

## Seaway 7 ASA Announces Fourth Quarter and Full Year 2021 Results

Oslo – 3 March 2022 – Seaway 7 ASA (Euronext Growth: SEAW7) announced today results for the fourth quarter and full year which ended 31 December 2021. Unless otherwise stated the comparative period is the full year which ended 31 December 2020.

### Fourth Quarter and Full Year 2021 highlights

- Completion on 1 October 2021 of business combination between OHT ASA and the Subsea 7 S.A. Group's fixed offshore wind business to create Seaway 7 ASA
- Fourth quarter 2021 revenue up 40% year-on-year to \$326 million
- Fourth quarter adjusted EBITDA of \$30 million equating to a margin of 9%
- Order intake in the fourth quarter of \$259 million, equating to a fourth quarter book-to-bill ratio of 0.8, resulting in a backlog of \$1,238 million at year end

For the period (in \$ millions, except Adjusted EBITDA margin and per share data)	Fourth Quarter		Full Year	
	Q4 2021 Unaudited	Q4 2020 Unaudited	2021 Audited	2020 Audited
Revenue	326	234	1,260	631
Adjusted EBITDA <sup>(a)</sup>	30	11	24	12
Adjusted EBITDA margin <sup>(a)</sup>	9%	5%	2%	2%
Net operating income/(loss)	8	(2)	(39)	(40)
Net income/(loss)	7	(4)	(63)	(50)
Earnings per share – in \$ per share				
Basic	0.02	(0.01)	(0.18)	(0.16)
Diluted <sup>(b)</sup>	0.02	(0.01)	(0.18)	(0.16)
At (in \$ millions)			2021 31 Dec	2020 31 Dec
Backlog <sup>(c)</sup>			1,238	1,987
Book-to-bill ratio – full year <sup>(c)</sup>			0.3	3.1
Cash and cash equivalents			22	8
Borrowings			(101)	(35)
Net debt excluding lease liabilities <sup>(d)</sup>			(79)	(27)
Net debt including lease liabilities <sup>(d)</sup>			(106)	(36)

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

(c) Backlog is a non-IFRS measure. Book-to-bill ratio represents total order intake divided by revenue recognised in the year.

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

### Basis of preparation of results

The business combination between OHT ASA (renamed Seaway 7 ASA) and the Subsea 7 S.A. Group's Renewables business unit was completed on 1 October 2021. For accounting and reporting purposes, the Subsea 7 S.A. Group's Renewables business unit was deemed to be the accounting acquirer. The business combination qualifies as a reverse acquisition, with the legal acquirer and legal parent being OHT ASA (renamed Seaway 7 ASA). The Condensed Consolidated Financial Statements of Seaway 7 Group (the Group) are presented as follows:

- For the nine-month period ended 30 September 2021 and for the year ended 31 December 2020 ('the carve-out periods'), financial information represents the results and financial position of the Subsea 7 S.A. Group's Renewables business unit;
- For the three-month period ended 31 December 2021, financial information represents the Consolidated Financial Statements of Seaway 7 ASA and its subsidiaries.

Further details are disclosed in Note 2 'Basis of preparation' to the Condensed Consolidated Financial Statements.

### Stuart Fitzgerald, Chief Executive Officer, said:

The formation of Seaway 7 ASA created a market leader in fixed offshore wind, with exposure across multiple segments in the value chain, a comprehensive fleet and experienced management team. Seaway 7's position in this growing market is built on a long history as one of the market leaders within offshore energy and marine Contracting, and more than a decade of track record within the fixed offshore wind sector.

In a year of high operational activity and associated revenue, and good progress across much of the portfolio, the Seaway 7 operational and financial performance for the full year in 2021 was impacted by the ongoing challenges posed by the Covid-19 pandemic, and worksite conditions which adversely impacted certain projects in Taiwan.

### Full year 2021

In the full year ended 31 December 2021, the Group's revenue increased 100% to \$1.3 billion, while Adjusted EBITDA margin remained at 2%. Revenue doubled as activity on the Seagreen project increased, but margins remained low due to challenges in Taiwan. Overall, the Group's EBITDA increased 110% to \$24 million mainly due to the increased activities on the Seagreen project and the heavy transportation business included in the business combination in Q4 2021. Adjusted EBITDA margin was 2%, in line with the prior year. After a tax charge of \$14 million, equating to an effective tax rate of 29%, the net loss for the year was \$63 million, a deterioration from a net loss of \$50 million in 2020.

During the year, net cash generated from operations was \$39 million which included favourable movements of \$23 million related to working capital despite Covid-19 challenges and delays, as well as the timing of milestone payments on certain projects. Capital expenditure increased and is mainly driven by payments on *Seaway Ventus*, *Seaway Alfa Lift* and operating equipment, financed through a short-term loan from the Group's ultimate parent undertaking, Subsea 7 S.A. Group.

