Subsea 7 S.A. Announces Fourth Quarter and Full Year 2020 Results

Luxembourg – 25 February 2021 – Subsea 7 S.A. (the Group) (Oslo Børs: SUBC, ADR: SUBCY, ISIN: LU0075646355) announced today results for the fourth quarter and full year which ended 31 December 2020. Unless otherwise stated the comparative period is the full year which ended 31 December 2019.

Fourth Quarter and Full Year 2020 highlights

- Adjusted EBITDA of $165 million in the quarter after incurring net costs of approximately $5 million relating to Covid-19, equating to a margin of 16%
- Adjusted EBITDA of $337 million in the full year after incurring net costs of approximately $70 million relating to Covid-19 and $86 million charges relating to restructuring, equating to a margin of 10%
- Net cash generated from operations of $24 million in the quarter and $447 million in the full year
- Cash and cash equivalents of $512 million at year end with net cash of $49 million, including lease liabilities of $254 million
- Resilient backlog of $6.2 billion, up 20% year-on-year, of which 32% in Renewables, with $4.0 billion expected to be executed in 2021
- Special dividend of NOK 2.00 per share to be recommended for shareholder approval at the AGM, marking the Board's confidence in the financial position and outlook for the Group

	Fourth Quarter		**Full Year**	
For the period (in $ millions, except Adjusted EBITDA margin and per share data)	**Q4 2020 Unaudited**	Q4 2019 Unaudited	**2020 Audited**	2019 Audited
Revenue	**1,014**	889	**3,466**	3,657
Adjusted EBITDA[(a), (b)] (unaudited)	**165**	168	**337**	631
Adjusted EBITDA margin[(a), (b)] (unaudited)	**16%**	19%	**10%**	17%
Net operating (loss)/income excluding goodwill impairment charges	**(35)**	(16)	**(428)**	77
Goodwill impairment charges	**(27)**	(100)	**(605)**	(100)
Net operating loss	**(62)**	(116)	**(1,034)**	(23)
Net (loss)/income excluding goodwill impairment charges	**(76)**	(29)	**(500)**	18
Net loss	**(103)**	(129)	**(1,105)**	(82)
Earnings per share – in $ per share				
Basic	**(0.35)**	(0.45)	**(3.67)**	(0.27)
Diluted[(c)]	**(0.35)**	(0.45)	**(3.67)**	(0.27)
Adjusted diluted[(c)]	**(0.25)**	(0.12)	**(1.64)**	0.05

At (in $ millions)	**2020 31 Dec**	2019 31 Dec
Backlog - unaudited[(d)]	**6,214**	5,187
Cash and cash equivalents	**512**	398
Borrowings	**(209)**	(234)
Net cash excluding lease liabilities[(e)]	**303**	164
Net cash/(debt) including lease liabilities[(e)]	**49**	(181)

(a) For explanations and reconciliations of Adjusted EBITDA and Adjusted EBITDA margin refer to Note 8 'Adjusted EBITDA and Adjusted EBITDA margin' to the Condensed Consolidated Financial Statements.

(b) During the year ended 31 December 2020 restructuring charges of $86 million were recognised (2019: $nil), adversely impacting Adjusted EBITDA and Adjusted EBITDA margin.

(c) For the explanation and a reconciliation of diluted earnings per share and Adjusted diluted earnings per share, which excludes the impact of the goodwill impairment charges, refer to Note 7 'Earnings per share' to the Condensed Consolidated Financial Statements.

(d) Backlog at 31 December 2020 and 31 December 2019 is unaudited and is a non-IFRS measure.

(e) Net cash is a non-IFRS measure and is defined as cash and cash equivalents less borrowings.

John Evans, Chief Executive Officer, said:

In a challenging twelve months Subsea 7 responded well. The Covid-19 pandemic required radical changes to operations and had an adverse effect on the market for our oil and gas businesses. In response, we booked incremental operating costs, restructured our cost base, and recognised material impairments to goodwill and asset values. Yet, we continued to deliver projects to our clients, generated positive cash flow, reduced debt and increased our backlog.

As a result of the efforts and dedication of our employees, we completed 20 projects in the year for 15 clients in 10 countries. Although we incurred net costs of approximately $70 million associated with the Covid-19 pandemic and restructuring charges of $86 million, Subsea 7 generated Adjusted EBITDA of $337 million in 2020, equating to a margin of approximately 10%. Despite the uncertain environment, we experienced no contract cancellations. Instead, Subsea 7's backlog of work grew by 20% to $6.2 billion a result of a strong presence in the growing offshore renewables market and our focus on parts of the oil and gas market with advantaged economics.

Among Subsea 7's key attributes, its strong cash generation, commitment to capital discipline and prudent balance sheet management proved vital in navigating the complexities of 2020. Over the course of the year, cash and cash equivalents increased by $114 million, resulting in a year end balance of $512 million and net cash of $49 million after including lease

liabilities of $254 million. Liquidity remained strong with a revolving credit facility of $656 million and a Euro Commercial Paper programme equivalent to $800 million, both of which were unutilised at year end.

Given the improvement in the stability and visibility of our markets over the past six months, a special dividend payment of NOK 2.00 per share, equivalent to approximately $70 million, is to be recommended by the Board for approval by shareholders at the AGM. Subsea 7 has returned $2 billion of excess capital to shareholders over the past decade, and this latest dividend recommendation marks the Board's confidence in the financial position and outlook for the Group.

Fourth quarter operational review

The SURF and Conventional business unit made good progress on several projects in the fourth quarter. In Angola, *Seven Borealis* completed its scope of work on Zinia, alongside *Seven Arctic* and *Simar Esperanca*, which continued operations into the first quarter of 2021. In the Gulf of Mexico, *Seven Oceans* and *Seven Pacific* continued our offshore activities on Mad Dog 2, while in Brazil, *Seven Seas* completed its scope on Lapa NE and the PLSVs continued to achieve high utilisation. We were also active on several projects in the UK North Sea, with tie-in activity on Arran, the completion of bundle fabrication for Penguins, and the completion of pipelay operations at Blythe. Good progress continues to be made in the engineering and procurement phases of Sangomar in Senegal, as well as Anchor, King's Quay and Jack St Malo in the Gulf of Mexico. During the quarter, FEED and engineering activities were completed on the Bacalhau project in Brazil. Life of Field achieved high vessel utilisation in the fourth quarter with work in the Gulf of Mexico and the North Sea, as well as continued activity on the three long-term contracts in the Caspian and the North Sea.

In the Renewables and Heavy Lifting business unit we continued work on the Seagreen project, with fabrication of the jackets and inner array cables well underway. In Taiwan, progress on the Yunlin project was delayed due to restricted site access and environmental constraints. The issues have been resolved by the Client and operations will recommence in the second quarter, with agreement reached on the approach to scheduling the balance of the scope in 2021. *Seaway Yudin* was also on standby in Taiwan during the quarter on the Formosa II project due to adverse weather conditions.

Overall, utilisation of Subsea 7's active fleet was 82% in the fourth quarter, compared to 71% in the prior year period, driven by high utilisation of Life of Field vessels and the PLSVs in Brazil. At 31 December 2020, the active fleet comprised 30 vessels.

Fourth quarter financial review

Fourth quarter revenue of $1.0 billion increased 14% compared to the prior year period, reflecting higher activity in Renewables and Heavy Lifting, partially offset by reduced activity in SURF and Conventional. Renewables and Heavy Lifting benefitted from progress on the Seagreen project as well as standby revenue relating to vessels in Taiwan. The decrease in SURF and Conventional revenue was mainly due to lower Conventional activity in West Africa and the Middle East.

Adjusted EBITDA of $165 million was flat year-on-year and benefited from the close-out of certain projects in SURF and Conventional, partially offset by the impact of net costs associated with Covid-19 of approximately $5 million. During the quarter the Group recorded goodwill impairment charges of $27 million and other asset impairment charges of $94 million, resulting in a net operating loss of $62 million. After a tax charge of $14 million, the net loss for the quarter was $103 million. During the quarter, net cash generated from operations was $24 million including a $97 million adverse movement in net working capital partly due to the timing of payments by clients around the year end. Capital expenditure was approximately $36 million, contributing to an overall decrease in cash and cash equivalents of $30 million during the quarter.

Full year financial review

In the full year 2020, revenue was $3.5 billion representing a decrease of 5% compared to the prior year driven by lower activity in SURF and Conventional in West Africa and the Middle East, partly offset by higher activity in Renewables and Heavy Lifting. Adjusted EBITDA was $337 million, a reduction of 47% year-on-year mainly due to the adverse impact of restructuring charges of $86 million, approximately $70 million of net costs relating to Covid-19, as well as a reduction in SURF and Conventional activity. The Adjusted EBITDA margin was 10%, down from 17% in the prior year. After goodwill impairment charges of $605 million, other asset impairment charges of $323 million and a tax charge of $33 million, the net loss for the year was $1.1 billion. During the year, net cash generated from operations was $447 million including a $192 million improvement in working capital due to active working capital management as well as the timing of milestone payments on certain projects. Capital expenditure was $183 million, slightly lower than expected due to a strong focus on cash preservation. Cash and cash equivalents increased by $114 million and the Group ended the year with net cash, including leases liabilities, of $49 million.

