. Construction contracts continued**

Revenue recognised which was included in construction contract liabilities at the beginning of the year of \$348.2 million (2024: \$362.9 million) represents amounts included within the construction contract liabilities balance at 1 January 2025 which were recognised as revenue during the year. Revenue recognised from performance obligations satisfied in previous years of \$103.7 million (2024: \$113.6 million) represents revenue recognised in the Consolidated Income Statement for projects which were considered operationally complete at the prior year end.

Significant movements in the construction contract asset and construction contract liability balances

The Group has construction contract asset and construction contract liability balances as a result of long-term projects in the Subsea and Conventional and Renewables business units. Details of the Group's treatment of performance obligations are disclosed in Note 3 'Material accounting policies'. Due to the number and size of projects within the Group, construction contract asset and liability balances can vary significantly at each reporting date. Cumulative adjustments to revenue are most commonly caused by a change to the estimate of the transaction price due to a reassessment of the constraint to variable consideration, awarded variation orders, scope changes or amendments to the cost profile. The decrease of \$172.0 million in construction contract assets and the \$309.2 million increase in construction contract liabilities during 2025 was driven by the phasing of the execution of work and associated billing on fixed-price contracts executed by the Group.

Construction contract assets

An analysis of the ageing of construction contract assets at the balance sheet date has not been provided. Due to the nature of the balances and the fact that the Group invoices on a milestone basis, the ageing of construction contract assets is not reflective of the credit risk associated with these balances. At 31 December 2025, the allowance for expected credit losses and the allowance for credit impairment in respect of construction contract assets were \$nil (2024: \$nil).

Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) was as follows:

At 31 December 2025

(in \$ millions)	Expected year of execution				Total
	2026	2027	2028	2029 and beyond	
Subsea and Conventional	5,687.5	3,752.2	1,908.1	338.7	11,686.5
Renewables	1,169.7	501.7	221.3	161.1	2,053.8
Corporate	28.6	–	–	–	28.6
Total	6,885.8	4,253.9	2,129.4	499.8	13,768.9

At 31 December 2024

(in \$ millions)	Expected year of execution				Total
	2025	2026	2027	2028 and beyond	
Subsea and Conventional	4,770.9	2,587.8	1,214.1	443.8	9,016.6
Renewables	1,017.1	767.4	315.1	35.0	2,134.6
Corporate	23.5	–	–	–	23.5
Total	5,811.5	3,355.2	1,529.2	478.8	11,174.7

The estimate of the transaction price does not include any amounts of variable consideration which are constrained.

23. Cash and cash equivalents

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Cash and cash equivalents	969.7	575.3

Cash and cash equivalents included amounts \$40.4 million (2024: \$18.9 million) held by Group undertakings in certain countries whose exchange controls may significantly restrict or delay the remittance of these amounts to jurisdictions outside of that country.

24. Issued share capital

Authorised shares

	2025 31 Dec Number of shares	2025 31 Dec in \$ millions	2024 31 Dec Number of shares	2024 31 Dec in \$ millions
Authorised common shares, \$2.00 par value	450,000,000	900.0	450,000,000	900.0

Issued shares

	2025 31 Dec Number of shares	2025 31 Dec in \$ millions	2024 31 Dec Number of shares	2024 31 Dec in \$ millions
Fully paid and issued common shares	299,600,000	599.2	299,600,000	599.2
The issued common shares consist of:				
Common shares outstanding	296,136,177	592.3	295,613,936	591.2
Treasury shares at par value (Note 25)	3,463,823	6.9	3,986,064	8.0
Total	299,600,000	599.2	299,600,000	599.2

25. Treasury shares

Share repurchase programme

On 24 July 2019, the Board of Directors authorised a new share repurchase programme of up to \$200 million. The programme was initially approved pursuant to the authorisation granted to the Board of Directors at the Extraordinary General Meeting held on 17 April 2019, which allowed for the purchase of up to 30,000,000 common shares of Subsea 7 S.A. On 19 April 2023, the Board of Directors authorised a 24-month extension to this programme, in accordance with the authority granted to the Board of Directors at the Extraordinary General Meeting held on 18 April 2023. The extended share repurchase programme expired on 18 April 2025.

At the Extraordinary General Meeting held on 8 May 2025, shareholders of Subsea 7 S.A. granted the Board of Directors a new authority to approve the purchase of Subsea 7 S.A. shares up to a maximum of 30,000,000 common shares. This authority remains valid until 8 May 2027. At 31 December 2025, the Board of Directors have not authorised a new share repurchase programme under this authority.

During 2025, the Group did not repurchase any shares (2024: 5,172,092 shares were repurchased for a total consideration of \$87.3 million). At 31 December 2025, the cumulative number of shares repurchased under the \$200 million programme was 15,172,304 for a total consideration of \$164.2 million.

All repurchases were made in the open market on Oslo Børs, pursuant to certain conditions, and were in conformity with Article 430–15 of Luxembourg Company Law. At 31 December 2025, the remaining repurchased shares, which had not been cancelled or reallocated relating to share-based payments, were held as treasury shares.

Summary

At 31 December 2025, Subsea 7 S.A. held 3,463,823 treasury shares (2024: 3,986,064), which amounted to 1.16% (2024: 1.33%) of the total number of issued shares.

	2025 Number of shares	2025 in \$ millions	2024 Number of shares	2024 in \$ millions
At year beginning	3,986,064	69.1	3,839,804	31.1
Shares repurchased	–	–	5,172,092	87.3
Shares reallocated relating to share-based payments	(522,241)	(8.9)	(331,560)	(2.6)
Shares cancelled	–	–	(4,694,272)	(46.7)
Balance at year end	3,463,823	60.2	3,986,064	69.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***26. Non-controlling interests**

At 31 December 2025, the Group's respective ownership interests in subsidiaries which are non-wholly-owned were as follows:

	Year end	Country of registration	Subsea7 ownership %
Globestar Engineering Company (Nigeria) Limited	31 December	Nigeria	98.8
Nautilus Floating Solutions S.L.	31 December	Spain	59.1
Naviera Subsea 7 S. de R.L. de C.V.	31 December	Mexico	49.0
PT Subsea 7 Indonesia	31 December	Indonesia	95.0
Servicios Subsea 7 S. de R.L. de C.V.	31 December	Mexico	52.0
Sonacergy – Serviços E Construções Petrolíferas Lda.	31 December	Portugal	60.0
Sonamet Industrial S.A.	31 December	Angola	60.0
Subsea 7 Equatorial Guinea S.A.	31 December	Equatorial Guinea	65.0
Subsea 7 Volta Contractors Limited	31 December	Ghana	49.0

For all entities, the principal place of business is consistent with the country of registration. Financial information for the year ended 31 December 2025 has been used for all entities.

The movement in the equity attributable to non-controlling interests was as follows:

(in \$ millions)	2025	2024
At year beginning	44.6	34.1
Share of net (loss)/income for the year	(7.2)	15.2
Reclassification of non-controlling interests to equity attributable to shareholders of Subsea 7 S.A.	–	(4.1)
Exchange differences	1.1	(0.6)
At year end	38.5	44.6

27. Borrowings

At (in \$ millions)	2025 31 Dec	2024 31 Dec
South Korean Export Credit Agency (ECA) facility	86.0	110.6
2021 UK Export Finance (UKEF 2021) facility	222.7	321.7
2023 UK Export Finance (UKEF 2023) facility	274.7	289.4
Other	0.3	0.3
Total^(a)	583.7	722.0
Consisting of:		
Non-current portion of borrowings	402.4	583.8
Current portion of borrowings	181.3	138.2
Total^(a)	583.7	722.0

(a) Borrowings presented in the Consolidated Balance Sheet are shown net of capitalised fees of \$5.4 million (2024: \$6.4 million), which are amortised over the period of the respective facility.

Commitment fees expensed during the year in respect of unused lines of credit totalled \$2.5 million (2024: \$2.9 million).

Facilities

Multi-currency revolving credit and guarantee facility

On 15 June 2022, the Group entered into a \$700 million multi-currency revolving credit and guarantee facility with a five-year tenor, with two one-year extension options. The facility is available in a combination of guarantees, up to a limit of \$200 million, and cash drawings, or in full for cash drawings. The facility is guaranteed by Subsea 7 S.A. and Subsea 7 Finance (UK) PLC, a wholly-owned subsidiary of the Group. The facility size reduced from \$700 million to \$600 million in September 2024 and will reduce further to \$500 million in June 2028 until maturity in June 2029. The facility was unutilised at 31 December 2025.

The South Korean Export Credit Agency (ECA) facility

In July 2015 the Group entered into a \$357 million senior term loan facility secured on two vessels owned by the Group. The facility is provided 90% by an Export Credit Agency (ECA) and 10% by two banks and is available for general corporate purposes. The ECA tranche has a 12-year maturity and a 12-year amortising profile. The commercial tranche initially had a five-year maturity and a 15-year amortising profile, which commenced in April 2017. The commercial tranche was refinanced during November 2021, now maturing in January 2027, while retaining the original amortising profile. The facility is guaranteed by Subsea 7 S.A. At 31 December 2025, the amount outstanding under the facility was \$86.0 million (2024: \$110.6 million).

2021 UK Export Finance (UKEF 2021) facility

On 24 February 2021, the Group entered into a \$500 million five-year amortising committed loan facility backed by a \$400 million guarantee from UK Export Finance. The facility has a five-year tenor which commenced when the facility was fully drawn. The facility can be used for general corporate purposes, including to provide working capital financing for services provided from the UK. The facility is guaranteed by Subsea 7 S.A. At 31 December 2025, the amount outstanding under the facility, net of facility fees, was \$222.7 million (2024: \$321.7 million).

2023 UK Export Finance (UKEF 2023) facility

On 27 July 2023, the Group entered into a \$450 million five-year amortising loan facility backed by a \$360 million guarantee from UK Export Finance. The facility has a five-year tenor which commenced in July 2025. The facility is guaranteed by Subsea 7 S.A. and Subsea 7 Finance (UK) PLC, a wholly-owned subsidiary of the Group. At 31 December 2025, the amount outstanding under the facility, net of facility fees, was \$274.7 million (2024: \$289.4 million).