New order intake was \$259 million and included the Dogger Bank C, Borkum Riffgrund 3 and Gode Wind 3 project, the Zhong Neng project and escalations on other projects.

### Fourth quarter operational review

The fourth quarter saw a continuation of good operational progress in the fabrication and installation phase on the Seagreen project. Over 60 jackets were delivered despite Covid-19 challenges from fabrication yards in China and the Middle East. By year end, 10 jackets were installed and delivery of the remaining 115 jackets and 327 kilometres of cables to the marshalling yard in Scotland remains on schedule.

*Seaway Strashnov* worked installing monopiles on the Hollandse Kust Zuid project in the Netherlands early in the quarter, before demobilising for the winter break and preparations for a busy 2022 campaign. *Seaway Yudin* underwent planned vessel maintenance in Indonesia during the quarter, as well as preparations for re-mobilisation onto the Formosa 2 project in Taiwan early 2022. *Seaway Aimery* and *Seaway Moxie* were active on the Hornsea II and Seagreen projects in the UK. During the quarter, the Group commenced a charter of *Maersk Connector* which completed a number of cable installations on the Seagreen project and is now being deployed to Asia to support Taiwan project activity during 2022. On the Yunlin project in Taiwan, cable laying continued with *Seaway Phoenix*.

The heavy transportation vessels maintained their high levels of utilisation and we saw an improvement in the time charter equivalent day rates in the quarter.

As we entered the winter season in the northern hemisphere, utilisation of the active fleet was 80% in the quarter, down from 99% in the third quarter but up slightly from 78% in the prior year period.

The development of *Seaway Alfa Lift* foundation installation vessel continued through 2021 with commissioning of marine systems progressing as expected. The vessel departed for sea trials in early January 2022.

On 18 October 2021, an incident occurred with the A-frame on the 3,000t Liebherr crane. The A-frame has been removed from the vessel, inspected, and is now under repair at the yard. Crane repairs are expected to be complete in the second half of 2022. As a result of key supplier delays, the final installation, testing and commissioning of the mission equipment for the upending and lowering of monopiles is expected to represent the critical path to vessel delivery and readiness for operations. We do not expect the vessel will be operational on projects during 2022 and planned start of operations is now during Q1 2023. A contingency scenario has been activated which utilises *Seaway Strashnov* to progress the committed work on the Dogger Bank A&B project in the second half of 2022.

The shipbuilding contract for *Seaway Ventus*, the Group's first wind turbine installation vessel continues in the detailed design phase, all main equipment has been selected and first steel cutting occurred in November 2021. Delivery is scheduled for mid-2023 with the vessel anticipated to start in the first half of 2024 on the Borkum Riffgrund 3 and Gode Wind 3 project in Germany.

### Fourth quarter financial review

Fourth quarter revenue of \$326 million increased by 40% compared to the prior year period, reflecting higher activity on the Seagreen project, UK. Adjusted EBITDA margin increased to 9.2% from 4.8%. After depreciation and amortisation of \$22 million, the Group recorded net operating income of \$8 million. Net income for the quarter was \$7 million, after a tax charge of \$3 million equating to an effective tax rate of 30%.

During the quarter, net cash used in operating activities was \$24 million which was impacted by delayed client payments linked to commercial discussions in relation to Covid-19 challenges and delays in Taiwan. Capital expenditure was \$29 million, cash acquired as a result of the business combination was \$12 million, a short-term loan of \$64 million from the Group's ultimate parent undertaking, Subsea 7 S.A. Group, was recognised and payments related to lease liabilities were \$5 million. Cash and cash equivalents increased by \$16 million since 30 September 2021 to \$22 million by the end of the quarter.

Under the contingent scenario for Dogger Bank A&B, we expect to deploy *Seaway Strashnov* from Q3 2022 to execute the initial phase of the project. The change of vessel comes with additional cost, and as a result, the Group has recognised an onerous contract provision in the fourth quarter 2021. This has been recognised as a fair value adjustment related to the combination as detailed in Note 9 to the Condensed Consolidated Financial Statements 'Goodwill'.

In the fourth quarter, the Group recognised new orders of \$226 million and escalations of approximately \$33 million, resulting in a book-to-bill ratio of 0.8. The backlog at year-end was \$1,238 million of which \$882 million is expected to be executed during 2022 and \$356 million in 2023 and thereafter.

### Outlook for the full year 2022

Delays in UK Government's Contracts for Difference (CFD) rounds in 2021 impacted the timing of a number of awards to market through the year. However, ongoing tendering activity is significant for projects expected to be awarded to the industry in 2022, primarily for projects in UK, Europe and the US. With an enhanced fleet of foundation, cable and turbine installation vessels, Seaway 7 ASA is well-positioned to capture a fair share of this long-term, high-growth market. Absent any renewed deterioration

in the impact of the pandemic, we expect that 2022 revenue will approach \$1 billion, that the Adjusted EBITDA margin will improve towards 10% and that net operating income will be positive.