In the full year 2020, Subsea 7 booked new orders of approximately $3.7 billion and escalations of approximately $0.7 billion. The backlog at the end of December 2020 was $6.2 billion, of which $4.0 billion is expected to be executed in 2021.

Streamlining our business units

To align with our strategic focus area "subsea field of the future – systems and delivery", we have combined our SURF and Conventional and Life of Field business units. Since January 2021 one business unit, named Subsea and Conventional, has encompassed our full portfolio of services and products dedicated to the oil and gas industry, allowing us to streamline the organisation and maximise potential synergies between the two areas. This includes greater integration of IRM and well intervention into the integrated field development solutions created by Subsea Integration Alliance to provide a holistic offering across the life cycle of our clients' fields. It will also enable us to accelerate our drive to digitalise field developments. Also from January 2021, the Renewables and Heavy Lifting business unit has been renamed Renewables and excludes activities relating to the oil and gas industry. In 2020, oil and gas activity represented under $1 million of Renewables and Heavy Lifting revenues.

Outlook for full year 2021

After a brief pause in the first half of the year, tendering for oil and gas projects recommenced at a lower level during the second half of 2020 and continues at this pace in 2021. Regions with greater activity include Norway, where fiscal incentives have stimulated an increase in early-stage engineering activity, the Gulf of Mexico, predominantly focused on low-cost tie-backs, and Brazil, where the large, pre-salt fields have low oil price break-evens that continue to attract capital. In addition, Subsea 7 has been selected as preferred supplier for several projects, including Bacalhau, Scarborough, Pecan and Rovuma and we are optimistic that some of these will progress to award during the year.

Tendering in Renewables remains active for projects expected to be awarded to the industry in nine to twelve months' time, including in Asia, Europe and the US. While the market for wind turbine installation work remains competitive, Subsea 7 continues to differentiate itself through its integrated and EPCI contract offerings, leveraging a strong track record in the management of large, complex projects across the globe.

Subsea 7's full year 2021 results are likely to be adversely impacted by costs associated with the Covid-19 pandemic, including more contagious, new variants of the virus. We currently anticipate that revenue in 2021 will exceed the prior year level, predominantly driven by greater activity in Renewables. Revenue in Subsea and Conventional should increase due to the re-phasing of some work from 2020 into 2021. While it is difficult to predict the operational and financial impact of Covid-19 in 2021, Adjusted EBITDA is expected to improve year-on-year and we forecast net operating income to be positive.

Conference Call Information

Date: 25 February 2021

Time: 12:00 UK Time

Access the webcast at subsea7.com or register for the conference call at http://emea.directeventreg.com/registration/4154356. Advance registration is required.

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Special Note Regarding Forward-Looking Statements

Certain statements made in this announcement may contain 'forward-looking statements' (within the meaning of the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995). These statements relate to our current expectations, beliefs, intentions, assumptions or strategies regarding the future and are subject to known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements may be identified by the use of words such as 'anticipate', 'believe', 'estimate', 'expect', 'future', 'goal', 'intend', 'likely' 'may', 'plan', 'project', 'seek', 'should', 'strategy' 'will', and similar expressions. The principal risks which could affect future operations of the Group are described in the 'Risk Management' section of the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2019. Factors that may cause actual and future results and trends to differ materially from our forward-looking statements include (but are not limited to): (i) our ability to deliver fixed price projects in accordance with client expectations and within the parameters of our bids, and to avoid cost overruns; (ii) our ability to collect receivables, negotiate variation orders and collect the related revenue; (iii) our ability to recover costs on significant projects; (iv) capital expenditure by oil and gas companies, which is affected by fluctuations in the price of, and demand for, crude oil and natural gas; (v) unanticipated delays or cancellation of projects included in our backlog; (vi) competition and price fluctuations in the markets and businesses in which we operate; (vii) the loss of, or deterioration in our relationship with, any significant clients; (viii) the outcome of legal proceedings or governmental inquiries; (ix) uncertainties inherent in operating internationally, including economic, political and social instability, boycotts or embargoes, labour unrest, changes in foreign governmental regulations, corruption and currency fluctuations; (x) the effects of a pandemic or epidemic or a natural disaster; (xi) liability to third parties for the failure of our joint venture partners to fulfil their obligations; (xii) changes in, or our failure to comply with, applicable laws and regulations (including regulatory measures addressing climate change); (xiii) operating hazards, including spills, environmental damage, personal or property damage and business interruptions caused by adverse weather; (xiv) equipment or mechanical failures, which could increase costs, impair revenue and result in penalties for failure to meet project completion requirements; (xv) the timely delivery of vessels on order and the timely completion of ship conversion programmes; (xvi) our ability to keep pace with technological changes and the impact of potential information technology, cyber security or data security breaches; and (xvii) the effectiveness of our disclosure controls and procedures and internal control over financial reporting;. Many of these factors are beyond our ability to control or predict. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Each forward-looking statement speaks only as of the date of this announcement. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Fourth Quarter 2020

Revenue
Revenue for the fourth quarter was $1.0 billion, an increase of $125 million compared to Q4 2019. Increased revenue in the Renewables and Heavy Lifting business unit, with work progressing on the Seagreen offshore wind farm project, was partly offset by lower revenue in the SURF and Conventional business unit, with low levels of Conventional activities in West Africa and the Middle East.

Revenue in the Life of Field business unit was $66 million, a decrease of $4 million compared with Q4 2019.

Adjusted EBITDA
Adjusted EBITDA and Adjusted EBITDA margin for the quarter were $165 million and 16% respectively, compared to $168 million and 19% in Q4 2019.

Net operating loss
Net operating loss for the quarter was $62 million, compared to net operating loss of $116 million in Q4 2019. Net operating loss excluding goodwill impairment charges was $35 million for the quarter, compared to $16 million in Q4 2019. The year-on-year reduction in net operating loss was driven by:

- reduction in net operating loss of $28 million, excluding the impact of goodwill impairment in Q4 2019, in the Renewables and Heavy Lifting business unit;
- goodwill impairment charges of $27 million in Q4 2020 compared to goodwill impairment charges of $100 million in Q4 2019;
- a credit of $13 million related to the Group's resizing programme as a result of downward revisions to restructuring cost estimates.

partly offset by:

- lower activity levels in the SURF and Conventional business unit with fewer projects in their close-out phase compared to the prior year period;
- net costs of approximately $5 million related to the Covid-19 pandemic; and
- impairment charges of $94 million, related to property, plant and equipment, intangible assets and right-of-use assets compared to $70 million in Q4 2019.

Net loss
Net loss was $103 million in the quarter, compared to net loss of $129 million in Q4 2019.

The year-on-year movement was primarily due to:

- reduction in net operating loss of $54 million;
- net foreign currency losses of $23 million in Q4 2020, compared to losses of $12 million in Q4 2019; and
- a tax charge of $14 million in Q4 2020 compared to a credit of $2 million in Q4 2019 largely reflecting an increase in tax contingencies in the quarter of $2 million, compared to a release in Q4 2019 of $13 million.

Excluding goodwill impairment charges, net loss was $76 million for Q4 2020 compared to a net loss of $29 million in Q4 2019.

Earnings per share
Diluted loss per share was $0.35 in Q4 2020 compared to diluted loss per share of $0.45 in Q4 2019, calculated using a weighted average number of shares of 298 million and 299 million respectively. Adjusted diluted loss per share, which excludes the impact of goodwill impairment charges, was $0.25 in Q4 2020 compared to adjusted diluted loss per share of $0.12 in Q4 2019.

Cash and cash equivalents
Cash and cash equivalents were $512 million at 31 December 2020, a decrease of $30 million in the quarter. The movement in cash and cash equivalents during the quarter was mainly attributable to:

- net cash generated from operating activities of $24 million

offset by:

- payments related to lease liabilities of $22 million; and
- purchases of property, plant and equipment and intangible assets of $37 million.

Borrowings and lease liabilities
Borrowings decreased to $209 million at 31 December 2020 from $215 million at 30 September 2020 due to scheduled repayments. At 31 December 2020, lease liabilities were $254 million, a decrease of $19 million compared with 30 September 2020, the decrease was mainly driven by payments made in the quarter.