Utilisation of facilities

At (in \$ millions)	2025 31 Dec Utilised	2025 31 Dec Unutilised	2025 31 Dec Total	2024 31 Dec Utilised	2024 31 Dec Unutilised	2024 31 Dec Total
Committed borrowing facilities	588.8	600.0	1,188.8	728.0	757.6	1,485.6

Other facilities

In addition to the above there are a number of uncommitted, unsecured bilateral arrangements in place in order to provide specific geographical coverage. The utilisation of these facilities at 31 December 2025 was \$2.9 billion (2024: \$2.1 billion).

28. Lease liabilities

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Maturity analysis – contractual undiscounted cash flows		
Within one year	192.3	250.4
Years two to five inclusive	155.2	219.7
After five years	45.9	33.7
Total undiscounted lease liabilities	393.4	503.8
Effect of discounting	(43.6)	(48.9)
Discounted lease liabilities	349.8	454.9
Consisting of:		
Non-current	184.9	231.1
Current	164.9	223.8
Total discounted lease liabilities	349.8	454.9

Amounts recognised within the Consolidated Income Statement in relation to short-term and low-value leases are disclosed within Note 6 'Net operating income'. Payments related to lease liabilities disclosed within the Consolidated Cash Flow Statement for the year ended 31 December 2025 were \$291.9 million (2024: \$223.2 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***29. Other non-current liabilities**

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Other	1.0	1.0
Total	1.0	1.0

30. Trade and other liabilities

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Accruals	858.9	788.8
Trade payables	337.1	378.9
Current amounts due to associates and joint ventures	51.4	12.4
Accrued salaries and benefits	176.1	150.7
Withholding taxes	23.4	32.8
Other taxes payable	39.9	58.0
Other current liabilities	15.1	7.6
Total	1,501.9	1,429.2

31. Provisions

(in \$ millions)	Claims	Decommissioning	Onerous fixed-price contracts	Other	Total
At 1 January 2024	18.4	6.6	83.9	16.2	125.1
Additional provision in the year	11.3	13.4	246.2	14.2	285.1
Utilisation of provision	(2.5)	(5.8)	(274.0)	(2.6)	(284.9)
Unused amounts released during the year	(8.4)	–	(15.0)	(2.7)	(26.1)
Exchange differences	(3.0)	(0.2)	(2.4)	(1.5)	(7.1)
At 31 December 2024	15.8	14.0	38.7	23.6	92.1
Additional provision in the year	4.8	3.7	13.3	10.4	32.2
Utilisation of provision	(4.3)	(3.1)	(26.7)	(9.4)	(43.5)
Unused amounts released during the year	(2.5)	(4.5)	(0.7)	(4.5)	(12.2)
Unwinding of discount rate	–	2.5	–	–	2.5
Exchange differences	1.5	0.6	3.8	0.9	6.8
At 31 December 2025	15.3	13.2	28.4	21.0	77.9

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Consisting of:		
Non-current provisions	22.1	29.1
Current provisions	55.8	63.0
Total	77.9	92.1

The claims provision comprises a number of claims made against the Group including disputes, personal injury cases and tax claims, where the timing of resolution is uncertain.

The decommissioning provision is mainly in relation to the Group's obligation to restore leased vessels to their original, or agreed, condition. The cash outflows related to the provision are expected to occur in the years in which the leases cease, which range from 2026 to 2028.

The onerous fixed-price contract provision relates to projects where total forecast costs-at-completion exceed the expected transaction price. The cash outflows related to the provision recognised at 31 December 2025 are expected to occur during 2026 and 2027.

Other provisions mainly relate to onerous day-rate contracts.

32. Commitments and contingent liabilities

Commitments

The Group's commitments at 31 December 2025 consisted of:

- commitments related to property, plant and equipment and intangible assets of \$65.4 million (2024: \$88.4 million);
- contractual lease commitments, relating to vessel charters and office leases, exclusive of options, which had not commenced at 31 December 2025, were \$nil (2024: \$104.0 million); and
- short-term lease commitments totalling \$66.3 million (2024: \$209.7 million).

Contingent liabilities

A summary of the contingent liabilities is as follows:

(in \$ millions)	Contingent liability recognised		Contingent liability not recognised	
	2025	2024	2025	2024
At year beginning	0.4	0.5	189.8	224.8
Movement in contingent liabilities	(0.4)	–	13.8	16.0
Exchange differences	–	(0.1)	25.5	(51.0)
At year end	–	0.4	229.1	189.8

Contingent liabilities not recognised in the Consolidated Balance Sheet

The Group is subject to tax audits and receives tax assessments in a number of jurisdictions where it has, or has had, operations. The estimation of the ultimate outcome of these audits and disputed tax assessments is complex and subjective. The likely outcome of the audits and associated cash outflow, if any, may be impacted by technical uncertainty and the availability of supporting documentation.

The Group's operations in Mexico are subject to tax audits across several years. At 31 December 2025, the amount assessed by the Mexican tax authorities in relation to 2014, including penalties and interest, was MXN 3,639.3 million, equivalent to \$202.4 million (2024: MXN 3,639.3 million, equivalent to \$179.2 million). At 31 December 2025, and as a consequence of current year profitability, a provision of MXN 283.5 million, equivalent to \$15.8 million was recognised within the Consolidated Balance Sheet (2024: MXN 143.1 million, equivalent to \$7.0 million). At 31 December 2025, a contingent liability of MXN 589.4 million, equivalent to \$32.8 million (2024: MXN 589.4 million, equivalent to \$29.0 million), has been disclosed related to the 2014 assessment as the disclosure criteria have been met however, management and local advisors believe that the likelihood of payment is not probable.

Between 2009 and 2024, the Group's Brazilian businesses were audited and formally assessed for Imposto sobre Circulação de Mercadorias e Serviços (ICMS) and federal taxes including import duty by the Brazilian state and federal tax authorities. The amount assessed, including penalties and interest, at 31 December 2025 amounted to BRL 966.7 million, equivalent to \$174.4 million (2024: BRL 897.0 million, equivalent to \$142.5 million). The Group has challenged these assessments. A contingent liability has been disclosed for the total amounts assessed as the disclosure criteria have been met; however, management believes that the likelihood of payment is not probable.

Between 2018 and 2025, the Group's Brazilian business received several labour claims. The amounts claimed or assessed at 31 December 2025 totalled BRL 155.3 million, equivalent to \$28.0 million (2024: BRL 166.3 million, equivalent to \$26.5 million). The Group has challenged these claims. A contingent liability has been disclosed for BRL 121.4 million, equivalent to \$21.9 million (2024: BRL 115.0 million, equivalent to \$18.3 million) as the disclosure criteria have been met; however, management believes that the likelihood of payment is not probable. A provision of BRL 33.9 million, equivalent to \$6.1 million (2024: BRL 51.3 million, equivalent to \$8.2 million) was recognised within the Consolidated Balance Sheet at 31 December 2025 as the IAS 37 recognition criteria were met.

In the ordinary course of business, various claims, legal actions and complaints have been filed against the Group in addition to those specifically referred to above. The Group typically also provides contractual warranties for the repair of defects which are identified during a contract and within a defined period thereafter. Warranty periods vary dependent on contract type and operating segment; engineering, procurement, installation and commissioning (EPIC) oil and gas contracts typically attract shorter periods than EPIC renewables contracts. Liability exposure levels are monitored by management and risk transfer mechanisms arranged where deemed appropriate. Although the final resolution of any of these matters could have a material effect on its operating results for a particular reporting period, management believes that it is not probable that these matters would materially impact the Group's Consolidated Financial Statements.

Contingent liabilities recognised in the Consolidated Balance Sheet

As part of the accounting for the business combination of Pioneer Lining Technology Limited, the Group was required to recognise a contingent liability at the acquisition date, in respect of contingent amounts payable to a third party following the acquisition of intangible assets in 2009. Management now considers this previously recognised contingent liability to have expired. As a result, during the fourth quarter of 2025, the contingent liability of \$0.4 million was derecognised in full and recognised within the Group's Consolidated Income Statement within other gains and losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments**

Details of the significant accounting policies adopted including the classification, basis of measurement and recognition of income and expense in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 'Material accounting policies'.

Classification of financial instruments

Financial instruments are classified as follows:

At (in \$ millions)	2025 31 Dec Carrying amount	2024 31 Dec Carrying amount
Financial assets		
Restricted cash	6.0	9.5
Cash and cash equivalents (Note 23)	969.7	575.3
Financial assets mandatorily measured at fair value through profit or loss:		
Foreign exchange forward contracts	3.5	0.4
Embedded derivatives	75.0	136.6
Financial assets elected to be measured at fair value through other comprehensive income:		
Other financial assets – financial investments	1.1	1.1
Financial assets measured at amortised cost:		
Net trade receivables (Note 19)	657.8	498.9
Net non-current amounts due from associates and joint ventures (Note 17)	21.4	31.2
Net current amounts due from associates and joint ventures (Note 19)	12.8	8.0
Other financial receivables	33.9	30.0
Financial liabilities		
Financial liabilities mandatorily measured at fair value through profit or loss:		
Foreign exchange forward contracts	(3.0)	(6.1)
Embedded derivatives	(44.1)	(36.5)
Commodity derivatives	(1.3)	(0.4)
Contingent consideration	–	(0.5)
Financial liabilities elected to be measured at fair value through other comprehensive income:		
Commodity derivatives	(3.3)	(3.0)
Financial liabilities measured at amortised cost:		
Trade payables (Note 30)	(337.1)	(378.9)
Lease liabilities (Note 28)	(349.8)	(454.9)
Current amounts due to associates and joint ventures (Note 30)	(51.4)	(12.4)
Borrowings (Note 27)	(583.7)	(722.0)
Other financial payables	(0.6)	(1.6)

Fair value

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Consolidated Balance Sheet approximate their fair values due to their short-term nature or contractual cash flow characteristics.

Financial instruments – gains and losses recognised within profit or loss

The Group's financial instruments resulted in the recognition of the following in the Consolidated Income Statement:

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Interest income from financial assets measured at amortised cost	22.8	24.4
Interest cost and fees from financial liabilities measured at amortised cost	(50.2)	(70.7)
Net fair value (losses)/gains on financial assets measured at fair value through profit or loss	(58.5)	77.7
Net fair value (losses)/gains on financial liabilities measured at fair value through profit or loss	(4.9)	23.2

Fees incurred in connection with financial instruments

Total fees incurred during the year in connection with financial instruments measured at amortised cost were \$4.9 million (2024: \$5.6 million).

