

FINANCIAL REVIEW

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Management Report for Subsea7 Group (the Group)

Financial highlights

At a glance

- Full year Adjusted EBITDA of \$1,480 million, up 36% on the prior year, equating to a margin of 21%
- Free cash flow generation in 2025 of \$1.2 billion resulting in net cash of \$21 million including lease liabilities of \$365 million
- Dividend of NOK 13.00 per share, equating to approximately \$400 million and payable in one instalment in May 2026
- High-quality backlog of \$13.8 billion including \$6.9 billion for execution in 2026, providing high revenue visibility on the next twelve months. A backlog of \$4.3 billion for execution in 2027, up 27% compared with the prior year equivalent
- Guidance for full year 2026 reaffirmed, with revenue expected to be within a range of \$7.0 billion to \$7.4 billion, with Adjusted EBITDA margin of approximately 22%

In \$ millions, except Adjusted EBITDA margin and per share data	2025 31 Dec	2024 31 Dec
Revenue	7,086	6,837
Adjusted EBITDA ^(a)	1,480	1,090
Adjusted EBITDA margin ^(a)	21%	16%
Net operating income	771	446
Net income	404	217
Earnings per share – in \$ per share		
Basic	1.39	0.68
Diluted ^(b)	1.38	0.67
At (in \$ millions)	2025 31 Dec	2024 31 Dec
Backlog ^(a)	13,769	11,175
Book-to-bill ratio ^(a)	1.3x	1.2x
Cash and cash equivalents	970	575
Borrowings	(584)	(722)
Net cash/(debt) excluding lease liabilities ^(a)	386	(147)
Net cash/(debt) including lease liabilities ^(a)	21	(602)

(a) For explanations and reconciliations of Adjusted EBITDA, Adjusted EBITDA margin, Backlog, Book-to-bill ratio and Net cash/(debt) refer to the 'Alternative Performance Measures' section on page 211.

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

2025 Summary

Revenue was \$7.1 billion, up 4% from 2024. Adjusted EBITDA of \$1,480 million equated to a margin of 21%, up from 16% in 2024. After depreciation, amortisation and impairment charges of \$710 million, net operating income was \$771 million, equating to 11% of revenue, up from 7% in 2024. After net foreign exchange losses of \$84 million, net finance costs of \$65 million and an effective tax rate of 35%, net income was \$404 million.

The Subsea and Conventional business unit achieved its fifth consecutive year of growth with revenue rising by 5% to \$5.8 billion in 2025 and an Adjusted EBITDA margin of 23%, up from 16% in 2024. The Renewables business unit also reported solid results marking a third year of progress, with growth in Adjusted EBITDA of 9% and a margin of 17%, up from 15% last year.

Net cash generated from operating activities was \$1,471 million, including a \$234 million favourable movement in net working capital. Net cash used in investing activities was \$214 million, including \$281 million related to purchases of property, plant and equipment. Net cash used in financing activities was \$874 million including dividend payments of \$376 million and lease payments of \$292 million. During the year, cash and cash equivalents increased by \$394 million to \$970 million.

At 31 December 2025, backlog was \$13.8 billion. Full year order intake was \$9.0 billion comprising new awards of \$7.0 billion and escalations of \$2.0 billion resulting in a book-to-bill ratio of 1.3 times.

During the year the Company paid dividends of \$376 million, equivalent to NOK 13.00 per share.

FINANCIAL REVIEW *CONTINUED***Commitment to shareholder returns**

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. This is equivalent to an approximate dividend yield of 5%.

Outlook

While regulatory clearance for the proposed merger with Saipem S.p.A. is still in progress, management remains firmly committed to delivering ongoing projects to clients and continuing to secure new high-quality contracts.

With a robust backlog of nearly \$14 billion, there is high visibility on anticipated revenue for 2026 of approximately \$7.0 billion to \$7.4 billion. Management expects the Adjusted EBITDA margin to continue to improve and reach approximately 22% in 2026. With a disciplined approach to reinvestment, management expects capital expenditure of \$350 million to \$380 million in 2026, yielding another year of significant cash generation.

Overall, management are confident that the resilience of the energy market, combined with the Group's differentiated offering and strong track record of delivery, continues to position Subsea7 for success.