#### Longer-term outlook and strategic positioning

Market fundamentals within fixed offshore wind continue to strengthen, and during the last six months of 2021, we have experienced a significant increase in tender activity and client engagements in relation to future projects. This growth is primarily in Europe and the US. The strong growth in market prospects is seen from 2024 and particularly 2025 onwards. The increasing lead-times of client bidding activity demonstrates the priority towards securing both installation assets and competent contractor project teams, in what is expected to be a supply constrained market in this timeframe.

Clients are showing increased interest in both integrated and EPCI projects where we provide services across multiple segments and internalise certain interfaces on behalf of the client. This reduces both Seaway 7 and client risk and allows for accelerated execution plans. As supply chains globalize this integration increasingly includes heavy transportation, which represents a further unique positioning for Seaway 7. The single party offering simplifies the contract structure and administration, and reduces the client's resource requirements on the projects. This is a client decision driver as their resources become more constrained with increasing activity levels. Seaway 7 is well positioned in this context both through its differentiated asset and broad segment coverage, and our people and their ability to manage complex projects in marine environments.

#### Special Note Regarding Forward-Looking Statements

Forward-Looking Statements: This announcement may contain 'forward-looking statements'. 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' section of the Group's Annual Report. 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) unanticipated delays or cancellation of projects included in our backlog; (v) competition and price fluctuations in the markets and businesses in which we operate; (vi) the loss of, or deterioration in our relationship with, any significant clients; (vii) the outcome of legal proceedings or governmental inquiries; (viii) 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; (ix) the effects of a pandemic or epidemic or a natural disaster; (x) changes in, or our failure to comply with, applicable laws and regulations (including regulatory measures addressing climate change); (xi) operating hazards, including spills, environmental damage, personal or property damage and business interruptions caused by adverse weather; (xii) equipment or mechanical failures, which could increase costs, impair revenue and result in penalties for failure to meet project completion requirements; (xiii) the timely delivery of vessels on order and the timely completion of ship conversion programmes; (xiv) our ability to keep pace with technological changes and the impact of potential information technology, cyber security or data security breaches; and (xv) 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.

Webcast and conference call information:

Date: 3 March 2022

Time: 14:30 CET

Please join the webcast through [https://channel.royalcast.com/landingpage/hegnarmedia/20220303\\_3/](https://channel.royalcast.com/landingpage/hegnarmedia/20220303_3/)

The webcast will also be available through Seaway 7 website <https://www.seaway7.com/investors/results-reports-publications/>

Conference call details

Participants dial-in numbers:

Participant Passcode (for all countries):	447972
Norway:	+47 21956342
Sweden:	+46 406820620
UK:	+44 2037696819
USA:	+1 6467870157
International dial in:	+44 2037696819

Please join the call 5-10 minutes prior to scheduled start time.

For further information, please contact:

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## Basis of preparation of Condensed Consolidated Financial Statements

On 1 October 2021, the business combination between OHT ASA (renamed Seaway 7 ASA) and the Subsea 7 S.A. Group's Renewables business unit (consisting of the Subsea 7 S.A. Group's fixed offshore wind business) was completed. The business combination met the criteria to be treated as a reverse acquisition with the deemed accounting acquirer being the Subsea 7 S.A. Group's Renewables business unit. The Condensed Consolidated Financial Statements of Seaway 7 ASA are a continuation of the financial statements of the Subsea 7 S.A. Group's Renewables business unit with share capital retrospectively adjusted to reflect the share capital of the former OHT ASA Group, as legal acquirer.

Consolidated Financial Statements had not previously been prepared for the Subsea 7 S.A. Group's Renewables business unit, and as a result, management have prepared Consolidated Financial Statements for Seaway 7 ASA on the following basis:

- For the nine-month period ended 30 September 2021 and for the year ended 31 December 2020 ('the carve-out periods'), financial information represents the results and financial position of the Subsea 7 S.A. Group's Renewables business unit;
- For the three-month period ended 31 December 2021 financial information represents the Consolidated Financial Statements of Seaway 7 ASA and its subsidiaries.

The preparation of the carve-out financial information required significant management judgements as described in Note 2 'Basis of preparation' to the Condensed Consolidated Financial Statements.

### Fourth Quarter 2021

#### Income Statement

##### Revenue

Revenue for the fourth quarter was \$326 million, an increase of \$92 million or 40% compared to Q4 2020 and was driven by increased revenue on the Seagreen offshore wind farm project, UK, and the addition of revenue related to offshore heavy transport services following the business combination between OHT ASA and the Subsea 7 S.A. Group's fixed offshore wind business on 1 October 2021.

##### Adjusted EBITDA

Adjusted EBITDA and Adjusted EBITDA margin for the quarter were \$30 million and 9.2% respectively, compared to Adjusted EBITDA of \$11 million and Adjusted EBITDA margin of 4.8% in Q4 2020.

