

TO THE SHAREHOLDERS OF SUBSEA 7 S.A.



KRISTIAN SIEM
CHAIRMAN

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

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

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

The market and our strategy

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

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

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

Our Values



Safety

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



Integrity

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



Sustainability

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

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

A value-driven approach to growth opportunities

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

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

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

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

An evolution in our Sustainability reporting

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

Shareholder returns

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

My thanks

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

Kristian Siem
 Chairman

26 February 2025



Performance

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



Collaboration

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



Innovation

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