Income statement**Revenue**

Revenue for the year ended 31 December 2025 was \$7.1 billion, an increase of \$249 million or 4% compared to the prior year. The increase was due to higher activity levels in the Subsea and Conventional business unit with continued strong demand for the Group's services within the offshore oil and gas sector.

Adjusted EBITDA

Adjusted EBITDA was \$1.5 billion, an increase of \$390 million or 36% compared to the year ended 31 December 2024, resulting in an Adjusted EBITDA margin of 21% compared to 16% in the prior year. The year-on-year increase was driven by higher Adjusted EBITDA in both the Subsea and Conventional and Renewables business units reflecting high activity levels and the execution of projects awarded at improved margins.

Net operating income

Net operating income was \$771 million compared to \$446 million in the prior year. Net operating income for the year ended 31 December 2025 was mainly driven by:

- net operating income of \$762 million in the Subsea and Conventional business unit compared to \$404 million in the year ended 31 December 2024. The year-on-year increase in profitability was mainly driven by higher activity levels and the execution of projects awarded at improved margins;
- net operating income of \$75 million in the Renewables business unit compared to net operating income of \$53 million in the prior year

partly offset by:

- net operating loss of \$67 million in the Corporate business unit.

Net income

Net income was \$404 million compared to \$217 million in the prior year. The year-on-year improvement of \$188 million was mainly driven by:

- an increase in net operating income of \$325 million;
- net finance costs of \$65 million for the year ended 31 December 2025, compared with net finance costs of \$77 million in the prior year

partly offset by:

- net loss within other gains and losses of \$84 million, driven by losses on non-cash foreign exchange, compared to net loss within other gains and losses of \$1 million for the year ended 31 December 2024, driven by non-cash foreign exchange gains partly offset by losses on foreign exchange; and
- taxation of \$218 million, equivalent to an effective tax rate of 35%, compared to taxation of \$152 million in the prior year, equivalent to an effective tax rate of 41%.

Earnings per share

Diluted earnings per share was \$1.38 compared to \$0.67 in the year ended 31 December 2024, calculated using a weighted average number of shares of 298 million and 300 million, respectively.

Business unit highlights

For the year ended 31 December 2025

(in \$ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	4,974.0	1,214.1	18.8	6,206.9
Day-rate projects	785.6	–	93.8	879.4
	5,759.6	1,214.1	112.6	7,086.3
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 ^(a)	1,304.5	201.6	(25.7)	1,480.4
Adjusted EBITDA margin ^(a)	22.6%	16.6%	(22.8%)	20.9%

For the year ended 31 December 2024

(in \$ millions) Unaudited	Subsea and Conventional	Renewables	Corporate	Total
Revenue				
Fixed-price projects	4,815.1	1,190.8	16.8	6,022.7
Day-rate projects	684.9	41.6	87.8	814.3
	5,500.0	1,232.4	104.6	6,837.0
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 ^(a)	897.3	185.0	7.8	1,090.1
Adjusted EBITDA margin ^(a)	16.3%	15.0%	7.5%	15.9%

(a) Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. For explanations and reconciliations of Adjusted EBITDA and Adjusted EBITDA margin refer to the 'Alternative Performance Measures' section on page 211.

Business unit highlights

Subsea and Conventional

Revenue for the year ended 31 December 2025 was \$5.8 billion, an increase of \$260 million compared to the prior year.

During the year, CLOV 3 (Angola); Barossa (Australia); CRPO-80/81 and Marjan 2 (Saudi Arabia); Murlach (UK); Northern Lights Phase 1 and Ormen Lange Phase 3 (Norway); Salamanca, Sunsphear and Shenandoah (US) neared completion.

Work progressed on Ginger and Zepherus (US); CRPO-153 (Saudi Arabia); Irpa, Skarv Satellites, and Yggdrasil (Norway); Sakarya phase 2a and phase 3 (Türkiye).

In Brazil, there were high levels of utilisation of the PLSVs. Bacalhau neared completion and work progressed on Mero 3&4, Búzios 8 and Búzios 9.

Net operating income for the year ended 31 December 2025 was \$762 million compared to \$404 million in the prior year. The year-on-year increase reflected the execution of projects awarded at improved margins and the Group's share of net income in its associate, OneSubsea, of \$33 million.

Renewables

Revenue for the year ended 31 December 2025 was \$1.2 billion, flat compared to the prior year.