Year ended 31 December 2020

Revenue
Revenue for the year ended 31 December 2020 was $3.5 billion, a decrease of $190 million or 5% compared to 2019. The year-on-year decrease was primarily driven by a significant reduction in activity in West Africa and the Middle East and re-phasing of awarded work due to low oil prices and the Covid-19 pandemic in the SURF and Conventional business unit. This

was partly offset by increased activity in the Renewables and Heavy Lifting business unit in Taiwan, offshore US east coast and on the Seagreen offshore wind farm project, offshore UK.

Adjusted EBITDA

Adjusted EBITDA and Adjusted EBITDA margin for the year ended 31 December 2020 were $337 million and 10% respectively, compared to $631 million and 17% in 2019. Adjusted EBITDA reflected significantly reduced activity within the SURF and Conventional business unit compared with 2019, the impact of the Covid-19 pandemic which had a net cost of approximately $70 million and the recognition of $86 million of restructuring costs related to the Group's downsizing programme announced in Q2 2020.

Net operating loss

Net operating loss, excluding goodwill impairment charges, for the year ended 31 December 2020 was $428 million compared to net operating income of $77 million in 2019. The main items contributing to the net operating loss were:

- significantly lower activity levels in the SURF and Conventional business unit and fewer projects in their close-out phase compared to the prior year;
- net costs of approximately $70 million related to the Covid-19 pandemic;
- impairment charges of $282 million related to property, plant and equipment, mainly related to older vessels or vessels expected to have low utilisation;
- impairment charges of $32 million related to right-of-use assets;
- impairment charges of $9 million related to intangible assets; and
- restructuring costs of $86 million related to the Group's resizing programme.

During the year ended 31 December 2020, goodwill impairment charges totalling $605 million were recognised. The charges were driven by downward revisions to expected activity levels within the SURF and Conventional business unit in the short to medium term. Net operating loss including the impact of goodwill impairment charges was $1.0 billion, compared to a net operating loss of $23 million in 2019.

Net loss

Net loss was $1.1 billion for the year ended 31 December 2020, compared to net loss of $82 million in 2019. The net loss in 2020 was primarily due to:

- the net operating loss of $1.0 billion;
- net foreign currency losses of $35 million

partly offset by:

- net gain of $16 million on recognition of a receivable related to a business combination completed in prior years.

The tax charge for the year ended 31 December 2020 of $33 million reflected the limited tax relief available related to the goodwill and impairment charges recognised in the year, together with irrecoverable withholding taxes and the impact of losses incurred in certain jurisdictions where tax credits could not be recognised.

Earnings per share

Diluted loss per share was $3.67 for the year ended 31 December 2020 compared to a diluted loss per share of $0.27 in 2019, calculated using a weighted average number of shares of 298 million and 305 million respectively. Adjusted diluted loss per share, which excludes the impact of goodwill impairment charges, was $1.64 for the year ended 31 December 2020.

Cash and cash equivalents

Cash and cash equivalents were $512 million at 31 December 2020 compared to $398 million at 31 December 2019. The $114 million increase in cash and cash equivalents during the year was mainly attributable to:

- net cash generated from operating activities of $447 million

partly offset by:

- purchases of property, plant and equipment and intangible assets of $183 million;
- payments related to lease liabilities of $104 million; and
- repurchase of shares of $10 million.

Borrowings and lease liabilities

Borrowings decreased to $209 million at 31 December 2020 from $234 million at 31 December 2019 due to scheduled repayments. At 31 December 2020, lease liabilities were $254 million, a decrease of $91 million compared with 31 December 2019, the reduction was driven by payments made in the year, a downward revision of expected lease periods and lease terminations.

Business Unit Highlights

Fourth Quarter 2020

SURF and Conventional

Revenue for the fourth quarter was $715 million, a decrease of $45 million or 6% compared to Q4 2019.

During the quarter work progressed on the Zinia project, offshore Angola, the Sangomar project, offshore Senegal, the Berri-Zuluf project, offshore Saudi Arabia, the Julimar Phase 2 project, offshore Australia, the Mad Dog 2, King's Quay and Manuel projects in the US Gulf of Mexico, the Ærfugl, Ærfugl Phase 2 and Nova projects, offshore Norway and the Arran, Penguins and Blythe projects, offshore UK. In Brazil, the Lapa NE project was substantially completed and there were high levels of PLSV utilisation under long-term contracts with Petrobras.

Net operating loss, excluding goodwill impairment charges was $47 million in the quarter compared to net operating income of $33 million in Q4 2019. The net operating loss in Q4 2020 was primarily driven by impairment charges of $85 million related to property, plant and equipment and right-of-use assets (Q4 2019: $66 million), decreased Conventional activity in Africa and the Middle East compared to Q4 2019, low levels of diving activity in the UK North Sea and fewer projects closed out than in the prior year period.

Life of Field

Revenue for Q4 2020 was $66 million, a decrease of $4 million compared to Q4 2019. Net operating income, excluding goodwill impairment, was $10 million in Q4 2020 compared to a net operating loss of $3 million in Q4 2019.

Renewables and Heavy Lifting

Revenue was $234 million in Q4 2020 compared to $59 million in Q4 2019. The increase in revenue was due to increased activity, particularly in relation to the Seagreen offshore wind farm project, offshore UK, and the Yunlin project, offshore Taiwan. Net operating loss was $2 million in Q4 2020 compared to a net operating loss, excluding goodwill impairment, of $29 million in Q4 2019.

Year ended 31 December 2020

SURF and Conventional

Revenue was $2.6 billion, a decrease of $596 million or 19% compared to 2019.

During the year the Burullus 9B project, offshore Egypt, and the Snorre project, offshore Norway were completed. Work progressed on the Jubilee Turret Remediation project, offshore Ghana, the Zinia project, offshore Angola, the Sangomar project, offshore Senegal, the Berri-Zuluf project, offshore Saudi Arabia, the Julimar Phase 2 project, offshore Australia, Mad Dog 2, King's Quay and Manuel projects in the US Gulf of Mexico, the Ærfugl, Ærfugl Phase 2 and Nova projects, offshore Norway and the Arran, Penguins, Blythe and Buzzard Phase 2 projects, offshore UK. In Brazil, the Lapa NE project was substantially completed and there were high levels of PLSV utilisation under long-term contracts with Petrobras. Certain PLSVs had operations adversely impacted by Covid-19 outbreaks onboard during the year.

Net operating loss, excluding goodwill impairment charges, was $259 million for the year, compared to net operating income of $160 million in 2019. The net operating loss in 2020 was primarily driven by impairment charges of $280 million related to vessels, equipment and right-of-use assets (2019: $66 million). There was decreased Conventional activity in Africa and the Middle East compared to 2019, decreased diving activities in the North Sea and lower vessel utilisation. The net operating loss in 2020 was also adversely impacted by net costs associated with the Covid-19 pandemic of approximately $65 million.

During the year goodwill impairment charges of $591 million were recognised. The charges were driven by downward revisions to expected activity levels in the short to medium term.

Life of Field

Revenue was $257 million for the year ended 31 December 2020, $9 million lower than in 2019. Net operating income, excluding goodwill impairment was $13 million compared to net operating loss of $3 million in 2019. The increase in net operating income was driven by higher vessel utilisation than the prior year and the benefit of the Group's cost reduction measures, partly offset by impairment charges of $15 million related to ROVs and equipment.

During the year goodwill impairment charges of $14 million were recognised. The charges were driven by downward revisions to expected activity levels in the short to medium term.

Renewables and Heavy Lifting

Revenue was $631 million for the year ended 31 December 2020, compared to $217 million in 2019. The increase in revenue was due to increased activity, with the commencement of the Seagreen offshore wind farm project, offshore UK, and progress on the Yunlin project, offshore Taiwan. The Triton Knoll project, offshore UK, was completed during the year. Net operating loss was $40 million in 2020 compared to a net operating loss, excluding goodwill impairment, of $56 million in 2019. The year-on-year decrease in net operating loss was primarily driven by higher activity levels and improved vessel utilisation, partly offset by increased costs on the Triton Knoll project following an incident onboard *Seaway Strashnov* during the second quarter.

Corporate

Net operating loss of $143 million for the year ended 31 December 2020 included restructuring costs of $86 million recognised in relation to the Group's resizing programme and impairment charges of $29 million related to property, plant and equipment and intangible assets.

Asset Development and Activities

Vessel Utilisation

Active Vessel Utilisation for the quarter was 82% compared with 71% for Q4 2019. Total Vessel Utilisation was 74% compared to 66% in Q4 2019.

For the year ended 31 December 2020, Active Vessel Utilisation was 77% compared with 76% for 2019, and Total Vessel Utilisation was 69% compared to 72% in 2019.

At 31 December 2020 there were 32 vessels in the fleet, comprising 30 active vessels and two stacked vessels.