Cash and cash equivalents

At 31 December 2025, the Group held cash and cash equivalents of \$969.7 million (2024: \$575.3 million) which included cash and cash equivalents available on demand of \$102.2 million (2024: \$160.0 million) and time deposits with financial institutions of \$867.5 million (2024: \$415.3 million).

The table below shows the carrying amount related to amounts on deposit. These are graded and monitored internally by the Group based on current external credit ratings issued, with 'prime' being the highest possible rating.

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Deposits:		
Counterparties rated prime grade	272.0	75.0
Counterparties rated high grade	95.0	130.0
Counterparties rated upper-medium grade	422.8	209.3
Counterparties rated lower-medium grade	–	0.3
Counterparties rated non-investment grade	77.7	0.7
Total	867.5	415.3

Financial instruments mandatorily measured at fair value through profit or loss

The Group classifies its financial assets at fair value through profit or loss if classified as one of the following:

- debt instruments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income;
- equity investments that are held for trading;
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income; or
- derivative financial instruments.

Derivative financial instruments recognised in the Consolidated Balance Sheet were as follows:

At (in \$ millions)	31 Dec 2025 Assets	31 Dec 2025 Liabilities	31 Dec 2025 Total	31 Dec 2024 Assets	31 Dec 2024 Liabilities	31 Dec 2024 Total
Non-current						
Embedded derivatives	22.9	(18.5)	4.4	62.9	(9.3)	53.6
Commodity derivatives	–	(3.1)	(3.1)	–	(1.4)	(1.4)
Total	22.9	(21.6)	1.3	62.9	(10.7)	52.2
Current						
Forward foreign exchange contracts	3.5	(3.0)	0.5	0.4	(6.1)	(5.7)
Embedded derivatives	52.1	(25.6)	26.5	73.7	(27.2)	46.5
Commodity derivatives	–	(1.5)	(1.5)	–	(2.0)	(2.0)
Total	55.6	(30.1)	25.5	74.1	(35.3)	38.8

Contingent consideration

Contingent consideration relates to amounts payable in connection with business combinations. The amounts payable are contingent on future events and are determined based on current expectations of the achievement of specific targets and milestones.

Financial instruments elected to be measured at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise investments in equity securities not held for trading, and for which the Group has made an irrevocable election, at initial recognition, to recognise changes in fair value through other comprehensive income rather than profit or loss as these investments are strategic in nature.

Management concluded that due to the nature of these investments, there are a wide range of possible fair value measurements and in some cases there may be insufficient recent information available to enable the Group to accurately measure fair value. Management reviews investments at least annually to ensure the carrying amount can be supported by expected future cash flows and has concluded that cost is considered to represent the best estimate of fair value of each investment within a range of possible outcomes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments continued****Financial instruments elected to be measured at fair value through other comprehensive income continued**

Upon disposal or derecognition of these equity investments, any associated balance accumulated within other comprehensive income will be reclassified to retained earnings. Equity investments totalling \$5.4 million (2024: \$nil) were derecognised during the year, and subsequently \$5.3 million was reclassified from other reserves to retained earnings.

During the year, no dividends were recognised within profit or loss in connection with the financial investments.

Financial assets measured at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met: the asset is held within a business model with the objective of collecting the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial risk management objectives

The Group monitors and manages the financial risks relating to its financial operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (consisting of currency risk and fair value interest rate risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks by using a variety of financial instruments to hedge these financial risk exposures. Derivative financial instruments are used exclusively for hedging purposes and not as trading or speculative instruments.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risks, including forward foreign exchange contracts to hedge the exchange rate risk arising on future revenue, operating expenditures and capital expenditures.

During the year ended 31 December 2025, there was no significant change to the Group's exposure to market risks or the manner in which it managed and measured the risk.

Foreign currency risk

The Group conducts operations in many countries and, as a result, is exposed to foreign currency fluctuations related to revenue and expenditure in the normal course of business. The Group has in place risk management policies that seek to limit the adverse effects of fluctuations in foreign currency exchange rates on its financial performance.

The Group's reporting currency is the US dollar. Revenue and expenses are principally denominated in the reporting currency of the Group. The Group also has significant operations denominated in Brazilian real, British pound sterling, Euro and Norwegian krone as well as other cash flows in Angolan kwanza, Australian dollar, Azerbaijan manat, Canadian dollar, Central African CFA franc, Chinese yuan, Danish krone, Egyptian pound, Ghanaian cedi, Korean won, Malaysian ringgit, Mexican peso, Nigerian naira, Qatar rial, Saudi Arabian riyal, Singaporean dollar, Taiwan dollar, Turkish lira, UAE dirham and West African CFA franc.

Foreign currency sensitivity analysis

The Group considers that its principal currency exposure is to movements in the US dollar against other currencies. The US dollar is the Group's reporting currency, the functional currency of many of its subsidiaries and the currency of a significant volume of the Group's cash flows.

At 31 December 2025, the Group performed a sensitivity analysis to indicate the extent to which net income and equity would be affected by changes in the exchange rate between the US dollar and other currencies in which the Group transacts. The analysis is based on a strengthening of the US dollar by 10% against each of the other currencies in which the Group has significant assets and liabilities at the end of each respective year. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a five-year time-frame. The Group's analysis of the impact on net income in each year is based on monetary assets and liabilities on the Consolidated Balance Sheet at the end of each respective year.

The Group's analysis of the impact on equity includes the impacts on the translation reserve in respect of intra-group balances that form part of the net investment in a foreign operation. The amounts disclosed have not been adjusted for the impact of taxation.

A 10% strengthening in the US dollar exchange rate against other currencies in which the Group transacts would increase net foreign currency exchange losses reported in other gains and losses by \$25.5 million for the year ended 31 December 2025 (2024: \$65.3 million). The impact would be a decrease in reported equity of \$25.6 million (2024: \$73.6 million).

Forward foreign exchange contracts

The Group primarily enters into forward foreign exchange contracts with maturities of up to three years, to manage the risk associated with transactions with a foreign exchange exposure risk. These transactions consist of highly probable cash flow exposures relating to revenue, operating expenditure and capital expenditure.

The Group does not use derivative instruments to hedge the exposure to exchange rate fluctuations from its net investments in foreign subsidiaries.

The following table details the external forward foreign exchange contracts outstanding:

At 31 December 2025

(in \$ millions)	Contracted amount by contract maturity				Fair value by contract maturity	
	Buy		Sell		Maturity	
	< 1 year	1-5 years	< 1 year	1-5 years	< 1 year	1-5 years
British pound sterling	445.6	-	(136.0)	-	2.1	-
Euro	261.1	-	(127.0)	-	(1.1)	-
Norwegian krone	46.9	-	(48.7)	-	(0.5)	-
Singapore dollar	13.6	-	(10.5)	-	0.1	-
Australian dollar	57.9	-	(16.0)	-	(0.1)	-
Total	825.1	-	(338.2)	-	0.5	-

At 31 December 2024

(in \$ millions)	Contracted amount by contract maturity				Fair value by contract maturity	
	Buy		Sell		Maturity	
	< 1 year	1-5 years	< 1 year	1-5 years	< 1 year	1-5 years
British pound sterling	189.5	-	(7.5)	-	(2.7)	-
Danish krone	1.3	-	(1.2)	-	-	-
Euro	204.2	-	-	-	(2.3)	-
Norwegian krone	21.8	-	(12.2)	-	0.1	-
Singapore dollar	29.4	-	(3.7)	-	(0.2)	-
Australian dollar	36.8	-	(4.7)	-	(0.6)	-
Total	483.0	-	(29.3)	-	(5.7)	-

Hedge accounting

The hedging reserve, included within other reserves in the Consolidated Balance Sheet, represents hedging gains/(losses) recognised on the effective portion of commodity cash flow hedges. The movement in the hedging reserve was as follows:

(in \$ millions)	2025 31 Dec	2024 31 Dec
At year beginning	(3.3)	(0.8)
(Losses)/gains on the effective portion of derivative financial instruments deferred to equity:		
Changes in cash flows on commodity hedges	(2.3)	(0.8)
Amounts reclassified to the Consolidated Income Statement	0.4	(2.0)
Exchange differences	(0.1)	0.3
At year end	(5.3)	(3.3)

The Group documents its assessment of whether the hedging instrument which is used in a hedging relationship is effective in offsetting changes in cash flows of the hedged item, on a prospective basis. The cumulative effective portion is deferred in equity within other reserves as hedging reserves in the Consolidated Balance Sheet. The resulting cumulative gains or losses will be reclassified to the Consolidated Income Statement upon the recognition of the underlying transaction or the discontinuance of the hedging relationship. Movements in respect of effective hedges are shown in the Consolidated Statement of Changes in Equity. The gains or losses relating to the ineffective portion of cash flow hedges are recognised in the Consolidated Income Statement and the net amount for the year was \$0.9 million (2024: \$0.5 million). Hedge ineffectiveness can arise from differences in the timing of the cash flows of the hedged items and the hedging instruments, different indexes linked to the hedged risk of the hedged items and hedging instruments, counterparties' credit risk differently impacting fair value movements of the hedging instruments and hedged items or changes to the forecast amount of cash flows of hedged items and hedging instruments. There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity forward contracts match the terms of the expected highly probable forecast transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments continued****Hedge accounting continued**

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts is identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

At 31 December 2025 and at 31 December 2024, none of the Group's outstanding external forward foreign exchange contracts had been designated as hedging instruments.

Commodity hedging

The Group enters into commodity hedging to manage risk on specific exposures, swapping floating price to fixed price. At 31 December 2025, there were no commodity trades recognised within financial assets (2024: \$nil) and \$4.6 million within financial liabilities (2024: \$3.4 million).

Embedded derivatives

The Group regularly enters into multi-currency contracts from which the cash flows may lead to embedded foreign exchange derivatives in non-financial host contracts, carried at fair value through profit or loss. Embedded foreign currency derivatives, arising from multi-currency contracts, are separated where the host contract does not qualify as a financial asset, where the transactional currency differs from the functional currencies of the involved parties and a separate instrument, with the same terms as the embedded derivative, would meet the definition of a derivative.