##### Net operating income

Net operating income for the quarter was \$8 million, compared to \$2 million loss in Q4 2020.

The year-on-year improvement in net operating income was driven by:

- Seagreen operational progress on fabrication and offshore installation and positive contribution from the heavy transportation vessels.

##### Net income

Net income was \$7 million in the quarter, compared to a net loss of \$4 million in Q4 2020.

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

- increase in net operating income of \$10 million; and
- decrease in finance cost of \$1 million.

##### Earnings per share

Diluted earnings per share was \$0.02 in Q4 2021 compared to a diluted loss per share of \$0.01 in Q4 2020, calculated using a weighted average number of shares of 437 million and 314 million respectively.

#### Operational Highlights

Revenue was \$326 million in Q4 2021 compared to \$234 million in Q4 2020. The increase in revenue was due to increased activity, particularly on the Seagreen offshore wind farm project, Hornsea 2 and the Hollandse Kust Zuid project. Net operating income was \$8 million in Q4 2021 compared to a \$2 million loss in Q4 2020. The increase was driven by good operational progress on fabrication and offshore installation on the Seagreen project.

Vessel Utilisation for the fourth quarter was 80% compared with 78% for Q4 2020.

At 31 December 2021 there were 13 vessels in the Group's fleet, comprising 11 active vessels and 2 vessels under construction.

#### Cash flow

##### Cash flow statement

Cash and cash equivalents were \$22 million at 31 December 2021, an increase of \$16 million in the quarter. The movement in cash and cash equivalents during the quarter was mainly attributable to:

- net cash used in operating activities of \$24 million, which included unfavourable movements of \$55 million in net operating assets and liabilities;
- net cash used in investing activities of \$17 million, which included purchases of property, plant and equipment of \$29 million, partly offset by cash acquired on business combinations of \$12 million; and
- net cash generated from financing activities of \$59 million, which included a \$64 million short-term loan from the Group's ultimate parent undertaking, Subsea 7 S.A. Group, and \$5 million payments of lease liabilities.

## Full year 2021

### Income Statement

#### Revenue

Revenue for the full year was \$1.3 billion, an increase of \$629 million or 100% compared to the prior year. This was primarily driven by increased revenue related to the Seagreen offshore wind farm project.

#### Adjusted EBITDA

Adjusted EBITDA and Adjusted EBITDA margin for the year were \$24 million and 2% respectively, compared to Adjusted EBITDA of \$12 million and Adjusted EBITDA margin of 2% in 2020.

#### Net operating income

Net operating loss for the year was \$39 million, which was in line with 2020.

The net operating loss was driven by:

- the continued delays to projects offshore Taiwan; and
- net costs of \$1.2 million related to the Covid-19 pandemic compared to net costs of \$0.3 million in 2020.

#### Net loss

Net loss was \$63 million for the year, compared to a net loss of \$50 million in 2020.

Net loss in 2021 was driven by:

- net operating loss of \$39 million;
- net losses of \$5 million within other gains and losses, mainly related to net foreign currency losses;
- finance costs of \$5 million; and
- tax charge of \$14 million which was mainly driven by the Seagreen project.

#### Earnings per share

Diluted loss per share was \$0.18 in 2021 compared to a diluted loss per share of \$0.16 in 2020, calculated using a weighted average number of shares of 345 million and 314 million respectively.

### Operational Highlights

Revenue for the year was \$1.3 billion compared to \$631 million in 2020. The increase in revenue was due to increased activity, particularly in relation to the Seagreen wind farm project, UK. Net operating loss for the year was \$39 million which was in line with 2020. The net operating loss in 2021 reflected continued delays to projects in Taiwan, driven by restrictions imposed by the government to control the spread of Covid-19, environmental conditions at the worksite and a number of changes in scope.

Vessel Utilisation for the year was 70% compared with 77% for 2020.

At 31 December 2021 there were 13 vessels in the Group's fleet, comprising 11 active vessels and 2 vessels under construction (2020: 4 vessels).

### Cash flow

#### Cash flow statement

Cash and cash equivalents were \$22 million at 31 December 2021, an increase of \$14 million in the year. The movement in cash and cash equivalents during the year was mainly attributable to:

- net cash generated from operating activities of \$39 million, which included favourable movements of \$23 million in net operating assets and liabilities driven by an increase in operating liabilities of \$159 million, partly offset by an increase in operating receivables of \$136 million;
- Net cash used in investing activities of \$38 million, which included purchases of property, plant and equipment of \$53 million partly offset by \$3m proceeds from sale of financial assets and \$12 million cash and cash equivalents acquired as part of the business combination; and
- Net cash generated from financing activities of \$15 million, which included an Increase in the short-term loan from the Group's ultimate parent undertaking, Subsea 7 S.A. Group, of \$29 million, partly offset by payments related to lease liabilities of \$10 million and interest paid of \$4 million.