Asset Development

The Group's new build pipelay vessel *Seven Vega* commenced operations during the quarter. Work continued to convert *Seven Phoenix* into a cable lay vessel and it is expected to be operational in the first half of 2021.

Backlog

At 31 December 2020 backlog was $6.2 billion, a decrease of $0.6 billion compared with 30 September 2020. Order intake totalling $0.2 billion was recorded in the quarter, with escalations of approximately $180 million. Favourable foreign exchange movements of approximately $200 million were recognised during the quarter.

$3.8 billion of the backlog at 31 December 2020 related to the SURF and Conventional business unit (which included $0.4 billion related to long-term day-rate contracts for PLSVs in Brazil), $0.4 billion related to the Life of Field business unit and $2.0 billion related to the Renewables and Heavy Lifting business unit. $4.0 billion of the backlog is expected to be executed in 2021, $1.6 billion in 2022 and $0.6 billion in 2023 and thereafter. Backlog related to associates and joint ventures is excluded from these figures.

During the year ended 31 December 2020, backlog increased by $1.0 billion to $6.2 billion with order intake totalling $4.4 billion.

Risks and uncertainties

The principal risks and uncertainties which could materially adversely impact the Group's reputation, operations and/or financial performance and position are noted on pages 20 to 26 of Subsea 7 S.A.'s 2019 Annual Report. Management has considered these principal risks and uncertainties and concluded that these have not changed significantly in the year ended 31 December 2020.

The principal risks within health, safety, security, environmental and quality include the risk of a pandemic virus. During 2020, management have been mitigating the impacts of the Covid-19 pandemic by monitoring health procedures and adhering to the guidance of world health organisations and local authorities. The Group has implemented revised working procedures to reduce the risks associated with Covid-19, including remote working, social distancing wherever possible and the use of additional personal protective equipment. The Group's onshore and offshore operations have been affected by the pandemic and significant additional costs have been incurred. However, management consider that the mitigating measures that have been implemented reduced the operational and financial risks for the Group.

During 2021 the global economy is expected to be adversely impacted by the continuing Covid-19 pandemic. Management continues to monitor the potential operational and financial impacts to the Group including the mitigating impacts of the vaccination rollout.

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the year ended 31 December 2020 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the Group taken as a whole. We also confirm that, to the best of our knowledge, this report together with the Subsea 7 S.A. 2019 Annual Report include a fair review of the development and performance of the business and the position of the Group, including a description of the principal risks and uncertainties facing the Group.

Subsea 7 S.A.
Condensed Consolidated Income Statement

(in $ millions)	Three Months Ended 31 Dec 2020 Unaudited	Three Months Ended 31 Dec 2019 Unaudited	Year Ended 31 Dec 2020 Audited	Year Ended 31 Dec 2019 Audited
Revenue	**1,014.4**	889.0	**3,466.4**	3,656.6
Operating expenses	**(992.0)**	(834.2)	**(3,652.9)**	(3,310.5)
Gross profit/(loss)	**22.4**	54.8	**(186.5)**	346.1
Administrative expenses	**(62.0)**	(75.9)	**(241.4)**	(268.2)
Impairment of goodwill	**(27.2)**	(99.9)	**(605.4)**	(99.9)
Share of net income/(loss) of associates and joint ventures	**5.0**	4.7	**(0.5)**	(0.9)
Net operating loss	**(61.8)**	(116.3)	**(1,033.8)**	(22.9)
Finance income	**1.2**	2.5	**4.8**	13.2
Other gains and losses	**(19.5)**	(11.1)	**(18.3)**	(17.9)
Finance costs	**(9.2)**	(5.8)	**(24.6)**	(25.3)
Loss before taxes	**(89.3)**	(130.7)	**(1,071.9)**	(52.9)
Taxation	**(13.8)**	1.5	**(33.3)**	(29.5)
Net loss	**(103.1)**	(129.2)	**(1,105.2)**	(82.4)
Net loss attributable to:				
Shareholders of the parent company	**(102.9)**	(135.7)	**(1,092.8)**	(83.6)
Non-controlling interests	**(0.2)**	6.5	**(12.4)**	1.2
	(103.1)	(129.2)	**(1,105.2)**	(82.4)

Earnings per share	**$ per share**	$ per share	**$ per share**	$ per share
Basic	**(0.35)**	(0.45)	**(3.67)**	(0.27)
Diluted[a]	**(0.35)**	(0.45)	**(3.67)**	(0.27)

(a) For the explanation and a reconciliation of diluted earnings per share refer to Note 7 'Earnings per share' to the Condensed Consolidated Financial Statements.

Subsea 7 S.A.

Condensed Consolidated Statement of Comprehensive Income

(in $ millions)	Three Months Ended 31 Dec 2020 Unaudited	Three Months Ended 31 Dec 2019 Unaudited	Year Ended 31 Dec 2020 Audited	Year Ended 31 Dec 2019 Audited
Net loss	**(103.1)**	(129.2)	**(1,105.2)**	(82.4)
Items that may be reclassified to the income statement in subsequent periods:				
Net foreign currency translation gains	**42.8**	49.2	**9.8**	27.7
Reclassification adjustments relating to disposal of subsidiary	**–**	–	**–**	1.2
Tax relating to components of other comprehensive income	**(1.8)**	(0.2)	**(0.6)**	(0.8)
Items that will not be reclassified to the income statement in subsequent periods:				
Remeasurement gains/(losses) on defined benefit pension schemes	**0.3**	(0.9)	**0.3**	(0.9)
Tax relating to remeasurement gains on defined benefit pension schemes	**–**	0.2	**–**	(0.2)
Remeasurement loss on other financial assets	**(5.5)**	–	**(5.5)**	–
Other comprehensive income/(loss)	**35.8**	48.3	**4.0**	27.0
Total comprehensive loss	**(67.3)**	(80.9)	**(1,101.2)**	(55.4)
Total comprehensive loss attributable to:				
Shareholders of the parent company	**(67.7)**	(87.7)	**(1,090.0)**	(56.3)
Non-controlling interests	**0.4**	6.8	**(11.2)**	0.9
	(67.3)	(80.9)	**(1,101.2)**	(55.4)

Subsea 7 S.A.
Condensed Consolidated Balance Sheet

	31 Dec 2020 Audited	31 Dec 2019 Audited
Assets		
Non-current assets		
Goodwill	**84.5**	704.6
Intangible assets	**46.0**	42.8
Property, plant and equipment	**3,982.6**	4,422.3
Right-of-use assets	**213.3**	327.8
Interest in associates and joint ventures	**29.5**	26.2
Advances and receivables	**23.0**	31.4
Derivative financial instruments	**22.9**	1.4
Construction contracts - assets	**6.7**	14.9
Other financial assets	**2.9**	8.1
Retirement benefit assets	**0.8**	–
Deferred tax assets	**49.5**	36.1
	4,461.7	5,615.6
Current assets		
Inventories	**26.4**	31.2
Trade and other receivables	**590.7**	604.7
Derivative financial instruments	**31.4**	4.1
Assets classified as held for sale	**–**	0.1
Construction contracts – assets	**470.6**	397.9
Other accrued income and prepaid expenses	**197.6**	168.6
Restricted cash	**7.1**	4.3
Cash and cash equivalents	**511.6**	397.7
	1,835.4	1,608.6
Total assets	**6,297.1**	7,224.2
Equity		
Issued share capital	**600.0**	600.0
Treasury shares	**(17.8)**	(14.0)
Paid in surplus	**2,505.2**	2,507.5
Translation reserve	**(582.0)**	(590.0)
Other reserves	**(25.0)**	(20.2)
Retained earnings	**1,747.4**	2,845.4
Equity attributable to shareholders of the parent company	**4,227.8**	5,328.7
Non-controlling interests	**27.3**	34.3
Total equity	**4,255.1**	5,363.0
Liabilities		
Non-current liabilities		
Non-current portion of borrowings	**184.4**	209.0
Non-current lease liabilities	**168.6**	251.2
Retirement benefit obligations	**14.3**	14.9
Deferred tax liabilities	**32.2**	34.9
Provisions	**49.5**	49.3
Contingent liabilities recognised	**6.0**	7.9
Derivative financial instruments	**21.1**	1.1
Other non-current liabilities	**14.7**	28.0
	490.8	596.3
Current liabilities		
Trade and other liabilities	**981.8**	858.3
Derivative financial instruments	**26.4**	7.0
Current tax liabilities	**32.6**	44.4
Current portion of borrowings	**24.6**	24.6
Current lease liabilities	**85.4**	94.0
Provisions	**118.5**	72.5
Construction contracts – liabilities	**279.5**	162.0
Deferred revenue	**2.4**	2.1
	1,551.2	1,264.9
Total liabilities	**2,042.0**	1,861.2
Total equity and liabilities	**6,297.1**	7,224.2

Subsea 7 S.A.