The fair values of the embedded derivatives at 31 December 2025 amounted to \$75.0 million related to financial assets (2024: \$136.6 million) and \$44.1 million related to financial liabilities (2024: \$36.5 million). Movements were reflected on the Consolidated Income Statement in net foreign currency gains and losses within other gains and losses.

Interest rate risk management

The Group places funds in the money markets to generate an investment return with a range of maturities (generally less than six months) ensuring a high level of liquidity and reducing the credit risk associated with the deposits. Changes in the interest rates associated with these deposits will impact the interest income generated.

Interest rate sensitivity analysis

The Group's facilities, as disclosed in Note 27 'Borrowings', utilise Secured Overnight Financing Rate (SOFR) as the reference rate for borrowings.

At 31 December 2025, the Group performed a sensitivity analysis on borrowings to indicate the extent to which a change in SOFR would affect net income and equity. The analysis is based on a movement in the SOFR of 1%, with all other variables held constant. A movement of 1% reflects a reasonably possible sensitivity when compared to historical movements.

A 1% movement in SOFR would impact interest on financial liabilities measured at amortised cost reported in finance costs by \$6.8 million for the year ended 31 December 2025 (2024: \$8.3 million). Reported equity would be impacted by \$5.7 million (2024: \$7.0 million).

Credit risk management

Credit risk refers to the risk that a customer or counterparty to a financial instrument will default on its contractual obligations and fail to make payment as obligations fall due resulting in financial loss for the Group. Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments.

The maximum exposure of the Group to credit-related losses on financial instruments is the aggregate of the carrying amount of the financial assets as summarised on page 190.

Financial instruments and cash deposits

The Group has adopted a policy of transacting with creditworthy financial institutions as a means of mitigating the risk of financial loss from defaults. Credit ratings are supplied by independent rating agencies. The Group's exposure and the credit ratings of its counterparties are continually monitored and the aggregate value of transactions undertaken is distributed among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved on an annual basis and are monitored daily. The Group uses credit ratings as well as other publicly available financial information and its own trading records to rate its major counterparties.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's credit risk management practices are designed to address the risk characteristics of key financial assets. Credit exposure is controlled by counterparty limits that are reviewed and approved on an annual basis and are monitored daily. In respect of its customers and suppliers, the Group uses credit ratings as well as other publicly available financial information and its own trading records to rate its major counterparties. The assessment of the Group's exposure to credit risk includes consideration of historical and forward-looking information regarding both the financial position and performance of the counterparty and the general macroeconomic environment.

Expected credit loss assessment for financial assets

Allowances are recognised as required under the IFRS 9 'Financial Instruments' impairment model and continue to be carried until there are indicators that there is no reasonable expectation of recovery.

For construction contract assets and trade and other receivables which do not contain a significant financing component, the Group applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other financial assets the Group applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

In determining expected credit losses, financial assets with the same counterparty are grouped and where appropriate expected credit losses are measured on a collective basis. In determining the level of allowance the Group uses an internal credit risk grading framework and applies judgement based on a variety of data in order to predict the likely risk of default. The Group defines default as full or partial non-payment of contractual cash flows. The determination of expected credit losses is derived from historical and forward-looking information which includes external ratings, audited financial statements and other publicly available information about customers. Determination of the level of expected credit loss incorporates a review of factors which can be indicative of default, including the nature of the counterparty (for example, national energy companies, international energy companies or independent energy companies) and the individual industry sectors in which the counterparty operates.

The majority of the Group's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Group's customers and the nature of the services provided. The outlook for the energy industry is not expected to result in a significant change in the Group's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Group has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Exposure to credit risk is continually monitored in order to identify financial assets which experience a significant change in credit risk. While assessing for significant changes in credit risk the Group makes use of operational simplifications permitted by IFRS 9. The Group considers a financial asset to have low credit risk if the asset has a low risk of default; the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and no adverse changes in economic or business conditions have been identified which in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Where a financial asset becomes more than 30 days past its due date additional procedures are performed to determine the reasons for non-payment in order to identify if a change in the exposure to credit risk has occurred.

Should a significant change in the exposure to credit risk be identified the allowance for expected credit losses is increased to reflect the risk of expected default in the lifetime of the financial asset. The Group continually monitors for indications that a financial asset has become credit impaired with an allowance for credit impairment recognised when the loss is incurred. Where a financial asset becomes more than 90 days past its due date additional procedures are performed to determine the reasons for non-payment in order to identify if the asset has become credit impaired.

The Group considers an asset to be credit impaired once there is evidence that a loss has been incurred. In addition to recognising an allowance for expected credit loss, the Group monitors for the occurrence of events that have a detrimental impact on the recoverability of financial assets. Evidence of credit impairment includes, but is not limited to, indications of significant financial difficulty of the counterparty, a breach of contract or failure to adhere to payment terms, bankruptcy or financial reorganisation of a counterparty or the disappearance of an active market for the financial asset.

A financial asset is only impaired when there is no reasonable expectation of recovery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments continued****Expected credit loss assessment for financial assets continued**

For trade receivables, the Group's current credit risk grading framework comprises the following categories:

Category	Description	Response
Performing	The counterparty has a low risk of default. No balances are aged greater than 30 days past due.	An allowance for lifetime ECLs is recognised where the impact is determined to be material.
Monitored	The counterparty has a low risk of default. Balances aged greater than 30 days past due have arisen due to ongoing commercial discussions associated with the close-out of contractual requirements and are not considered to be indicative of an increased risk of default.	The allowance for lifetime ECLs is increased where the impact is determined to be material.
In default	Balances are greater than 90 days past due with the ageing not being as a result of ongoing commercial discussions associated with the close-out of contractual commitments, or there is evidence indicating that the counterparty is in severe financial difficulty and collection of amounts due is improbable.	The asset is considered to be credit impaired and an allowance for the estimated incurred loss is recognised where material.
Written off	There is evidence that the counterparty is in severe financial difficulty and the Group has no realistic prospect of recovery of balances due.	The gross receivable and associated allowance are both derecognised.

The credit risk grades disclosed above are consistent with the information used by the Group for credit risk management purposes. Specific information regarding the counterparty together with past-due information and forward-looking information is utilised in order to determine the appropriate credit grading category. Trade receivables balances were evaluated using the grading framework.

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Performing	617.6	467.1
Monitored	41.2	33.9
In default	22.9	21.6
Gross carrying amount	681.7	522.6

In addition to the credit risk grading framework for trade receivables the Group uses past-due information to assess significant increases in credit risk for all financial assets. Information related to ageing of material financial assets is included within subsequent disclosures.

Other financial assets, including amounts due from associates and joint ventures, are not subject to the Group's credit risk grading framework. The Group assesses the credit risk of these financial assets on a case-by-case basis using all relevant available historical and forward-looking information. Allowances for expected credit losses or credit impairment are recorded when required.

Trade receivables

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Gross carrying amount	681.7	522.6
Allowance for expected credit losses	(1.0)	(2.1)
Allowance for incurred credit impairments	(22.9)	(21.6)
Net carrying amount	657.8	498.9

The table below provides an analysis of the age of trade receivables at the balance sheet date. This includes details of those trade receivables which are past due, but not impaired, and trade receivables which are individually determined to be impaired.

At 31 December 2025

(in \$ millions)	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross carrying amount	617.6	15.0	15.3	33.8	681.7
Allowance for expected credit losses	(1.0)	-	-	-	(1.0)
Allowance for incurred credit impairments	-	-	-	(22.9)	(22.9)
Net carrying amount	616.6	15.0	15.3	10.9	657.8

At 31 December 2024

(in \$ millions)	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross carrying amount	467.3	20.4	1.7	33.2	522.6
Allowance for expected credit losses	(2.1)	–	–	–	(2.1)
Allowance for incurred credit impairments	(0.2)	–	–	(21.4)	(21.6)
Net carrying amount	465.0	20.4	1.7	11.8	498.9

The movement in the allowance for expected credit losses in respect of trade receivables during the year was as follows:

(in \$ millions)	2025 31 Dec	2024 31 Dec
Allowance for expected credit losses		
At year beginning	(2.1)	(1.3)
Decrease/(increase) in allowance	1.1	(0.8)
At year end	(1.0)	(2.1)

The movement in the allowance for credit impairment in respect of trade receivables during the year was as follows:

(in \$ millions)	2025 31 Dec	2024 31 Dec
Allowance for credit impairment		
At year beginning	(21.6)	(23.0)
Increase in allowance	(0.2)	(0.4)
Utilisation of allowance	–	1.5
Unused amounts released during the year	0.5	–
Exchange differences	(1.6)	0.3
At year end	(22.9)	(21.6)

During the year ended 31 December 2025, the Group collected \$0.5 million in respect of trade receivables which had been credit impaired in the prior year (2024: \$nil).

Amounts due from associates and joint ventures

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Gross carrying amount	35.8	40.8
Allowance for incurred credit impairments	(1.6)	(1.6)
Net carrying amount	34.2	39.2

The table below provides an analysis of the ageing of amounts due from associates and joint ventures. This includes balances with associates and joint ventures which are past due at the end of the reporting period, but not impaired, and balances which are individually determined to be impaired at the end of the reporting period.

At 31 December 2025

(in \$ millions)	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross carrying amount	31.5	–	0.2	4.1	35.8
Allowance for incurred credit impairments	–	–	–	(1.6)	(1.6)
Net carrying amount	31.5	–	0.2	2.5	34.2

At 31 December 2024

(in \$ millions)	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross carrying amount	36.2	–	–	4.6	40.8
Allowance for incurred credit impairments	–	–	–	(1.6)	(1.6)
Net carrying amount	36.2	–	–	3.0	39.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments continued****Amounts due from associates and joint ventures continued**

The movement in the allowance for credit impairments in respect of amounts due from associates and joint ventures during the year was as follows:

(in \$ millions)	2025 31 Dec	2024 31 Dec
Allowance for credit impairments		
At year beginning	(1.6)	(3.7)
Utilisation of allowance	–	0.1
Reclassification following derecognition of investment in joint venture	–	1.8
Exchange differences	–	0.2
At year end	(1.6)	(1.6)

At 31 December 2025, the allowance for expected credit losses recognised in connection with amounts due from associates and joint ventures was \$nil (2024: \$nil).