During the year, Dogger Bank B and Dogger Bank C (UK); He Dreih (Germany); Revolution (US) and Yunlin and Zhong Neng (Taiwan) neared completion. Work progressed on Baltyk II & Baltyk III Cables (Poland); East Anglia THREE and Inch Cape (UK); and Hai Long (Taiwan).

Net operating income for the year ended 31 December 2025 was \$75 million, an increase of \$22 million compared to the prior year.

Corporate

Revenue, which was mainly driven by Xodus and 4Subsea, was \$113 million, compared to \$105 million in the prior year. Net operating loss was \$67 million compared to \$11 million in the prior year driven mainly by discontinuation costs of an asset related project, professional fees related to the proposed merger with Saipem S.p.A. and impairment charges of \$21 million (2024: \$1 million).

FINANCIAL REVIEW *CONTINUED***Vessel utilisation and fleet**

Vessel utilisation for the year ended 31 December 2025 was 84% compared with 86% for the prior year.

Backlog

At 31 December 2025, backlog was \$13.8 billion. Full year order intake was \$9.0 billion comprising new awards of \$7.0 billion and escalations of \$2.0 billion resulting in a book-to-bill ratio of 1.3 times.

\$11.7 billion of backlog related to the Subsea and Conventional business unit (which included \$1.3 billion related to long-term day-rate contracts for PLSVs in Brazil) and \$2.1 billion related to the Renewables business unit. \$6.9 billion of the backlog is expected to be executed in 2026, \$4.3 billion in 2027 and \$2.6 billion in 2028 and thereafter. Backlog related to associates and joint ventures is excluded from these amounts.

Cash flow**Cash flow statement**

Cash and cash equivalents were \$970 million at 31 December 2025, an increase of \$394 million in the year. The movement in cash and cash equivalents was mainly attributable to:

- net cash generated from operating activities of \$1.5 billion, which included a favourable movement of \$234 million in net working capital

partly offset by:

- net cash used in investing activities of \$214 million, comprising \$281 million related to purchases of property, plant and equipment and intangible assets partly offset by \$41 million dividends received from the Group's associate, OneSubsea; and
- net cash used in financing activities of \$874 million, which included \$376 million related to dividends paid to the shareholders of the parent company, payments related to lease liabilities of \$292 million and net repayment of borrowings of \$139 million.

Free cash flow

During the year, the Group generated free cash flow of \$1.2 billion (2024: \$583 million) which is defined as net cash generated from operating activities of \$1.5 billion (2024: \$931 million) less purchases of property, plant and equipment and intangible assets of \$281 million (2024: \$349 million).

Balance sheet at 31 December 2025**Non-current assets**

Non-current assets were \$4.9 billion (31 December 2024: \$5.2 billion). The decrease of \$297 million was largely driven by a \$201 million decrease in property, plant and equipment, of which \$94 million was recognised within assets included in a disposal group classified as held for sale, and a \$91 million decrease in right-of-use assets.

Non-current liabilities

Total non-current liabilities were \$0.8 billion (31 December 2024: \$1.0 billion). The decrease of \$184 million was largely driven by \$181 million reclassified to current borrowings in line with repayment schedules.

Net current assets

Current assets were \$3.1 billion (31 December 2024: \$2.5 billion) and current liabilities were \$2.8 billion (31 December 2024: \$2.4 billion), resulting in net current assets of \$302 million (31 December 2024: \$40 million). The increase of \$262 million in the period was largely driven by:

- increase in cash and cash equivalents of \$394 million;
- increase in trade and other receivables of \$173 million;
- assets included as a disposal group classified as held for sale of \$165 million, including \$121 million reclassified from non-current assets

partly offset by:

- increase in construction contract liabilities of \$309 million; and
- decrease in construction contract assets of \$172 million.

Capital Employed

The Group's capital employed represented by total assets less current liabilities was \$5.2 billion (31 December 2024: \$5.2 billion).

Equity

Total equity was \$4.4 billion (31 December 2024: \$4.3 billion). The movement of \$150 million was largely driven by net income of \$404 million and net foreign currency translation gains of \$103 million, partially offset by dividends of \$368 million.