### Balance Sheet

#### Non-current assets

At 31 December 2021 total non-current assets were \$1.0 billion (2020: \$608 million). The year-on-year net increase of \$417 million was driven by:

- increase in goodwill of \$70 million recognised in relation to the business combination of OHT ASA and the Subsea 7 S.A. Group's Renewables business unit;
- net increase in property, plant and equipment of \$332 million, including \$292 million recognised in relation to the business combination; and
- net increase of \$17 million in right-of-use assets.

#### Non-current liabilities

At 31 December 2021 total non-current liabilities were \$30 million (2020: \$7 million). The year-on year increase of \$23 million was driven by an increase in onerous contract provisions related to long-term construction contracts.

### Net current liabilities

At 31 December 2021 total current assets were \$328 million (2020: \$159 million) and total current liabilities were \$459 million (2020: \$182 million), resulting in net current liabilities of \$131 million (2020: net current liabilities \$23 million). The increase in net current liabilities of \$108 million in the year was driven by:

- increase in trade and other liabilities of \$164 million reflecting a significant increase in operating activities in Q4 2021 compared to Q4 2020;
- increase in borrowings of \$66 million

partly offset by:

- increase in trade and other receivables of \$64 million and an increase in construction contract assets of \$83 million, reflecting a significant increase in revenue in 2021 compared to 2020; and
- increase in cash and cash equivalents of \$14 million.

### Equity

At 31 December 2021 total equity was \$864 million (2020: \$578 million). The increase of \$286 million during the year reflects:

- share issuance of \$699 million related to the business combination, with reverse acquisition adjustments of \$352 million, recognised in other reserves, required to reflect the share capital structure of the legal acquirer;
- fair value adjustment of other financial assets of \$1 million

partly offset by:

- net loss of \$63 million.

## Borrowings, lease liabilities, net debt and liquidity

### Borrowings

At 31 December 2021, total borrowings were \$101 million (2020: \$35 million). The increase in borrowings of \$66 million during the year was due to the recognition of amounts drawn on the revolving credit facility of \$37 million at the date of the business combination and an increase in a loan from the Group's ultimate parent undertaking, Subsea 7 S.A. Group, of \$29 million.

### Lease liabilities

At 31 December 2021, lease liabilities were \$26 million, an increase of \$18 million compared with 31 December 2020.

### Net debt

At 31 December 2021:

- net debt including lease liabilities of \$106 million, compared to net debt of \$36 million at 31 December 2020;
- net debt excluding lease liabilities of \$79 million at 31 December 2021 compared to net debt of \$27 million at 31 December 2020.

### Net debt/total equity

At 31 December 2021, including lease liabilities net debt/total equity was 12% (31 December 2020: 6%).

### Liquidity

At 31 December 2021, the Group's borrowing facilities consists of:

- a revolving credit facility of \$50 million of which \$37 million was drawn at year end and repaid in full in January 2022. The revolving credit facility was subject to financial covenants. During the year ended 31 December 2021 the Group was in compliance with all covenants; and
- the Group has access to funding from its ultimate parent undertaking, the Subsea 7 S.A. Group, by means of an unsecured working capital facility agreement of which \$64 million was drawn at 31 December 2021.

### Backlog

At 31 December 2021 backlog was \$1.2 billion, compared to \$1.2 billion at 30 September 2021. Order intake totalling \$226 million was recorded in the quarter, \$156 million of acquired backlog and \$33 million of escalations. Unfavourable foreign exchange movements of approximately \$9 million were recognised during the quarter.

\$882 million of the backlog is expected to be executed in 2022 and \$356 million in 2023 and thereafter.

## 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 26 to 36 of Subsea 7 S.A.'s 2020 Annual Report, the Group's ultimate parent company. Management has considered these principal risks and uncertainties, which are relevant to the Group, and concluded that these have not changed significantly in the year ended 31 December 2021.

The principal risks within health, safety, security, environmental and quality include the risk of a pandemic virus. During 2021, management have continued to mitigate 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 2022 the global economy is expected to remain 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 roll-out.

The principal risks within business environment include risks related to civil or political unrest, including war. The Russia-Ukraine conflict is fast-moving and uncertain. However, management does not at this date foresee a material direct impact on the Group from the conflict and related sanctions. Management will monitor this event, its development, including sanctions and indirect impacts, and other associated risks in order to apply suitable mitigations.

## Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the year ended 31 December 2021 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 includes 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.