Other financial assets at amortised cost

An analysis of the age of other financial assets at the balance sheet date has not been provided on the grounds of materiality. Other financial assets are typically non-recurring and are monitored on an asset-by-asset basis. Ageing is not necessarily reflective of credit risk.

At 31 December 2025, the allowances for expected credit losses and credit impairment recognised in connection with other financial assets at amortised cost were \$nil (2024: \$nil).

Concentration of credit risk

Credit risk is primarily associated with trade receivables. Net trade receivables as shown in Note 19 'Trade and other receivables' arise from a large number of customers, dispersed geographically. Continual credit evaluation is performed on the recoverability of trade receivables. The following table classifies outstanding balances into three categories:

At	2025 31 Dec Category percentage	2024 31 Dec Category percentage
National energy companies	38%	29%
International energy companies	11%	13%
Independent energy companies	51%	58%
Total	100%	100%

National energy companies are either partially or wholly-owned by, or directly controlled by, the government of their respective country of incorporation. Both international and independent energy companies are mainly publicly or privately owned. International energy companies are generally larger in size and scope than independent energy companies.

During the year ended 31 December 2025, two customers (2024: two customers) contributed individually to 10% or more of the Group's revenue. The revenue from these customers was \$2,292.9 million or 32% of total Group revenue (2024: \$1,851.5 million or 27%).

The five largest receivables balances by customer are shown below:

At (in \$ millions)	31 Dec 2025
Customer A	204.5
Customer B	109.8
Customer C	36.7
Customer D	32.8
Customer E	31.1

At (in \$ millions)	31 Dec 2024
Customer A	98.9
Customer B	46.6
Customer C	28.9
Customer D	25.9
Customer E	24.2

The customer mix for outstanding accounts receivable balances at 31 December 2025 is not the same as at 31 December 2024. The Group did not have any significant credit exposure to any single counterparty at 31 December 2025 or 31 December 2024.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are primarily banks with high credit ratings assigned by international credit-rating agencies. At 31 December 2025, 13% (2024: 7%) of cash and cash equivalents was held at counterparties with a credit rating lower than 'upper-medium grade' classification.

Liquidity risk management

The Group has a framework for the management of short, medium and long-term funding and liquidity management requirements. The Group continually monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities. Liquidity risk is managed by maintaining adequate cash and cash equivalent balances and by ensuring available borrowing facilities are in place. Included in Note 27 'Borrowings' are details of the undrawn facilities that the Group had at 31 December 2025.

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been prepared based on the undiscounted cash flows relating to financial liabilities based on the earliest date on which the payment can be required. Principal cash flows are as follows:

At 31 December 2025

(in \$ millions)	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Borrowings ^(a)	22.0	27.4	157.9	438.5	645.8
Trade payables	270.3	44.6	22.2	–	337.1
Amounts due to associates and joint ventures	51.4	–	–	–	51.4
Lease liabilities	21.7	46.9	123.7	201.1	393.4
Total	365.4	118.9	303.8	639.6	1,427.7

(a) Amounts totalling \$45.9 million included within the category 1-5 years represent amounts with a maturity date of greater than 5 years.

At 31 December 2024

(in \$ millions)	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Borrowings ^(a)	8.0	34.7	143.6	654.6	840.9
Trade payables	309.3	42.8	23.7	3.1	378.9
Amounts due to associates and joint ventures	12.4	–	–	–	12.4
Lease liabilities	21.9	40.0	188.5	253.4	503.8
Total	351.6	117.5	355.8	911.1	1,736.0

(a) Amounts totalling \$78.1 million included within the category 1-5 years represent amounts with a maturity date of greater than 5 years.

The following table details the Group's liquidity profile for its derivative financial liabilities. The table has been prepared based on the undiscounted net cash payments and receipts on the derivative instruments that settle on a net basis and the undiscounted gross payments and receipts on those derivative financial instruments that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the balance sheet date.

At 31 December 2025

(in \$ millions)	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Net settled:					
Embedded derivatives	–	1.7	23.5	21.1	46.3
Commodity hedging	0.1	0.1	1.3	3.1	4.6
Gross settled:					
Foreign exchange forward contract payments	292.7	169.4	133.2	–	595.3
Foreign exchange forward contract receipts	(291.3)	(168.8)	(132.2)	–	(592.3)
Total	1.5	2.4	25.8	24.2	53.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments continued****Liquidity tables continued****At 31 December 2024**

(in \$ millions)	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Net settled:					
Embedded derivatives	–	3.3	22.8	12.0	38.1
Commodity hedging	0.3	0.4	1.3	1.4	3.4
Gross settled:					
Foreign exchange forward contract payments	489.2	–	–	–	489.2
Foreign exchange forward contract receipts	(483.1)	–	–	–	(483.1)
Total	6.4	3.7	24.1	13.4	47.6

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders of the parent company.

The capital structure of the Group consists of debt, which includes borrowings disclosed in Note 27 'Borrowings', cash and cash equivalents disclosed in Note 23 'Cash and cash equivalents' and equity attributable to shareholders of the parent company, comprising issued share capital, paid in surplus, reserves and retained earnings.

The Group monitors its capital structure using a leverage ratio of net debt to Adjusted EBITDA. The ratio calculates net debt as the principal amount of borrowings and lease liabilities less cash and cash equivalents.

Reconciliation of movements in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are classified in the Consolidated Cash Flow Statement as cash flows from financing activities.

(in \$ millions)	Liabilities		Equity			Other	Total
	Borrowings	Lease liabilities	Dividends payable to shareholders	Treasury shares	Other equity		
Balance at 1 January 2025	722.0	454.9	–	(69.1)	(73.4)	(22.6)	1,011.8
Financing cash flows							
Interest paid	(41.1)	(25.1)	–	–	–	(25.2)	(91.4)
Net repayment of borrowings	(139.4)	–	–	–	–	–	(139.4)
Payments related to lease liabilities	–	(266.8)	–	–	–	–	(266.8)
Dividends paid to shareholders of the parent company	–	–	(376.2)	–	–	–	(376.2)
Total financing cash flows	(180.5)	(291.9)	(376.2)	–	–	(25.2)	(873.8)
Non-cash changes							
Dividends declared	–	–	368.3	–	–	–	368.3
Non-cash movements in lease liabilities	–	147.1	–	–	–	–	147.1
Non-cash movements in treasury shares	–	–	–	8.9	(8.9)	–	–
Interest and fees	42.2	25.0	–	–	–	20.1	87.3
Exchange differences	–	14.7	7.9	–	–	–	22.6
Total non-cash changes	42.2	186.8	376.2	8.9	(8.9)	20.1	625.3
Balance at 31 December 2025	583.7	349.8	–	(60.2)	(82.3)	(27.7)	763.3

(in \$ millions)	Liabilities		Equity			Other	Total
	Borrowings	Lease liabilities	Dividends payable to shareholders	Treasury shares	Other equity		
Balance at 1 January 2024	844.9	458.3	–	(31.1)	(17.7)	(11.6)	1,242.8
Financing cash flows							
Interest paid	(58.4)	(33.6)	–	–	–	(17.2)	(109.2)
Net proceeds from borrowings	(124.8)	–	–	–	–	–	(124.8)
Payments related to lease liabilities	–	(189.6)	–	–	–	–	(189.6)
Cost of share repurchases	–	–	–	(87.3)	–	–	(87.3)
Dividends paid to shareholders of the parent company	–	–	(162.9)	–	–	–	(162.9)
Acquisition of shares in non-wholly-owned subsidiary	–	–	–	–	(6.4)	–	(6.4)
Total financing cash flows	(183.2)	(223.2)	(162.9)	(87.3)	(6.4)	(17.2)	(680.2)
Non-cash changes							
Dividends declared	–	–	163.1	–	–	–	163.1
Non-cash movements in lease liabilities	–	195.3	–	–	–	–	195.3
Non-cash movements in treasury shares	–	–	–	49.3	(49.3)	–	–
Interest and fees	60.3	34.7	–	–	–	6.2	101.2
Exchange differences	–	(10.2)	(0.2)	–	–	–	(10.4)
Total non-cash changes	60.3	219.8	162.9	49.3	(49.3)	6.2	449.2
Balance at 31 December 2024	722.0	454.9	–	(69.1)	(73.4)	(22.6)	1,011.8

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***33. Financial instruments continued****Fair value measurement**

During the year ended 31 December 2025, there were no transfers between levels of the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy from the date of the event or change in circumstances that caused the transfer.

Assets and liabilities which are measured at fair value in the Consolidated Balance Sheet and their level of the fair value hierarchy were as follows:

At (in \$ millions)	2025 31 Dec Level 1	2025 31 Dec Level 2	2025 31 Dec Level 3	2024 31 Dec Level 1	2024 31 Dec Level 2	2024 31 Dec Level 3
Recurring fair value measurements						
Financial assets:						
Financial assets at fair value through profit or loss – derivative instruments	–	3.5	–	–	0.4	–
Financial assets at fair value through profit or loss – embedded derivatives	–	75.0	–	–	136.6	–
Financial liabilities:						
Financial liabilities at fair value through profit or loss – derivative instruments	–	(3.0)	–	–	(6.1)	–
Financial liabilities at fair value through profit or loss – embedded derivatives	–	(44.1)	–	–	(36.5)	–
Financial liabilities at fair value through profit or loss – commodity derivatives	–	(1.3)	–	–	(0.4)	–
Financial liabilities at fair value through other comprehensive income – commodity derivatives	–	(3.3)	–	–	(3.0)	–
Contingent consideration ^(a)	–	–	–	–	–	(0.5)

(a) A reconciliation of contingent consideration movements during the year is shown on page 203.