Borrowings, lease liabilities, net cash/(debt), gearing and liquidity at 31 December 2025

Borrowings

The Group's total borrowings were \$584 million (31 December 2024: \$722 million). The decrease of \$138 million was driven by scheduled repayments.

A summary of the borrowing facilities available at 31 December 2025 is as follows:

(in \$ millions)	Total facility	Drawn ^(a)	Undrawn	Maturity Date
Multi-currency revolving credit and guarantee facility	600.0	–	600.0	June 2029 ^(b)
2021 UK Export Finance (UKEF 2021) facility	225.0	(225.0)	–	February 2028
2023 UK Export Finance (UKEF 2023) facility	277.8	(277.8)	–	July 2030 ^(c)
South Korean Export Credit Agency (ECA) facility	86.0	(86.0)	–	January 2027 ^(d)
Total	1,188.8	(588.8)	600.0	

- (a) Borrowings presented in the Consolidated Balance Sheet are shown net of capitalised fees of \$5.4 million, which are amortised over the period of the respective facility.
- (b) The Group's multi-currency revolving credit and guarantee facility will reduce to \$500 million in June 2028 until maturity in June 2029.
- (c) The UKEF 2023 facility has a five-year tenor which commenced on 11 July 2025.
- (d) 90% of the facility is provided by an Export Credit Agency (ECA) and 10% by commercial banks. The maturity of the ECA tranche is January 2029 and the maturity of the commercial tranche is January 2027.

Lease liabilities

Lease liabilities were \$365 million, inclusive of amounts recognised within the disposal group classified as held for sale, a decrease of \$90 million compared to 31 December 2024. The decrease was largely driven by scheduled lease payments partially offset by increases associated with long-term vessel charters.

Net cash/(debt)

At 31 December 2025:

- net cash (excluding lease liabilities) was \$386 million compared to net debt of \$147 million at 31 December 2024; and
- net cash (including lease liabilities) was \$21 million, compared to net debt of \$602 million at 31 December 2024.

Gearing

Gross gearing (borrowings divided by total equity) was 13.1% (31 December 2024: 16.8%).

Liquidity

The Group's liquidity represented by cash and cash equivalents and undrawn borrowing facilities was \$1.6 billion (31 December 2024: \$1.3 billion).

Cash management constraints

The Group operates within a liquidity risk management framework which governs its management of short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by ensuring that it has access to sufficient cash, banking and borrowing facilities. This is achieved by regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities where appropriate.

Financial covenant compliance

The Group's committed borrowing facilities contain financial covenants relating to a maximum level of net debt (excluding lease liabilities) to Adjusted EBITDA. During the year, all financial covenants were met. The Group expects to be able to comply with all financial covenants during 2026.

Share repurchase programme

During the year ended 31 December 2025, there were no shares repurchased in accordance with the Group's share repurchase programme authorised on 24 July 2019, extended on 19 April 2023. At 31 December 2025, the Group had cumulatively repurchased 15.2 million shares for a total cost of \$164 million under this programme. At 31 December 2025, the Group held 3.5 million shares (31 December 2024: 4.0 million) as treasury shares, representing 1.16% (31 December 2024: 1.33%) of the total number of issued shares. The extended share repurchase programme expired on 18 April 2025.

Dividend

A dividend of NOK 13.00 per share paid in two equal instalments, was approved by the shareholders of Subsea 7 S.A. at the Annual General Meeting on 8 May 2025. The first instalment, equivalent to \$184 million, was paid on 22 May 2025 and the second instalment, equivalent to \$192 million was paid on 6 November 2025. The Group entered into foreign exchange forward contracts to mitigate the foreign currency exposure of the dividend. The total net dividend paid, after including the gain on foreign exchange forward contracts, was \$350 million.

FINANCIAL REVIEW *CONTINUED***Extraordinary General Meeting**

At the Extraordinary General Meeting of Subsea 7 S.A. shareholders on 25 September 2025, the proposed combination between Subsea 7 S.A. and Saipem S.p.A. was approved. In addition, a dividend for the amount of €450 million, equating to approximately NOK 18.00 per share, based on the reference date of 25 September 2025, conditional on the completion of the merger, was approved and a further dividend of €105 million was approved, equating to approximately NOK 4.15 per share, based on the reference date of 25 September 2025, related to a permitted business divestment in accordance with the merger agreement.