**Rune Magnus Lundetræ**

Chairman

**Stuart Fitzgerald**

Chief Executive Officer



**Seaway 7 ASA**

## Condensed Consolidated Income Statement

(in \$ millions)	Three Months Ended		Year Ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
Revenue	<b>326.3</b>	233.9	<b>1,260.0</b>	631.4
Operating expenses	<b>(307.0)</b>	(229.1)	<b>(1,270.6)</b>	(645.7)
<b>Gross profit/(loss)</b>	<b>19.3</b>	4.8	<b>(10.6)</b>	(14.3)
Administrative expenses	<b>(11.2)</b>	(6.3)	<b>(28.3)</b>	(25.4)
<b>Net operating income/(loss)</b>	<b>8.1</b>	(1.5)	<b>(38.9)</b>	(39.7)
Finance income	–	0.1	–	0.1
Other gains and losses	<b>1.6</b>	1.4	<b>(4.4)</b>	0.7
Finance costs	<b>(0.3)</b>	(1.5)	<b>(4.8)</b>	(5.5)
<b>Income/(loss) before taxes</b>	<b>9.4</b>	(1.5)	<b>(48.1)</b>	(44.4)
Taxation	<b>(2.8)</b>	(2.5)	<b>(14.4)</b>	(5.1)
<b>Net income/(loss)</b>	<b>6.6</b>	(4.0)	<b>(62.5)</b>	(49.5)
Earnings per share	\$ per share	\$ per share	\$ per share	\$ per share
Basic	<b>0.02</b>	(0.01)	<b>(0.18)</b>	(0.16)
Diluted <sup>(a)</sup>	<b>0.02</b>	(0.01)	<b>(0.18)</b>	(0.16)

(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.

**Seaway 7 ASA**

## Condensed Consolidated Statement of Comprehensive Income

(in \$ millions)	Three Months Ended		Year Ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
<b>Net income/(loss)</b>	<b>6.6</b>	(4.0)	<b>(62.5)</b>	(49.5)
<i>Items that may be reclassified to the income statement in subsequent periods:</i>				
Net foreign currency translation (losses)/gains	–	(2.4)	–	5.2
<i>Items that will not be reclassified to the income statement in subsequent periods:</i>				
Fair value adjustment on other financial assets	–	–	<b>1.2</b>	–
<b>Other comprehensive income/(loss)</b>	<b>6.6</b>	(2.4)	<b>1.2</b>	5.2
<b>Total comprehensive loss</b>	<b>(19.1)</b>	(6.4)	<b>(61.3)</b>	(44.3)

**Seaway 7 ASA**

## Condensed Consolidated Balance Sheet

	31 Dec 2021 Audited	31 Dec 2020 Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	70.0	–
Property, plant and equipment	929.6	597.3
Right-of-use assets	24.9	8.1
Advances and receivables	–	0.8
Other financial assets	–	1.6
Deferred tax assets	0.6	–
	<b>1,025.1</b>	<b>607.8</b>
<b>Current assets</b>		
Inventories	5.9	1.0
Trade and other receivables	114.8	50.8
Derivative financial instruments	2.3	–
Construction contracts – assets	177.4	94.2
Other accrued income and prepaid expenses	3.9	5.5
Restricted cash	1.3	–
Cash and cash equivalents	22.0	7.7
	<b>327.6</b>	<b>159.2</b>
<b>Total assets</b>	<b>1,352.7</b>	<b>767.0</b>
<b>Equity</b>		
Issued share capital	4.9	1.3
Paid in surplus	753.9	58.5
Translation reserve	(8.6)	(8.6)
Other reserves	53.9	405.4
Retained earnings	60.2	121.5
<b>Total equity</b>	<b>864.3</b>	<b>578.1</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	6.0	6.0
Deferred tax liabilities	1.3	1.3
Provisions	21.9	–
Derivative financial instruments	0.7	–
	<b>29.9</b>	<b>7.3</b>
<b>Current liabilities</b>		
Trade and other liabilities	275.5	111.8
Derivative financial instruments	1.0	–
Current tax liabilities	4.6	2.4
Borrowings	101.2	35.1
Lease liabilities	20.4	2.7
Provisions	14.2	2.4
Construction contracts – liabilities	41.6	27.2
	<b>458.5</b>	<b>181.6</b>
<b>Total liabilities</b>	<b>488.4</b>	<b>188.9</b>
<b>Total equity and liabilities</b>	<b>1,352.7</b>	<b>767.0</b>

**Seaway 7 ASA**Condensed Consolidated Statement of Changes in Equity  
For the year ended 31 December 2021

(in \$ millions)	Issued share capital	Paid in surplus	Translation reserve	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2021</b>	<b>1.3</b>	<b>58.5</b>	<b>(8.6)</b>	<b>405.4</b>	<b>121.5</b>	<b>578.1</b>
<b>Comprehensive loss</b>						
Net loss	–	–	–	–	(62.5)	(62.5)
Fair value adjustment of other financial assets	–	–	–	1.2	–	1.2
<b>Total comprehensive loss</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.2</b>	<b>(62.5)</b>	<b>(61.3)</b>
<b>Transactions with owners</b>						
Share issuance	3.6	695.4	–	(351.5)	–	347.5
Transfer on disposal of other financial assets	–	–	–	(1.2)	1.2	–
<b>Total transactions with owners</b>	<b>3.6</b>	<b>695.4</b>	<b>–</b>	<b>(352.7)</b>	<b>1.2</b>	<b>347.5</b>
<b>Balance at 31 December 2021</b>	<b>4.9</b>	<b>753.9</b>	<b>(8.6)</b>	<b>53.9</b>	<b>60.2</b>	<b>864.3</b>