Recurring fair value measurements

Financial assets and financial liabilities

Financial assets and financial liabilities which are remeasured to fair value on a recurring basis are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and quotes for similar instruments;
- the fair value of other financial assets classified as current assets, which includes quoted securities, is determined using quoted prices;
- the fair value of contingent consideration is determined based on current expectations of the achievement of specific targets and milestones calculated using the discounted cash flow method and unobservable inputs. Quantitative information about the significant unobservable inputs used in the fair value measurement and sensitivities to changes in these unobservable inputs are as disclosed below:

(in \$ millions)	Balance at 1 January 2025	Utilisation	Unused amounts released	Balance at 31 December 2025
Contingent consideration	0.5	(0.2)	(0.3)	-

- significant inputs to the fair value of contingent consideration following a business combination include the assumed probability of the achievement of operational targets and technical milestones. A significant increase or decrease in the assumed probability of achieving these would result in a higher or lower fair value of the contingent consideration liability, while a significant increase or decrease in the discount rate would result in a higher or lower fair value of the contingent consideration liability. Gains or losses for the year were recognised in the Consolidated Income Statement as disclosed within Note 7 'Other gains and losses'; and
- the fair values of foreign exchange derivative instruments and embedded derivatives are calculated using quoted foreign exchange rates and yield curves derived from quoted interest rates matching maturities of the contract. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivative financial instruments.

Non-recurring fair value measurements

Assumptions used in determining fair value of financial assets and financial liabilities which are remeasured to fair value on a non-recurring basis are as follows:

The fair value of receivables and payables is based on their carrying amount, which is representative of contractual amounts due and, where appropriate, incorporates expectations about future expected credit losses.

Other financial assets which are classified as non-current include equity investments in unlisted companies which are strategic in nature. Management concluded that due to the nature of these investments, there are a wide range of possible fair value measurements and in some cases there may be insufficient recent information available to enable the Group to accurately measure fair value. Management reviews investments annually to ensure the carrying amount can be supported by expected future cash flows and has concluded that cost is considered to represent the best estimate of fair value of each investment within a range of possible outcomes.

In accordance with IFRS 5 'Non-current assets held for sale and discontinued operations', no impairment charges were recognised on the carrying value of assets included in a disposal group classified as held for sale. These assets were measured within Level 3 of the fair value hierarchy. Further details are disclosed in Note 20 'Disposal group classified as held for sale' to the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***34. Related party transactions****Key management personnel**

Key management personnel include the Board of Directors and the Executive Management Team. Key management personnel at 31 December 2025 included 15 individuals (2024: 15 individuals). The remuneration of these personnel is determined by the Compensation Committee of the Board of Directors of Subsea 7 S.A.

Non-Executive Directors

Details of fees payable to and shares held by Non-Executive Directors for the year ended 31 December 2025 are disclosed in the Remuneration Report on pages 65 to 69.

Key management (Executive Management Team)

Payments made by the Group in relation to the Executive Management Team during the year were as follows:

For the year ended (in \$ millions)	2025 31 Dec ^(a)	2024 31 Dec ^(a)
Salaries and other short-term employee benefits ^(b)	9.7	8.1
Share-based payments ^(c)	2.3	1.1
Post-employment benefits ^(d)	0.3	0.2
Total	12.3	9.4

(a) Amounts represent payments made to members of the Executive Management Team and the associated costs incurred by the Group.

(b) Salaries and other short-term employee benefits represent payments made during the year in respect of base salary, short-term bonus payments, other short-term remuneration, other short-term benefits, including private healthcare and car allowances, and the associated social security contributions made by the Group.

(c) Share-based payments represent the market value of the shares transferred to the participants during the year. Shares transferred represent performance shares which vested under the 2018 and 2022 Long Term Incentive Plans. Refer to the Remuneration Report on pages 65 to 69 for details of the plan.

(d) Post-employment benefits represent the cash value of defined pension contribution payments made by the Group during the year.

Remuneration for the Chief Executive Officer and Chief Financial Officer

Total remuneration for the Chief Executive Officer and Chief Financial Officer is disclosed in the Remuneration Report on pages 65 to 69.

Shares and performance shares

Performance shares outstanding and shareholdings held at 31 December 2025 are disclosed in the Remuneration Report on pages 65 to 69.

Transactions with key management personnel

During the year, the Executive Management Team were awarded the rights to 213,500 performance shares under the Group's 2022 Long Term Incentive Plan. Refer to the Remuneration Report on pages 65 to 69 for details of the plan.

Transactions with associates and joint ventures

The Consolidated Balance Sheet includes:

At (in \$ millions)	2025 31 Dec	2024 31 Dec
Net non-current receivables due from associates and joint ventures (Note 17)	21.4	31.2
Net trade receivables due from associates and joint ventures (Note 19)	12.8	8.0
Trade payables due to associates and joint ventures (Note 30)	(51.4)	(12.4)
Net (payables to)/receivables from associates and joint ventures	(17.2)	26.8

During the year ended 31 December 2025, the Group provided services to associates and joint ventures amounting to \$66.3 million (2024: \$40.2 million) and purchased goods and services from associates and joint ventures amounting to \$62.3 million (2024: \$33.1 million). In 2021, the Group advanced a loan of NOK 282.6 million (\$33.0 million) to Eidesvik Seven AS, of which NOK 190.2 million (\$18.8 million) remained outstanding at 31 December 2025. The loan is repayable in instalments with the final amount due on 31 December 2026.

Other related party transactions

During the year the Group undertook related party transactions, all of which were conducted on an arm's length basis.

The Group is an associate of Siem Industries S.A. and is equity accounted for within Siem Industries S.A.'s Consolidated Financial Statements.

Transactions with Siem Industries S.A. in relation to services provided totalled \$0.9 million (2024: \$nil).

Purchases by the Group from companies ultimately controlled by Siem Industries S.A. including vessel charters, provision of crew, associated services and property rental totalling \$28.8 million (2024: \$24.4 million) were made during the year.

Income generated by the Group from companies ultimately controlled by Siem Industries S.A. in relation to property rental totalling \$0.2 million (2024: \$0.2 million) was recognised during the year.

At 31 December 2025, the Group had outstanding balances payable to companies ultimately controlled by Siem Industries S.A. of \$0.2 million (2024: \$0.1 million). At 31 December 2025, the Group had no outstanding balances receivable from companies ultimately controlled by Siem Industries S.A. (2024: \$nil).

Transactions with Treveri S.à r.l., a company controlled by Mr Siem, in relation to services provided totalled \$0.1 million (2024: \$0.1 million).

Transactions with Kirk Lovegrove & Co. Limited, a company controlled by Mr Kirk, in relation to services provided totalled \$2.1 million (2024: \$nil).

35. Share-based payments

The Group operated two equity-settled share-based payment schemes during 2025.

The following table summarises the expense recognised in the Consolidated Income Statement during the year:

For the year ended (in \$ millions)	2025 31 Dec	2024 31 Dec
Expense arising from equity-settled share-based payment transactions:		
2018 Long Term Incentive Plan	0.6	1.4
2022 Long Term Incentive Plan	8.1	4.8
Total	8.7	6.2

Equity-settled share-based payment schemes

Details regarding the 2018 Long Term Incentive Plan (2018 LTIP Plan) and the 2022 Long Term Incentive Plan (2022 LTIP Plan), including number of shares transferred to participants, are disclosed within the Remuneration Report on pages 65 to 69.

The IFRS 2 'Share-based Payments' fair value of each performance share granted under the 2018 and 2022 LTIP Plans is estimated as of the grant date using a Monte Carlo simulation model with weighted average assumptions as follows:

For the year ended	2025 31 Dec	2024 31 Dec
Weighted average share price at grant date (in \$)	20.78	16.35
TSR performance – Weighted average fair value at grant date (in \$)	10.73	9.79
ROAIC performance – Weighted average fair value at grant date (in \$)	16.97	14.25
CCR performance – Weighted average fair value at grant date (in \$)	16.97	14.25
Expected volatility	35%	42%
Risk-free rate	3.79%	3.17%
Dividend yield	5.2%	3.50%

The expected share price volatility over the performance period is estimated from the Company's historical share price volatility. The award fair values were adjusted to recognise that participants are not entitled to receive dividend equivalent payments.

Both non-market Return on Average Invested Capital (ROAIC) and Cash Conversion Ratio (CCR) performance conditions are not incorporated into the grant date fair value. The value of each award will be adjusted at each reporting date to reflect the Group's current expectation of the number of performance shares which will vest under the non-market ROAIC and CCR performance conditions.

Upon vesting, the Group will withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, in cash, to the relevant tax authority on the employee's behalf. In 2025, two awards vested under the 2018 and 2022 LTIP schemes. The total tax transferred to the relevant authorities was \$5.4 million (2024: \$3.0 million). Of this total, \$1.6 million was in relation to employee social security contributions and \$3.8 million was in relation to income tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***36. Retirement benefit obligations**

The Group operates both defined contribution and defined benefit pension plans.

The Group's contributions under the defined contribution pension plans are determined as a percentage of individual employees' pensionable salaries. The expense relating to these plans for the year was \$75.5 million (2024: \$71.1 million).

The Group operates an unfunded defined benefit pension plan in France which is called the *indemnités de fin de carrière* (retirement indemnity plan) and is pursuant to applicable French legislation and labour agreements in force in the industry. The number of employees enrolled in the plan at 31 December 2025 was 657 (2024: 678). A lump-sum payment is made to employees upon retirement based on length of service, employment category and the employee's final salary. The obligation is unfunded and uninsured, as is standard practice in France. Since the retirement indemnity plan is based upon specific lengths of service, categories and values set by French legislation and collective agreements there is no specific trust or internal governance in place for this plan.

Changes in the defined benefit obligation

The following table provides a reconciliation of the changes in the retirement benefit obligation:

(in \$ millions)	2025 31 Dec	2024 31 Dec
Defined benefit obligation		
At year beginning	(8.1)	(8.4)
Amounts charged to the Consolidated Income Statement:		
Service costs	(0.8)	(0.8)
Past service costs	(3.0)	-
Interest costs	(0.3)	(0.3)
Sub-total	(4.1)	(1.1)
Remeasurement (losses)/gains recognised in Other Comprehensive Income:		
Actuarial changes arising from changes in demographic assumptions	(1.5)	0.6
Actuarial changes arising from changes in financial assumptions	1.1	0.2
Experience adjustments	(0.2)	0.1
Sub-total	(0.6)	0.9
Benefits paid	0.4	-
Exchange differences	(1.4)	0.5
At year end	(13.8)	(8.1)

At 31 December 2025, the retirement benefit obligation for the unfunded pension scheme of \$13.8 million (2024: \$8.1 million) is recognised as a non-current liability on the Consolidated Balance Sheet.