Shareholders

The 20 largest shareholders of the Company, and their beneficial ownership^(a) as a percentage of the total fully paid and issued common shares, at 31 December were:

At	2025 %	2024 %
Siem Industries S.A.	23.6	23.6
Folketrygdfondet	9.2	8.9
Elliott Management Corporation	4.9	4.6
BlackRock Institutional Trust Company, N.A.	3.4	3.5
Storebrand Kapitalforvaltning AS	2.7	2.6
KLP Fondsforvaltning AS	2.5	2.0
The Vanguard Group, Inc.	2.4	2.3
DNB Asset Management AS	2.3	2.5
Alfred Berg Kapitalforvaltning AS	2.0	2.0
SAFE Investment Company Limited	1.9	1.9
Key Group Holdings (Cayman), Ltd.	1.7	1.1
Pareto Asset Management AS	1.6	2.0
Fidelity Management & Research Company LLC	1.4	0.6
Robotti & Company Advisors, LLC	1.1	1.2
ODIN Forvaltning AS	1.0	1.2
DWS Investment GmbH	0.9	0.1
Jupiter Asset Management Ltd.	0.9	–
Dimensional Fund Advisors, L.P.	0.8	0.7
State Street Investment Management (US) (formerly State Street Global Advisors (US))	0.8	0.8
MP Pensjon	0.8	0.8
Total	65.9	62.4

(a) The data is provided by Nasdaq, Inc. and is obtained through an analysis of beneficial ownership and fund manager information. This is provided in response to disclosure of ownership notices issued to all custodians on the Subsea7 VPS share register. While every reasonable effort has been made to verify the data, there may be fluctuations as a result of such events as stock lending or other non-institutional stock movements, and neither Subsea7 nor Nasdaq, Inc. can guarantee the accuracy of the analysis.

Going concern

The Consolidated Financial Statements have been prepared under the assumption of going concern. This assumption is based on the level of cash and cash equivalents at the year end, the Group's forecast cash flows, the committed borrowing facilities in place, and the backlog position at 31 December 2025. Going concern is further disclosed in Note 1 'General information' to the Consolidated Financial Statements, describing a possible merger between Subsea 7 S.A. and Saipem S.p.A.

Risk management and internal control

The Group's approach to risk management and internal control is detailed in the Risk Management and Governance sections on pages 30 to 69. Financial risk management is as described in Note 33 'Financial instruments'.

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.

Management Report for Subsea 7 S.A. (the Company)

Additional information specific to the Unconsolidated Financial Statements of Subsea 7 S.A.

Unconsolidated Financial Statements of Subsea 7 S.A.

The Unconsolidated Financial Statements of Subsea 7 S.A., the ultimate parent company of the Subsea 7 S.A. Group, are shown on pages 220 to 228. These were prepared in accordance with Luxembourg's legal and regulatory requirements and using the going concern basis of accounting.

The loss for the year ended 31 December 2025 was \$132.6 million (2024: \$69.5 million). The adverse movement in profitability was mainly driven by value adjustments in respect of financial assets and of investments held as current assets, which was \$88.6 million in 2025 compared to \$16.9 million in 2024. It is proposed that the loss of \$132.6 million for the year ended 31 December 2025 be allocated to profit and loss brought forward at 1 January 2026 resulting in a loss to be brought forward amounting to \$132.6 million.

Own shares held

At 31 December 2025, the Company directly held 3.5 million (2024: 4.0 million) own shares at a carrying amount of \$60.2 million (2024: \$62.7 million).

Distributable amounts

At 31 December 2025, the Company had distributable amounts, as defined by Luxembourg law, totalling \$357.6 million (2024: \$856.0 million). Distributable amounts include share premium account, profit and loss account brought forward and profit or loss for the year. The year-on-year decrease was mainly due to dividends declared of \$368.3 million and the loss for the financial year of \$132.6 million.

Risk management, internal control and corporate governance

The Company's approach to risk management, internal control and corporate governance is consistent with that applied to affiliates in the Subsea7 Group and is detailed in the Risk Management and Governance sections on pages 30 to 69. Financial risk management is described in Note 33 'Financial instruments'. Non-financial information required by regulation is provided on pages 2 to 129.

By order of the Board of Directors of Subsea 7 S.A.

Kristian Siem
Chairman

John Evans
Chief Executive Officer