**Seaway 7 ASA**Condensed Consolidated Statement of Changes in Equity  
For the year ended 31 December 2020

(in \$ millions)	Issued share capital	Paid in surplus	Translation reserve	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2020</b>	<b>1.3</b>	<b>58.5</b>	<b>(13.8)</b>	<b>404.9</b>	<b>171.5</b>	<b>622.4</b>
<b>Comprehensive loss</b>						
Net loss	–	–	–	–	(49.5)	(49.5)
Net foreign currency translation gains	–	–	5.2	–	–	5.2
<b>Total comprehensive loss</b>	<b>–</b>	<b>–</b>	<b>5.2</b>	<b>–</b>	<b>(49.5)</b>	<b>(44.3)</b>
<b>Transactions with owners</b>						
Reclassification of deferred tax on defined benefit pension schemes	–	–	–	0.5	(0.5)	–
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.5</b>	<b>(0.5)</b>	<b>–</b>
<b>Balance at 31 December 2020</b>	<b>1.3</b>	<b>58.5</b>	<b>(8.6)</b>	<b>405.4</b>	<b>121.5</b>	<b>578.1</b>

**Seaway 7 ASA**

## Condensed Consolidated Cash Flow Statement

For the year ended (in \$ millions)	Year Ended	
	31 Dec 2021 Audited	31 Dec 2020 Audited
<b>Cash flow from operating activities:</b>		
Loss before taxes	(48.1)	(44.4)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	53.1	46.8
Amortisation of right-of-use assets	10.2	4.5
Adjustments for investing and financing items:		
Net gain on disposal of property, plant and equipment	(0.1)	–
Finance income	–	(0.1)
Finance costs	4.8	5.5
	<b>19.9</b>	<b>12.3</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in inventories	(0.2)	0.2
Increase in operating receivables	(135.6)	(60.5)
Increase in operating liabilities	158.8	46.7
	<b>23.0</b>	<b>(13.6)</b>
Income taxes paid	(4.3)	(1.7)
<b>Net cash generated/(used) from operating activities</b>	<b>38.6</b>	<b>(3.0)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(52.9)	(17.0)
Interest received	–	0.1
Proceeds from sale of other financial assets	2.8	–
Cash from acquisition of businesses (net of cash acquired)	12.1	–
<b>Net cash used in investing activities</b>	<b>(38.0)</b>	<b>(16.9)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(3.9)	(5.5)
Payments related to lease liabilities	(10.0)	(4.0)
Short-term loan from related party	29.1	32.9
<b>Net cash generated from financing activities</b>	<b>15.2</b>	<b>23.4</b>
Net increase in cash and cash equivalents	15.8	3.5
Cash and cash equivalents at beginning of year	7.7	5.1
Increase in restricted cash	(1.3)	–
Effect of foreign exchange rate movements on cash and cash equivalents	(0.2)	(0.9)
<b>Cash and cash equivalents at end of year</b>	<b>22.0</b>	<b>7.7</b>

### 1. General information

Seaway 7 ASA is a company registered in Norway whose shares trade on the Oslo Stock Exchanges' marketplace, Euronext Growth (Merkur Market). The address of the registered office is Haakon VII's Gate 1, 11<sup>th</sup> Floor Oslo, 0161 Norway. On 1 October 2021 OHT ASA changed its name to Seaway 7 ASA. The Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors on 2 March 2022.

### 2. Basis of preparation

The Condensed Consolidated Financial Statements for the period from 1 January 2021 to 31 December 2021 for Seaway 7 ASA 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 are unaudited.

#### Agreement to combine the Subsea 7 S.A. Group's Fixed Offshore Wind Business with OHT ASA

On 8 July 2021 Seaway 7 ASA (formerly named OHT ASA), announced it had entered into an agreement to combine with the Subsea 7 S.A. Group's Renewables business unit (consisting of the Subsea 7 S.A. Group's fixed offshore wind business), the transaction was completed on 1 October 2021. The business combination met the criteria to be treated as a reverse acquisition with the deemed accounting acquirer being the Subsea 7 S.A. Group's Renewables business unit. The transaction resulted in the recognition of goodwill of \$70.0 million in Seaway 7 ASA's Consolidated Balance Sheet at the date of the transaction.

As a result of the business combination, Seaway 7 ASA became a global leader in the delivery of fixed offshore wind farm solutions. The Group offers specialist foundation, offshore substation, submarine cable and wind turbine installation services and heavy transportation for the offshore renewables market.