Future cash flows

The estimated contributions expected to be paid into the defined benefit plan during 2026 are \$0.4 million (2025: \$0.3 million).

Significant actuarial assumptions

The principal assumptions used to determine the present value of the defined benefit obligation were as follows:

(in %)	2025 31 Dec	2024 31 Dec
Discount rate	4.0	3.4

Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions at 31 December 2025 is shown below. The sensitivity analysis has been determined based on a method that extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(in \$ millions) Sensitivity level	Discount rate	
	0.25% increase	0.25% decrease
Impact on the net defined benefit obligation	0.4	(0.4)

37. Deferred revenue

At (in \$ millions)	2025	2024
	31 Dec	31 Dec
Advances received from clients	18.6	27.1

Advances received from clients include amounts received before the related work is performed on day-rate contracts and amounts paid by clients in advance of work commencing on fixed-price contracts.

38. Events after the reporting period

Dividend

At the Annual General Meeting on 12 May 2026, the Board of Directors will propose a dividend of NOK 13.00 per share, equating to approximately \$400 million, payable in May 2026. The proposed dividend comprises an annual dividend equating to approximately \$350 million, subject to approval at the Annual General Meeting, and an interim dividend of approximately \$50 million which was approved by the Board of Directors on 25 February 2026 and will be ratified at the Annual General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***39. Wholly-owned subsidiaries**

Subsea 7 S.A. had the following wholly-owned subsidiaries at 31 December 2025.

Name	Registered in	Nature of business
4Subsea AS	Norway	General Trading
4Subsea Astori AS	Norway	General Trading
4Subsea Do Brasil Projetos e Servicos de Integridade Subsea Ltda	Brazil	General Trading
4Subsea UK Limited	United Kingdom	General Trading
Acergy B.V.	Netherlands	Holding
Acergy France S.A.S.	France	General Trading
Acergy Holdings (Gibraltar) Limited ^(a)	Gibraltar	Special Purpose
Aquarius Solutions Inc.	Canada	General Trading
Astori Spółka z.o.o.	Poland	General Trading
Daymark Canada Company	Canada	General Trading
Daymark Energy Advisors Inc	US	General Trading
Evolv Energies Limited (formerly Aurora Environmental Limited)	United Kingdom	General Trading
Magellanic Offshore Limited	United Kingdom	General Trading
Marinza S.A. (formerly ENMAR S.A.)	Mozambique	General Trading
Nigerstar 7 FZE	Nigeria	General Trading
Nigerstar 7 Limited	Nigeria	General Trading
Ocean Geo Solutions, Inc.	US	General Trading
Pelagic Nigeria Limited	Nigeria	Holding
Pioneer Lining Technology Limited	United Kingdom	General Trading
PT. Subsea 7 Manufaktur Indonesia	Indonesia	General Trading
Seaway 7 AS	Norway	Holding
Seaway 7 Denmark A/S	Denmark	General Trading
Seaway 7 Engineering B.V.	Netherlands	General Trading
Seaway 7 Germany GmbH (formerly Seaway Offshore Cables GmbH)	Germany	General Trading
Seaway 7 Heavy Transport AS	Norway	General Trading
Seaway 7 Holding NL B.V.	Netherlands	Holding
Seaway 7 Korea Co., Ltd (formerly Subsea 7 Korea Co., Ltd)	South Korea	General Trading
Seaway 7 Management AS	Norway	General Trading
Seaway 7 Norway AS	Norway	General Trading
Seaway 7 Offshore Contractors B.V.	Netherlands	General Trading
Seaway 7 Offshore Crew B.V.	Netherlands	General Trading
Seaway 7 Offshore Installation AS (formerly VOI Option 1-4 AS)	Norway	Vessel Owning
Seaway 7 Treasury Limited	United Kingdom	Special Purpose
Seaway 7 UK Limited	United Kingdom	General Trading
Seaway 7 US Inc. (formerly SHL Contracting US Inc.)	US	General Trading
Seaway 7 Vessels B.V.	Netherlands	Vessel Owning
Seaway Aimery AS	Norway	Vessel Owning
Seaway Albatross AS	Norway	Vessel Owning
Seaway Alfa Lift AS (formerly OHT Alfa Lift AS)	Norway	Vessel Owning
Seaway Eagle AS	Norway	Vessel Owning
Seaway Falcon AS	Norway	Vessel Owning
Seaway Hawk AS	Norway	Vessel Owning
Seaway Heavy Lifting Contracting Limited	Cyprus	General Trading
Seaway Heavy Lifting Holding Limited	Cyprus	Holding
Seaway Heavy Lifting Limited	Cyprus	General Trading
Seaway Heavy Lifting Shipping Limited	Cyprus	Vessel Owning
Seaway Moxie AS	Norway	Vessel Owning
Seaway Osprey AS	Norway	Vessel Owning
Seaway Phoenix AS	Norway	Vessel Owning
Seaway Swan AS	Norway	Special Purpose
Seaway Ventus AS	Norway	Special Purpose
Sevenseas Contractors S. de R.L. de C.V.	Mexico	General Trading

Name	Registered in	Nature of business
SHL Stanislav Yudin Limited	Cyprus	Vessel Owning
SO France S.A.	France	Special Purpose
Subsea 7 (Guyana) Incorporated	Guyana	General Trading
Subsea 7 (ME) Pte Limited	Singapore	General Trading
Subsea 7 (Singapore) Pte Limited	Singapore	General Trading
Subsea 7 (Trinidad & Tobago) LLC	Trinidad & Tobago	Dormant
Subsea 7 (UK Service Company) Limited ^(a)	United Kingdom	Corporate Service
Subsea 7 (US) LLC	US	General Trading
Subsea 7 Angola S.A.S.	France	Special Purpose
Subsea 7 Asia Pacific Sdn Bhd	Malaysia	Special Purpose
Subsea 7 Australia Contracting Pty Ltd	Australia	General Trading
Subsea 7 Blue Space Investments S.A.S.	France	General Trading
Subsea 7 Blue Space Limited	United Kingdom	General Trading
Subsea 7 Canada Inc.	Canada	General Trading
Subsea 7 Chartering (UK) Limited	United Kingdom	General Trading
Subsea 7 Crewing Limited	United Kingdom	Special Purpose
Subsea 7 Crewing Services Pte. Ltd.	Singapore	General Trading
Subsea 7 Deep Sea Limited	United Kingdom	General Trading
Subsea 7 do Brasil Serviços Ltda	Brazil	General Trading
Subsea 7 Engineering France S.A.S.	France	General Trading
Subsea 7 Engineering Limited	United Kingdom	General Trading
Subsea 7 Finance (UK) PLC	United Kingdom	Special Purpose
Subsea 7 Holding Norway AS	Norway	Holding
Subsea 7 Holdings (UK) Limited	United Kingdom	Holding
Subsea 7 Holdings (US) Inc.	US	Holding
Subsea 7 International Contracting Limited	United Kingdom	General Trading
Subsea 7 International Holdings (UK) Limited ^(a)	United Kingdom	Holding
Subsea 7 i-Tech Brasil Ltda	Brazil	General Trading
Subsea 7 i-Tech Limited	United Kingdom	General Trading
Subsea 7 i-Tech Mexico S. de R.L. de C.V.	Mexico	General Trading
Subsea 7 i-Tech US Inc.	US	General Trading
Subsea 7 Limited	United Kingdom	General Trading
Subsea 7 Luanda Ltd ^(b)	Gibraltar	General Trading
Subsea 7 Marine (US) Inc.	US	Dormant
Subsea 7 Marine LLC	US	General Trading
Subsea 7 Mexico S. de R.L. de C.V.	Mexico	General Trading
Subsea 7 Middle East FZ-LLC	United Arab Emirates	Special Purpose
Subsea 7 Moçambique, Limitada	Mozambique	General Trading
Subsea 7 Navica AS	Norway	Vessel Owning
Subsea 7 Nigeria Limited	Nigeria	General Trading
Subsea 7 NL B.V.	Netherlands	General Trading
Subsea 7 Norway AS	Norway	General Trading
Subsea 7 Offshore Resources (UK) Limited	United Kingdom	Vessel Owning
Subsea 7 Pipeline Production Limited	United Kingdom	General Trading
Subsea 7 Port Isabel LLC	US	General Trading
Subsea 7 Portugal Unipessoal Limitada	Portugal	General Trading
Subsea 7 ROV UK Limited	United Kingdom	General Trading
Subsea 7 Saudi Arabia Limited	Saudi Arabia	General Trading
Subsea 7 Sénégal SAS	Senegal	General Trading
Subsea 7 Services (Singapore) Pte Limited	Singapore	General Trading
Subsea 7 Servicos Offshore S.A.	Brazil	Holding
Subsea 7 Shipping Limited ^(b)	Isle of Man	Vessel Owning

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***39. Wholly-owned subsidiaries continued**

Name	Registered in	Nature of business
Subsea 7 Singapore Contracting Pte Limited	Singapore	General Trading
Subsea 7 Treasury (UK) Limited	United Kingdom	Special Purpose
Subsea 7 Vessel Owner AS	Norway	Vessel Owning
Subsea 7 West Africa Contracting Limited	United Kingdom	General Trading
Subsea Seven Doha Oil & Gas Services and Trading LLC	Qatar	General Trading
Swagelining Limited	United Kingdom	General Trading
Tartaruga Insurance Limited	Isle of Man	Special Purpose
Thames International Enterprise Limited	United Kingdom	Special Purpose
Xodus Academy Limited	United Kingdom	General Trading
Xodus DMCC	United Arab Emirates	General Trading
Xodus Green Light Pty Limited	Australia	General Trading
Xodus Greenfuel Development Company Pty Ltd	Australia	Special Purpose
Xodus Group (Holdings) Limited	United Kingdom	Holding
Xodus Group A/S	Norway	Dormant
Xodus Group B.V.	Netherlands	General Trading
Xodus Group Consultants Sdn. Bhd	Malaysia	General Trading
Xodus Group Doha LLC	Qatar	General Trading
Xodus Group Inc	US	General Trading
Xodus Group Japan	Japan	General Trading
Xodus Group Limited	United Kingdom	General Trading
Xodus Group Pty Limited	Australia	General Trading
ZNM Nigeria Limited	Nigeria	Dormant

(a) Wholly-owned subsidiaries directly owned by the parent company, Subsea 7 S.A.