Condensed Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

Unaudited (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 2020	**600.0**	**(14.0)**	**2,507.5**	**(590.0)**	**(20.2)**	**2,845.4**	**5,328.7**	**34.3**	**5,363.0**
Comprehensive loss									
Net loss	–	–	–	–	–	(1,092.8)	(1,092.8)	(12.4)	(1,105.2)
Net foreign currency translation gains	–	–	–	8.6	–	–	8.6	1.2	9.8
Remeasurement losses on defined benefit pension schemes	–	–	–	–	0.3	–	0.3	–	0.3
Fair value adjustment on other financial assets	–	–	–	–	(5.5)	–	(5.5)	–	(5.5)
Tax relating to components of other comprehensive income	–	–	–	(0.6)	–	–	(0.6)	–	(0.6)
Total comprehensive income/(loss)	**–**	**–**	**–**	**8.0**	**(5.2)**	**(1,092.8)**	**(1,090.0)**	**(11.2)**	**(1,101.2)**
Transactions with owners									
Shares repurchased	–	(9.8)	–	–	–	–	(9.8)	–	(9.8)
Share-based payments	–	–	4.2	–	–	–	4.2	–	4.2
Dividends declared	–	–	–	–	–	–	–	(1.1)	(1.1)
Vesting of share-based payments	–	–	(6.5)	–	–	6.5	–	–	–
Shares reallocated relating to share-based payments	–	6.0	–	–	–	–	6.0	–	6.0
Loss on reallocation of treasury shares	–	–	–	–	–	(6.0)	(6.0)	–	(6.0)
Reclassification of deferred tax on defined benefit pension schemes	–	–	–	–	0.4	(0.4)	–	–	–
Reclassification adjustment relating to non-controlling interest	–	–	–	–	–	(5.3)	(5.3)	5.3	–
Total transactions with owners	**–**	**(3.8)**	**(2.3)**	**–**	**0.4**	**(5.2)**	**(10.9)**	**4.2**	**(6.7)**
Balance at 31 December 2020	**600.0**	**(17.8)**	**2,505.2**	**(582.0)**	**(25.0)**	**1,747.4**	**4,227.8**	**27.3**	**4,255.1**

Subsea 7 S.A.
Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

Audited (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 2019	**654.7**	**(95.0)**	**2,826.6**	**(618.4)**	**(26.3)**	**2,941.8**	**5,683.4**	**38.4**	**5,721.8**
Comprehensive income/(loss)									
Net (loss)/income	–	–	–	–	–	(83.6)	(83.6)	1.2	(82.4)
Net foreign currency translation gains/(losses)	–	–	–	28.0	–	–	28.0	(0.3)	27.7
Disposal of subsidiary	–	–	–	1.2	–	–	1.2	–	1.2
Remeasurement losses on defined benefit pension schemes	–	–	–	–	(0.9)	–	(0.9)	–	(0.9)
Tax relating to components of other comprehensive income	–	–	–	(0.8)	(0.2)	–	(1.0)	–	(1.0)
Total comprehensive income/(loss)	**–**	**–**	**–**	**28.4**	**(1.1)**	**(83.6)**	**(56.3)**	**0.9**	**(55.4)**
Transactions with owners									
Shares repurchased	–	(249.7)	–	–	–	–	(249.7)	–	(249.7)
Share cancellation	(54.7)	322.0	(267.3)	–	–	–	–	–	–
Dividends declared	–	–	(54.6)	–	–	–	(54.6)	(5.0)	(59.6)
Share-based payments	–	–	5.9	–	–	–	5.9	–	5.9
Vesting of share-based payments	–	–	(3.1)	–	–	3.1	–	–	–
Shares reallocated relating to share-based payments	–	8.7	–	–	–	–	8.7	–	8.7
Reclassification of remeasurement loss on defined benefit pension schemes	–	–	–	–	7.2	(7.2)	–	–	–
Loss on reallocation of treasury shares	–	–	–	–	–	(8.7)	(8.7)	–	(8.7)
Total transactions with owners	**(54.7)**	**81.0**	**(319.1)**	**–**	**7.2**	**(12.8)**	**(298.4)**	**(5.0)**	**(303.4)**
Balance at 31 December 2019	**600.0**	**(14.0)**	**2,507.5**	**(590.0)**	**(20.2)**	**2,845.4**	**5,328.7**	**34.3**	**5,363.0**

Subsea 7 S.A./
Condensed Consolidated Cash Flow Statement

(in $ millions)	Year Ended 31 Dec 2020 Audited	31 Dec 2019 Audited
Net cash generated from operating activities	**446.8**	356.7
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**1.7**	4.5
Purchases of property, plant and equipment	**(157.3)**	(239.9)
Purchases of intangible assets	**(25.3)**	(18.4)
Net proceeds from recognition of assets related to business combinations – post measurement period	**16.6**	–
Loans to joint ventures	**–**	(0.3)
Investments in associates and joint ventures	**(0.6)**	(3.0)
Interest received	**4.8**	13.2
Acquisition of businesses (net of cash acquired)	**–**	(25.8)
Payment of contingent consideration in respect of acquisitions	**(1.3)**	(29.5)
Proceeds from disposal of subsidiary	**–**	4.6
Proceeds from sale of other financial assets	**–**	21.4
Investment in other financial assets	**(3.2)**	(1.0)
Net cash used in investing activities	**(164.6)**	(274.2)
Cash flows from financing activities		
Interest paid	**(9.4)**	(11.0)
Repayment of borrowings	**(24.6)**	(26.7)
Cost of share repurchases	**(9.8)**	(249.7)
Payments related to lease liabilities	**(103.6)**	(105.0)
Dividends paid to equity shareholders of the parent company	**–**	(53.8)
Dividends paid to non-controlling interests	**(10.2)**	(1.0)
Net cash used in financing activities	**(157.6)**	(447.2)
Net increase/(decrease) in cash and cash equivalents	**124.6**	(364.7)
Cash and cash equivalents at beginning of year	**397.7**	764.9
Increase in restricted cash	**(2.8)**	(0.2)
Effect of foreign exchange rate movements on cash and cash equivalents	**(7.9)**	(2.3)
Cash and cash equivalents at end of year	**511.6**	397.7

1. General information

Subsea 7 S.A. is a company registered in Luxembourg whose common shares trade on the Oslo Børs and over-the-counter as American Depositary Receipts (ADRs) in the US. The address of the registered office is 412F, route d'Esch, L-2086 Luxembourg. The Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors on 24 February 2021.

2. Basis of preparation

The Condensed Consolidated Financial Statements for the period from 1 January 2020 to 31 December 2020 for Subsea 7 S.A. have been prepared on a going concern basis and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU).

The Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The Condensed Consolidated Financial Statements are unaudited.

As the global economy remains impacted by the unprecedented global health and economic crisis following the outbreak of the Covid-19 pandemic, management continued during the fourth quarter of 2020 to monitor the potential operational and financial impacts to the Group. The situation remains uncertain in terms of timescale and impact. Management have assessed the following areas which could impact the Group:

Going concern

Management consider that the going concern assumption remains appropriate for the Group. Despite the uncertainty regarding the potential impacts of the Covid-19 pandemic and the associated imbalance in the energy market, management consider 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.

Revenue recognition and backlog

The impact upon the Group's 2020 revenue and backlog recognised was reviewed by management. There were no significant impacts on the backlog recognised due to the Covid-19 pandemic and the associated imbalance in the energy market. The timing of execution was delayed on certain projects during 2020 with some work was rescheduled into 2021. Although the position remains uncertain there is no significant re-phasing of project execution currently anticipated in 2021.

Onerous contract provisions

Onerous contract provisions were assessed in light of the requirements of IFRS 15 'Revenue from Contracts with Customers' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Certain inefficiencies were identified as a direct consequence of additional costs incurred, and expected to be incurred, as a result of the Covid-19 pandemic. Management concluded that these costs will not contribute to the overall progression of contracts and are being recognised as incurred. Costs of this nature will continue to be monitored by management during 2021.

Credit impairment and expected credit losses

During the fourth quarter of 2020, no significant credit impairments were recognised as a result of the Covid-19 pandemic. The Group's expected credit loss provisions were reviewed, and individual assessments were undertaken where appropriate.

Asset impairment, including goodwill and right-of-use assets

Management performed an interim impairment review during the second quarter 2020 in order to assess the impact of the Covid-19 pandemic and the challenges facing the energy sector. Impairments were recognised in relation to goodwill, property, plant and equipment and right-of-use assets. The Group's annual impairment review was performed during the fourth quarter of 2020 and additional impairments were recognised in relation to goodwill, property, plant and equipment, right-of-use assets and intangible assets. No impairments recognised in the second quarter 2020 were reversed.

Lease liability reassessment

During the second quarter of 2020, management performed a reassessment of the Group's long-term chartered vessels as a result of the downturn in activity levels due to the Covid-19 pandemic and delayed project awards. Certain lease liabilities, and associated right-of-use asset balances, were reduced as a consequence of renewal options not expected to be exercised. No further reassessments were required during the Group's annual impairment review.

Fair value measurement

During the year, foreign currency exchange rates fluctuated significantly, impacted by market volatility resulting from the Covid-19 pandemic. Management consider that foreign currency exchange rates applied represented fair value in relation to quoted transactions such as forward exchange contracts at the measurement date of 31 December 2020.

3. Accounting policies

Basis of accounting

The accounting policies adopted in the preparation of the Condensed Consolidated Financial Statements are consistent with the Consolidated Financial Statements for the year ended 31 December 2019.

No new International Financial Reporting Standards (IFRSs) were adopted by the Group for the financial year beginning 1 January 2020. Several amendments to IFRS were applied for the first time in 2020 but did not have an impact on the Consolidated Financial Statements of the Group.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies which are described in the Consolidated Financial Statements for the year ended 31 December 2019, management is required to make judgements, estimates and assumptions about 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 in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Management makes accounting judgements on the following aspects of the business as described in full in the Consolidated Financial Statements for the year ended 31 December 2019:

- Revenue recognition on long-term construction contracts
- Revenue recognition on variation orders and claims
- Allocation of goodwill to cash-generating units (CGUs)
- Goodwill carrying amount
- Property, plant and equipment
- Recognition of provisions and disclosure of contingent liabilities
- Taxation
- Measurement of other intangibles acquired on business combinations
- Measurement of contingent consideration on business combinations

5. Seasonality

A significant portion of the Group's revenue is generated from work performed offshore. During certain periods of the year, the Group may be affected by adverse weather conditions such as hurricanes, tropical storms and rough seas, which may cause delays. In the Northern Hemisphere seasonally adverse weather occurs typically during the period from October to March, whereas in the Southern Hemisphere it typically occurs during the period from May to September. Depending on project execution, each can affect the Group's offshore operations. Periods of adverse weather conditions usually result in low levels of activity.

6. Segment information

For management and reporting purposes, the Group is organised into four business units: SURF and Conventional, Life of Field, Renewables and Heavy Lifting and Corporate. These operating segments are defined as follows:

SURF and Conventional

The SURF and Conventional business unit includes:

- Subsea Umbilicals, Risers and Flowlines (SURF) activities related to the engineering, procurement, installation and commissioning of highly complex systems offshore, including the long-term PLSV contracts in Brazil; and
- Conventional services including the fabrication, installation, extension and refurbishment of fixed and floating platforms and associated pipelines in shallow water environments.

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

Life of Field

The Life of Field business unit includes activities associated with the provision of inspection, repair and maintenance (IRM) services, integrity management of subsea infrastructure and remote intervention support. This segment includes costs, including depreciation, amortisation and impairment charges, related to owned and long-term leased vessels, equipment and offshore personnel deployed on Life of Field activities.

Renewables and Heavy Lifting

The Renewables and Heavy Lifting business unit includes activities related to three specialist segments of the offshore energy market: the procurement and installation of offshore wind turbine foundations and inner-array cables, heavy lifting operations for oil and gas structures, and the decommissioning of redundant offshore structures. This segment includes costs, including depreciation, amortisation and impairment charges, related to owned and long-term leased vessels, equipment and offshore personnel deployed on Renewables and Heavy Lifting 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. A significant portion of the Corporate business unit's costs are allocated to the other operating segments based on a percentage of their external revenue.

Changes to operating segments

With effect from 1 January 2021, for management and reporting purposes, the Group will be organised into three business units: Subsea and Conventional, Renewables and Corporate. Life of field activities will be merged into the Subsea and Conventional business unit and the results of the Group's autonomous subsidiaries, Xodus and 4Subsea, currently reported under SURF and Conventional, will be recognised within the Corporate business unit. With effect from 1 January 2021, the Renewables business unit will exclude all activities relating to the oil and gas industry. The results for the first quarter of 2021 will reflect the revised reporting structure and comparative results will be re-presented except for oil and gas related activities, which were not significant, in the Renewables business unit.

Summarised financial information relating to each operating segment is as follows:

For the three months ended 31 December 2020

(in $ millions) Unaudited	SURF and Conventional	Life of Field	Renewables and Heavy Lifting	Corporate	Total
Revenue					
Lump-sum projects	**605.1**	**5.4**	**233.8**	**–**	**844.3**
Day-rate projects	**109.4**	**60.6**	**0.1**	**–**	**170.1**
	714.5	**66.0**	**233.9**	**–**	**1,014.4**
Net operating (loss)/income excluding goodwill impairment charges	**(47.2)**	**9.9**	**(1.5)**	**4.2**	**(34.6)**
Impairment of goodwill	**(13.2)**	**(14.0)**	**–**	**–**	**(27.2)**
Net operating (loss)/income	**(60.4)**	**(4.1)**	**(1.5)**	**4.2**	**(61.8)**
Finance income					**1.2**
Other gains and losses					**(19.5)**
Finance costs					**(9.2)**
Loss before taxes					**(89.3)**

For the three months ended 31 December 2019

(in $ millions) Unaudited	SURF and Conventional	Life of Field	Renewables and Heavy Lifting	Corporate	Total
Revenue					
Lump-sum projects	601.1	–	59.2	–	660.3
Day-rate projects	158.5	70.1	0.1	–	228.7
	759.6	70.1	59.3	–	889.0
Net operating income/(loss) excluding goodwill impairment charges	33.4	(2.9)	(29.4)	(17.5)	(16.4)
Impairment of goodwill	–	–	(99.9)	–	(99.9)
Net operating income/(loss)	33.4	(2.9)	(129.3)	(17.5)	(116.3)
Finance income					2.5
Other gains and losses					(11.1)
Finance costs					(5.8)
Loss before taxes					(130.7)

For the year ended 31 December 2020

(in $ millions) Unaudited	SURF and Conventional	Life of Field	Renewables and Heavy Lifting	Corporate	Total
Revenue					
Lump-sum projects	**2,109.4**	**13.2**	**630.3**	**–**	**2,752.9**
Day-rate projects	**469.0**	**243.4**	**1.1**	**–**	**713.5**
	2,578.4	**256.6**	**631.4**	**–**	**3,466.4**
Net operating (loss)/income excluding goodwill impairment charges	**(258.8)**	**12.6**	**(39.7)**	**(142.5)**	**(428.4)**
Impairment of goodwill	**(591.4)**	**(14.0)**	**–**	**–**	**(605.4)**
Net operating loss	**(850.2)**	**(1.4)**	**(39.7)**	**(142.5)**	**(1,033.8)**
Finance income					**4.8**
Other gains and losses					**(18.3)**
Finance costs					**(24.6)**
Loss before taxes					**(1,071.9)**

For the year ended 31 December 2019

(in $ millions) Audited	SURF and Conventional	Life of Field	Renewables and Heavy Lifting	Corporate	Total
Revenue					
Lump-sum projects	2,533.4	1.0	216.6	–	2,751.0
Day-rate projects	640.7	264.6	0.3	–	905.6
	3,174.1	265.6	216.9	–	3,656.6
Net operating income/(loss) excluding goodwill impairment charges	159.8	(2.8)	(56.1)	(23.9)	77.0
Impairment of goodwill	–	–	(99.9)	–	(99.9)
Net operating income/(loss)	159.8	(2.8)	(156.0)	(23.9)	(22.9)
Finance income					13.2
Other gains and losses					(17.9)
Finance costs					(25.3)
Loss before taxes					(52.9)

7. Earnings per share

Basic and diluted earnings per share

Basic earnings/(loss) per share is calculated by dividing the net income/(loss) attributable to shareholders of the parent company by the weighted average number of common shares in issue during the period, excluding common shares purchased by the Group and held as treasury shares.