(b) UK tax resident.

For all entities, except for those identified in note (b), the principal place of business is consistent with the place of registration.

All subsidiary undertakings are included in the Consolidated Financial Statements of the Group. The proportion of the voting rights in the subsidiary undertakings held directly by the immediate parent company does not differ from the proportion of shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

Details of the addresses of the registered office of each of the wholly-owned subsidiaries are available on request from Subsea 7 S.A., registered office, 412F, route d'Esch, L-1471 Luxembourg.

ADDITIONAL INFORMATION – ALTERNATIVE PERFORMANCE MEASURES (APMs)

The Group utilises Alternative Performance Measures (APMs) when evaluating financial performance, financial position and cash flows which are not defined or specified under International Financial Reporting Standards (IFRS), as adopted by the EU. Management considers that these non-IFRS measures, which are not a substitute for nor superior to IFRS measures, provide stakeholders with additional information to further understand the Group’s financial performance, financial position and cash flows.

APM	Description	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements	Rationale for utilising APM
Income Statement APMs				
Adjusted EBITDA and Adjusted EBITDA margin	Adjusted earnings before interest, taxation, depreciation and amortisation represents net income/(loss) before additional specific items that are considered to impact the comparison of the Group’s performance either period-on-period or with other businesses. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue, expressed as a percentage.	Net income/(loss)	Net income/(loss) adjusted to exclude depreciation and amortisation costs, including amortisation of prepaid mobilisation expenses and amortisation of intangible assets, impairment charges or impairment reversals, gains and losses on disposal of property, plant and equipment and maturity of lease liabilities, finance income, remeasurement gains and losses on business combinations, other gains and losses (including foreign exchange gains and losses, gains on disposal of subsidiaries, gains and losses resulting from remeasurement of contingent consideration, gains on distributions and bargain purchase gains on business combinations), finance costs and taxation.	Adjusted EBITDA and Adjusted EBITDA margin are important indicators of the operational strength and the performance of the Group and provide a meaningful comparative for its business units. The presentation of Adjusted EBITDA is also useful as it is similar to measures used by companies within Subsea7’s peer group. Adjusted EBITDA margin may also be a useful ratio to compare performance to the Group’s competitors and is widely used by shareholders and analysts. Notwithstanding the foregoing, Adjusted EBITDA and Adjusted EBITDA margin as presented by the Group may not be comparable to similarly titled measures reported by other companies.
Effective tax rate (ETR)	The effective tax rate is expressed as a percentage, calculated as the taxation expense/(credit) divided by the income/(loss) before taxes.	Taxation	n/a	Provides a useful and relevant measure of the effectiveness of the Group’s tax strategy and tax planning.
Balance Sheet APM				
Capital employed	Capital employed is defined as total assets less current liabilities.	No direct equivalent	Calculated as total assets less current liabilities.	Capital employed is a relevant metric for shareholders and analysts when evaluating the level of capital employed by the Group to generate income.
Net cash/(debt) excluding lease liabilities and net cash/(debt) including lease liabilities	Net cash/(debt) is defined as cash and cash equivalents less borrowings. The Group utilises both net cash/(debt) excluding lease liabilities and net cash/(debt) including lease liabilities as financial position measures.	No direct equivalent	Calculated as cash and cash equivalent less borrowings (current and non-current). The measure may exclude lease liabilities (current and non-current) or include them.	Net cash/(debt) provides a meaningful and reliable basis to evaluate the financial strength and liquidity of the Group.
Cash flow APMs				
Cash conversion	Cash conversion is defined as net cash generated from/(used in) operating activities, add back income taxes paid, divided by Adjusted EBITDA.	No direct equivalent	Calculated as net cash generated from/(used in) operating activities in the Group’s Consolidated Cash Flow Statement, add back income taxes paid and divide by Adjusted EBITDA.	Cash conversion is a financial management tool to determine the efficiency of the Group’s ability to generate cash from its operating activities.

ADDITIONAL INFORMATION – APMS *CONTINUED*

APM	Description	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements	Rationale for utilising APM
Free cash flow	Free cash flow is defined as net cash generated from/(used in) operating activities less purchases of property, plant and equipment and intangible assets.	No direct equivalent	Calculated as net cash generated from/(used in) operating activities from the Group's Consolidated Cash Flow Statement less purchases of property, plant and equipment and intangible assets.	Free cash flow is a relevant metric for shareholders and analysts when determining cash available to the Group to invest or potentially distribute.
Other APMS				
Backlog	Backlog represents expected future revenue from projects. Awards to associates and joint ventures are excluded from backlog figures, unless otherwise stated. Despite being a non-IFRS term, the Group recognises backlog in accordance with the requirements of IFRS 15, 'Revenue from Contracts with Customers', which represents revenue expected to be recognised in the future related to performance obligations which are unsatisfied, or partially unsatisfied, at the reporting date.	Transaction price allocated to the remaining performance obligations	n/a	Utilising the term backlog is in accordance with expected industry-wide terminology. It is similarly used by companies within Subsea7's peer group and is a helpful term for those evaluating companies within Subsea7's industry. Backlog may also be useful to compare performance with competitors and is widely used by shareholders and analysts. Notwithstanding this, backlog presented by the Group may not be comparable to similarly titled measures reported by other companies.
Order intake	Order intake represents new project awards plus variation orders on existing projects.	No direct equivalent	n/a	Order intake is in accordance with expected industry-wide terminology and primarily enables the book-to-bill APM to be calculated.
Book-to-bill ratio	Book-to-bill ratio represents total order intake divided by revenue for the reporting period.	No direct equivalent	n/a	The book-to-bill metric is widely used in the energy sector by shareholders and analysts and is a helpful term for those evaluating companies within Subsea7's industry. Notwithstanding this, the book-to-bill ratio presented by the Group may not be comparable to similarly titled measures reported by other companies.

APM calculations

Reconciliation of net operating income to Adjusted EBITDA and Adjusted EBITDA margin

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Net operating income	770.7	445.5
Depreciation, amortisation and mobilisation	679.2	622.5
Impairment of goodwill	17.6	6.2
Impairment of property, plant and equipment and intangible assets	13.6	15.8
Impairment of investments in associates and joint ventures	1.7	–
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	(2.4)	0.1
Adjusted EBITDA	1,480.4	1,090.1
Revenue	7,086.3	6,837.0
Adjusted EBITDA margin	20.9%	15.9%

Reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA margin

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Net income	404.2	216.6
Depreciation, amortisation and mobilisation	679.2	622.5
Impairment of goodwill	17.6	6.2
Impairment of property, plant and equipment and intangible assets	13.6	15.8
Impairment of investments in associates and joint ventures	1.7	–
Net (gain)/loss on disposal of property, plant and equipment and maturity of lease liabilities	(2.4)	0.1
Finance income	(22.8)	(24.4)
Other gains and losses	84.4	0.5
Finance costs	87.3	101.2
Taxation	217.6	151.6
Adjusted EBITDA	1,480.4	1,090.1
Revenue	7,086.3	6,837.0
Adjusted EBITDA margin	20.9%	15.9%

Effective tax rate

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Taxation	(217.6)	(151.6)
Income before taxation	621.8	368.2
Effective tax rate (percentage)	35.0%	41.2%

Capital employed

At (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Total assets	8,030.5	7,680.4
Current liabilities ^(a)	(2,813.0)	(2,433.9)
Capital employed	5,217.5	5,246.5

(a) Current liabilities at 31 December 2025 exclude non-current lease liabilities of \$5.4 million recognised within the disposal group classified as held for sale

Net cash/(debt) excluding lease liabilities and net cash/(debt) including lease liabilities

At (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Cash and cash equivalents	969.7	575.3
Total borrowings	(583.7)	(722.0)
Net cash/(debt) excluding lease liabilities	386.0	(146.7)
Total lease liabilities ^(a)	(365.2)	(454.9)
Net cash/(debt) including lease liabilities	20.8	(601.6)

(a) Total lease liabilities at 31 December 2025 are inclusive of lease liabilities of \$15.4 million recognised within the disposal group classified as held for sale.

ADDITIONAL INFORMATION – APMS *CONTINUED***Cash conversion**

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Net cash generated from operating activities	1,470.7	931.4
Income taxes paid	198.6	77.0
	1,669.3	1,008.4
Adjusted EBITDA	1,480.4	1,090.1
Cash conversion	1.1x	0.9x

Free cash flow

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Net cash generated from operating activities	1,470.7	931.4
Purchases of property, plant and equipment and intangible assets	(281.0)	(348.7)
Free cash flow	1,189.7	582.7

Backlog

The IFRS 15 'Revenue from Contracts with Customers' disclosure in relation to remaining performance obligations is contained in Note 22 'Construction contracts'. Unless otherwise stated, backlog and remaining performance obligations, as required by IFRS 15, will be the same number. Backlog by year of execution is as follows:

At (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Total backlog	13,768.9	11,174.7
Expected year of utilisation:		
2025	–	5,811.5
2026	6,885.8	3,355.2
2027	4,253.9	1,529.2
2028	2,129.4	478.8
2029 and thereafter	499.8	–

Backlog reconciliation

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
At year beginning	11,174.7	10,586.8
Order intake	9,017.5	8,175.6
Revenue	(7,086.3)	(6,837.0)
Effect of foreign exchange rate movements	663.0	(750.7)
At year end	13,768.9	11,174.7

Order intake

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
New project awards	7,019.3	6,719.1
Escalations on existing projects	1,998.2	1,456.5
Order intake	9,017.5	8,175.6

Book-to-bill ratio

For the year ended (in \$ millions)	2025 31 Dec (Unaudited)	2024 31 Dec (Unaudited)
Order intake	9,017.5	8,175.6
Revenue	7,086.3	6,837.0
Book-to-bill ratio	1.3x	1.2x