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive common shares. The net income/(loss) and share data used in the calculation of basic and diluted earnings/(loss) per share were as follows:

	Three months ended		Year Ended	
For the period (in $ millions)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Net loss attributable to shareholders of the parent company	**(102.9)**	(135.7)	**(1,092.8)**	(83.6)
Earnings used in the calculation of diluted loss per share	**(102.9)**	(135.7)	**(1,092.8)**	(83.6)

	Three months ended		Year Ended	
For the period (number of shares)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Weighted average number of common shares used in the calculation of basic loss per share	**297,665,412**	298,783,507	**297,651,231**	304,881,174
Performance shares	**–**	–	**–**	–
Weighted average number of common shares used in the calculation of diluted loss per share	**297,665,412**	298,783,507	**297,651,231**	304,881,174

	Three months ended		Year Ended	
For the period (in $ per share)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Basic earnings per share	**(0.35)**	(0.45)	**(3.67)**	(0.27)
Diluted earnings per share	**(0.35)**	(0.45)	**(3.67)**	(0.27)

The following shares that could potentially dilute earnings/(loss) per share were excluded from the calculation of diluted earnings/(loss) per share due to being anti-dilutive:

	Three months ended		Year Ended	
For the period (number of shares)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Performance shares	**1,599,161**	1,870,956	**1,637,979**	2,077,194

Adjusted diluted earnings per share

Adjusted diluted earnings/(loss) per share represents diluted earnings/(loss) per share excluding goodwill impairment charges of $605.4 million (2019: $99.9). The net income/(loss) and share data used in the calculation of Adjusted diluted earnings/(loss) per share were as follows:

	Three months ended		Year Ended	
For the period (in $ millions)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Net loss attributable to shareholders of the parent company	**(102.9)**	(135.7)	**(1,092.8)**	(83.6)
Impairment of goodwill	**27.2**	99.9	**605.4**	99.9
Earnings used in the calculation of Adjusted diluted earnings per share	**(75.7)**	(35.8)	**(487.4)**	16.3

	Three months ended		Year Ended	
For the period (number of shares)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Weighted average number of common shares used in the calculation of basic loss per share	**297,665,412**	298,783,507	**297,651,231**	304,881,174
Performance shares	**–**	–	**–**	1,366,961
Weighted average number of common shares used in the calculation of Adjusted diluted earnings per share	**297,665,412**	298,783,507	**297,651,231**	306,248,135

	Three months ended		Year Ended	
For the period (in $ per share)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Adjusted diluted earnings per share	**(0.25)**	(0.12)	**(1.64)**	0.05

8. Adjusted EBITDA and Adjusted EBITDA margin

Adjusted earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) is a non-IFRS measure that represents net income before additional specific items that are considered to impact the comparison of the Group's performance either period-on-period or with other businesses. The Group defines Adjusted EBITDA as net income adjusted to exclude depreciation and amortisation costs, including amortisation of prepaid mobilisation expenses and amortisation of intangible assets, impairment charges or impairment reversals, 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 margin is defined as Adjusted EBITDA divided by revenue, expressed as a percentage.

The items excluded from Adjusted EBITDA represent items which are individually or collectively material but which are not considered representative of the performance of the business during the periods presented. Other gains and losses principally relate to disposals of investments, property, plant and equipment and net foreign exchange gains or losses. Impairments of assets represent the excess of the assets' carrying amount over the amount that is expected to be recovered from their use in the future or their sale.

Adjusted EBITDA and Adjusted EBITDA margin are not recognised as a measurement of performance under IFRS as adopted by the EU. These measures exclude items that can have a significant effect on the Group's income or loss and therefore should not be considered as an alternative to, or more meaningful than, net income (as determined in accordance with IFRS) as a measure of the Group's operating results or cash flows from operations (as determined in accordance with IFRS) as a measure of the Group's liquidity.

Management believes that Adjusted EBITDA and Adjusted EBITDA margin are important indicators of the operational strength and the performance of the Group. These non-IFRS measures provide management with a meaningful comparative for its business units, as they eliminate the effects of financing, depreciation amortisation, impairments, taxation and other one-off adjustments to the Consolidated Income Statement. Management believes that the presentation of Adjusted EBITDA is also useful as it is similar to measures used by companies within Subsea 7's peer group and therefore believes it to be a helpful calculation for those evaluating companies within Subsea 7's industry. Adjusted EBITDA margin may also be a useful ratio to compare performance to its competitors and is widely used by shareholders and analysts following the Group's performance. 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.

Reconciliation of net operating loss to Adjusted EBITDA and Adjusted EBITDA margin:

	Three months ended		Year Ended	
For the period (in $ millions)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Net operating loss	**(61.8)**	(116.3)	**(1,033.8)**	(22.9)
Depreciation, amortisation and mobilisation	**105.2**	115.2	**442.4**	484.1
Impairment of goodwill	**27.2**	99.9	**605.4**	99.9
Impairment of intangible assets	**9.2**	–	**9.2**	–
Impairment of property, plant and equipment	**69.5**	69.5	**282.0**	69.5
Impairment of right-of-use assets	**15.2**	–	**31.9**	–
Adjusted EBITDA	**164.5**	168.3	**337.1**	630.6
Revenue	**1,014.4**	889.0	**3,466.4**	3,656.6
Adjusted EBITDA margin	**16.2%**	18.9%	**9.7%**	17.2%

Reconciliation of net loss to Adjusted EBITDA and Adjusted EBITDA margin:

	Three months ended		Year Ended	
For the period (in $ millions)	**31 Dec 2020 Unaudited**	31 Dec 2019 Unaudited	**31 Dec 2020 Audited**	31 Dec 2019 Audited
Net loss	**(103.1)**	(129.2)	**(1,105.2)**	(82.4)
Depreciation, amortisation and mobilisation	**105.2**	115.2	**442.4**	484.1
Impairment of goodwill	**27.2**	99.9	**605.4**	99.9
Impairment of intangible assets	**9.2**	–	**9.2**	–
Impairment of property, plant and equipment	**69.5**	69.5	**282.0**	69.5
Impairment of right-of-use assets	**15.2**	–	**31.9**	–
Finance income	**(1.2)**	(2.5)	**(4.8)**	(13.2)
Other gains and losses	**19.5**	11.1	**18.3**	17.9
Finance costs	**9.2**	5.8	**24.6**	25.3
Taxation	**13.8**	(1.5)	**33.3**	29.5
Adjusted EBITDA	**164.5**	168.3	**337.1**	630.6
Revenue	**1,014.4**	889.0	**3,466.4**	3,656.6
Adjusted EBITDA margin	**16.2%**	18.9%	**9.7%**	17.2%

9. Cost reduction programme

In April 2020, the Group announced that in view of the difficult business and economic conditions prevailing in the oil and gas market and the consequent decline in workload, cost reduction measures would be implemented including a resizing of the fleet and workforce.

During the year ended 31 December 2020, the Group recognised restructuring charges of $85.5 million in relation to the Group's resizing and cost reduction programme. A credit of $13.4 million was recognised in the fourth quarter as the resizing programme progressed. $70.8 million of the restructuring charge was recognised within operating expenses, $11.2 million within administrative expenses and $3.5 million within share of net loss of associates and joint ventures. The restructuring charges mainly related to: personnel costs; costs in respect of vessel charter termination and provisions against certain receivable balances which management consider will not be recoverable following the decision to reduce operations in specific geographical locations. The full amount of these charges was recognised in the Group's Corporate business unit.

At 31 December 2020 the remaining provision related to the resizing and cost reduction programme was $46.6 million, and the associated cash outflows are expected in 1H 2021.

10. Goodwill

The movement in goodwill during the year was as follows:

	Year Ended	
(in $ millions)	**31 Dec 2020 Audited**	31 Dec 2019 Audited
At year beginning	**704.6**	751.3
Adjustments to identifiable net assets at fair value subsequent to initial recognition	**0.1**	–
Acquired in business combination	**–**	45.4
Impairment charges	**(605.4)**	(99.9)
Exchange differences	**(14.8)**	7.8
At year end	**84.5**	704.6

Impairment review

For the year ended 31 December 2020, goodwill impairment charges of $605.4 million were recognised, with $578.2 million recognised in Q2 2020 and $27.2 million recognised in Q4 2020. The impairment reviews performed by management during the year considered the potential impact of the Covid-19 pandemic, the challenges facing the energy sector and the related impact on expected future activity levels of the Group.

11. Impairment of property, plant and equipment, right-of-use assets and intangible assets

Following the Group's annual impairment exercise carried out during Q4 2020, the following charges were recognised:

Impairment charges totalling $69.5 million were recognised in relation to property, plant and equipment, mainly related to older vessels or vessels with low forecast utilisation. The charges were recognised in the Consolidated Income Statement within operating expenses.

Impairment charges totalling $15.2 million were recognised in relation to right-of-use assets, with $0.7 million recognised within operating expenses and $14.5 million within administrative expenses.

Impairment charges totalling $9.2 million were recognised in relation to intangible assets, all within operating expenses.

12. Treasury shares

During the fourth quarter, 457,656 shares were used to satisfy share-based awards. At 31 December 2020, the Group directly held 2,326,683 shares (Q3 2020: 2,784,339) as treasury shares, representing 0.78% (Q3 2020: 0.93%) of the total number of issued shares.

The movement in treasury shares during the year was as follows:

	31 Dec 2020 Number of shares Audited	**31 Dec 2020 in $ millions Audited**	31 Dec 2019 Number of shares Audited	31 Dec 2019 in $ millions Audited
At year beginning	**1,212,860**	**14.0**	8,240,024	95.0
Shares repurchased	**1,627,968**	**9.8**	21,056,838	249.7
Share cancellation	**–**	**–**	(27,367,111)	(322.0)
Shares reallocated relating to share-based payments	**(514,145)**	**(6.0)**	(716,891)	(8.7)
At year end	**2,326,683**	**17.8**	1,212,860	14.0

13. Share repurchase programme

During the fourth quarter, no shares were repurchased under the Group's share repurchase programme authorised on 24 July 2019. At 31 December 2020, the Group had cumulatively repurchased 1,627,968 shares for a total consideration of $9.8 million under this programme.

14. Commitments and contingent liabilities

Commitments

At 31 December 2020, the Group had significant contractual commitments totalling $37.0 million, including commitments related to *Seven Phoenix*, which is being converted to a cable lay vessel.

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.

One of the amounts contested by the Group is in respect of an audit by Rivers State, Nigeria, of the Group's Nigerian operations in the years 2010 to 2014, with particular regard to payroll taxes for offshore personnel. At 31 December 2020, there was a contingent liability relating to assessments received from Rivers State in respect of such personnel, which totalled NGN 34,190 million, equivalent to $87.2 million (31 December 2019: NGN 34,190 million, equivalent to $94.1 million). The Group has challenged the assessments and is currently involved in court proceedings in Nigeria to release assets sequestered by Rivers State authorities in respect of one of the assessments totalling NGN 3,352 million, equivalent to $8.5 million (31 December 2019: NGN 3,352 million, equivalent to $9.2 million). Management do not believe the likelihood of payment is probable and no provision has been recognised in the Consolidated Balance Sheet in respect of the assessments resulting from the Rivers State audits.

Between 2009 and 2020, the Group's Brazilian businesses were audited and formally assessed for 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 2020 amounted to BRL 834.5 million, equivalent to $161.7 million (31 December 2019: BRL 847.7 million, equivalent to $207.6 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.

During 2018, 2019 and 2020, the Group's Brazilian business received several labour claims. The amount assessed at 31 December 2020 amounted to BRL 238.8 million, equivalent to $46.2 million (31 December 2019: BRL 237.8 million, equivalent to $58.2 million). The Group has challenged these claims. A contingent liability has been disclosed for BRL187.3 million, equivalent to $36.3 million as the disclosure criteria have been met (31 December 2019: BRL193.3 million, equivalent to $47.3 million), however, management believes that the likelihood of payment is not probable. At 31 December 2020, a provision of BRL 51.5 million, equivalent to $9.9 million was recognised within the Consolidated Balance Sheet (31 December 2019: BRL 44.5 million, equivalent to $10.9 million), as the IAS 37 'Provisions, contingent liabilities and contingent assets' recognition criteria were met.

Contingent liabilities recognised in the Consolidated Balance Sheet

As part of accounting for the business combination with Subsea 7 Inc., IFRS 3 'Business combinations' (IFRS 3) required the Group to recognise as a provision, as of the acquisition date, the fair value of contingent liabilities assumed if there was a present obligation that arose from past events, even where payment was not probable. The value of the provision recognised within the Consolidated Balance Sheet at 31 December was $5.5 million (31 December 2019: $6.9 million). While complying with the requirements of IFRS 3, management continues to believe that payment relating to the remaining recognised contingent liabilities is not probable.

As part of the accounting for the business combination of Pioneer Lining Technology Limited, IFRS 3 required the Group to recognise a provision in respect of contingent consideration payable to a third party following the acquisition of intangible assets in 2009. The value of the provision recognised within the Consolidated Balance Sheet at 31 December 2020 was $0.5 million (31 December 2019: $1.0 million). While complying with the requirements of IFRS 3, management continues to believe that payment relating to the remaining recognised contingent liabilities is not probable.

15. Cash flow from operating activities

For the year ended (in $ millions)	Year Ended 31 Dec 2020 Audited	31 Dec 2019 Audited
Cash flow from operating activities:		
Loss before taxes	**(1,071.9)**	(52.9)
Adjustments for non-cash items:		
Impairment of goodwill	**605.4**	99.9
Amortisation of intangible assets	**14.7**	11.0
Impairment of intangible assets	**9.2**	–
Depreciation of property, plant and equipment	**334.9**	365.9
Impairment of property, plant and equipment	**282.0**	69.5
Amortisation of right-of-use assets	**82.1**	98.2
Impairment of right-of-use assets	**31.9**	–
Amortisation of mobilisation costs	**10.7**	9.0
Adjustments for investing and financing items:		
Remeasurement loss on business combination	**–**	1.4
Gain on recognition of assets related to business combinations – post measurement period	**(15.5)**	–
Gain on disposal of other financial assets measured at fair value through profit or loss	**–**	(5.5)
Gain on disposal of subsidiary	**–**	(4.3)
Gain on settlement of contingent consideration	**–**	(1.5)
Share of net income of associates and joint ventures	**0.5**	0.9
Net loss/(gain) on disposal of property, plant and equipment	**0.2**	(1.3)
Net gain on maturity of lease liabilities	**(1.8)**	–
Finance income	**(4.8)**	(13.2)
Finance costs	**24.6**	25.3
Adjustments for equity items:		
Reclassification of exchange differences relating to the disposal of a subsidiary	**–**	1.1
Share-based payments	**4.2**	5.9
	306.4	609.4
Changes in operating assets and liabilities:		
Decrease in inventories	**4.3**	0.8
(Increase)/decrease in operating receivables	**(88.5)**	78.1
Increase/(decrease) in operating liabilities	**276.3**	(223.9)
	192.1	(145.0)
Income taxes paid	**(51.7)**	(107.7)
Net cash generated from operating activities	**446.8**	356.7

16. Fair value and financial instruments

The carrying values of the Group's financial assets and financial liabilities recorded at amortised cost in the Condensed Consolidated Financial Statements approximate their fair values.

Borrowings – senior secured facility

The fair value of the senior secured facility is determined by matching the maturity profile of the amounts utilised under the facility to market interest rates available to the Group for borrowings with similar security, maturity and repayment profiles. At 31 December 2020 interest charged under the facility is representative of market rates currently available to the Group and therefore the carrying amount approximates fair value.

Fair value measurements

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).

Recurring and non-recurring fair value measurements

Recurring fair value measurements are those that IFRS require at the end of each reporting period and non-recurring fair value measurements are those that IFRS require or permit in particular circumstances.

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

At (in $ millions)	**2020 31 Dec Level 1**	**2020 31 Dec Level 2**	**2020 31 Dec Level 3**	2019 31 Dec Level 1	2019 31 Dec Level 2	2019 31 Dec Level 3
Recurring fair value measurements						
Financial assets measured at fair value through profit or loss:						
Derivative instruments	**–**	**54.3**	**–**	–	5.5	–
Financial liabilities measured at fair value through profit or loss:						
Derivative instruments	**–**	**(47.5)**	**–**	–	(8.1)	–
Contingent consideration	**–**	**–**	**(7.7)**	–	–	(11.5)

During the year ended 31 December 2020 there were no transfers between levels of the fair value hierarchy. The Group accounts for transfers between levels of the fair value hierarchy from the date of the event or change in circumstance that caused the transfer.

Fair value techniques and inputs

Financial assets and liabilities mandatorily measured at fair value through profit or loss

The Group's financial assets and liabilities measured at fair value through profit or loss comprised:

- Forward foreign exchange contracts and embedded derivatives
  The fair value of outstanding forward foreign exchange contracts and embedded derivatives were calculated using quoted foreign exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- Contingent consideration
  The fair value of contingent consideration is determined based on current expectations of the achievement of specific targets and milestones and calculated using the discounted cash flow method and unobservable inputs.

Financial assets measured at fair value through other comprehensive income and designated as such at initial recognition

The Group's financial assets measured at fair value through other comprehensive income and designated as such at initial recognition comprised:

- Other financial assets
  Strategic financial investments in unlisted companies are disclosed as other financial assets within non-current assets on the Consolidated Balance Sheet. 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 review investments annually to ensure the carrying amount can be supported by expected future cash flows and have concluded cost is considered to represent the best estimate of fair value of each investment within a range of possible outcomes.

17. Post balance sheet events

Dividend

The Board of Directors will recommend to the shareholders at the Annual General Meeting on 14 April 2021 that a special dividend of NOK 2.00 per share be paid, equivalent to a total dividend of approximately $70 million, marking the Board's confidence in the financial position and outlook for the Group.

Facilities

On 24 February 2021, the Group entered into a $500 million five-year amortising loan facility backed by a $400 million guarantee from UK Export Finance. The Group has a two-year availability period during which to draw on the facility, and the facility has a five-year tenor which commences at the end of the availability period or when the facility is fully drawn, if earlier. 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.