#### Preparation of carve-out financial statements and reverse acquisition considerations

In accordance with IFRS 3 'Business Combinations' (IFRS 3), a reverse acquisition occurs when the entity that issues securities in relation to the business combination is identified as the acquiree for accounting purposes. After considering the relative size of the combining entities and other facts and circumstances, such as the composition of the Board of Directors, management concluded that the business combination qualified as a reverse acquisition and the application of IFRS 3 resulted in the Subsea 7 S.A. Group's Renewables business unit being deemed to be the accounting acquirer, with the former OHT ASA Group being deemed to be the accounting acquiree. The legal acquirer, and legal parent, is Seaway 7 ASA (formerly named OHT ASA). The recognition and measurement principles of IFRS 3 were applied to the recognisable assets and liabilities of the acquiree, the former OHT ASA Group, at the date of the business combination.

The Consolidated Financial Statements of the Group are issued in the name of the legal parent, Seaway 7 ASA (formerly OHT ASA). The Consolidated Financial Statements of Seaway 7 ASA are a continuation of the financial statements of the Subsea 7 S.A. Group's Renewables business unit with share capital retrospectively adjusted to reflect the share capital of the former OHT ASA Group, as legal acquirer.

Consolidated Financial Statements had not previously been prepared for the Subsea 7 S.A. Group's Renewables business unit, and as a result management has prepared Consolidated Financial Statements for Seaway 7 ASA on the following basis:

- For the nine-month period ended 30 September 2021 and for the year ended 31 December 2020 ('the carve-out periods'), financial information represents the results and financial position of the Subsea 7 S.A. Group's Renewables business unit;
- For the three-month period ended 31 December 2021 financial information represents the Consolidated Financial Statements of Seaway 7 ASA and its subsidiaries.

The financial information for the carve-out periods represents the financial performance of Subsea 7 S.A. Group's Renewables business unit with adjustments made to eliminate intragroup transactions. The preparation of the carve-out financial information required significant management judgements as described below:

- *Allocation of corporate costs* – for the carve-out periods, costs allocated to the Subsea 7 S.A. Group's Renewables business unit, as presented in the Subsea 7 S.A. Group's segmental reporting, have been recognised in the carve-out financial statements using the methodology applied by Subsea 7 S.A. Group for the purposes of its segmental reporting. From 1 October 2021 all charges related to services provided by Subsea 7 S.A. Group to Seaway 7, and vice versa, were agreed on an arm's length basis;
- *Transfer of historical purchase price adjustments* – the acquisition of Seaway Heavy Lifting Holding Limited by Subsea 7 S.A. Group in 2017, resulted in purchase price allocation adjustments being recognised in the segmental results of the Subsea 7 S.A. Group's Renewables business unit. These adjustments have been included in the carve-out financial information. The Group recognised the carrying amount of these adjustments in its Consolidated Financial Statements and the associated depreciation charges;
- *Vessels and equipment* – carrying amounts, and the associated depreciation charges and running costs, associated with vessels and equipment allocated to the Subsea 7 S.A. Group's Renewables business unit segmental results have been included in the carve-out financial statements. These vessels and equipment were owned by Subsea 7 S.A. Group entities during the carve-out periods and were contributed to Seaway 7 ASA on 1 October 2021 as part of the business combination;
- *Finance income and finance costs* – the carve-out financial statements include finance income and finance costs related to the legal entities principally comprising the Subsea 7 S.A. Group's Renewables business unit during the carve-out periods. From 1 October 2021, finance income and finance costs in the Group's Consolidated Financial Statements are for Seaway 7 ASA and its subsidiaries.
- *Employee benefits* – the financial statements for the carve-out periods include employee benefits and associated costs for personnel employed by the legal entities principally comprising the Subsea 7 S.A. Group's Renewable business unit during the carve-out periods. From 1 October 2021, employee benefits and associated costs recognised in the Group's Consolidated Financial Statements are for Seaway 7 ASA and its subsidiaries.
- *Taxation* – the financial statements for the carve-out periods include management's estimates of the taxation charges/(credits) applied to the result of the Subsea 7 S.A. Group's Renewables business unit. From 1 October 2021 the

## Notes to the Condensed Consolidated Financial Statements

taxation charge/(credit) recognised in the Group's Consolidated Financial Statements relate to Seaway 7 ASA and its subsidiaries.

- *Equity* – share capital and paid-in-surplus have been retrospectively adjusted to reflect the share capital of the former OHT ASA Group, as legal acquirer. The movement within equity, representing the aggregation of the share capital and paid in surplus of the Subsea 7 S.A. Group's Renewables business unit wholly-owned subsidiaries, was recognised within the reverse acquisition reserve, included within other reserves on the Consolidated Balance Sheet.

From the period from 1 October 2021 to 31 December 2021 the Consolidated Financial Statements of Seaway 7 ASA represent the results and financial position of Seaway 7 ASA and its subsidiaries.

### Covid-19 pandemic

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 2021 to monitor the operational and financial impacts to the Group. Despite the uncertainty regarding the potential impacts of the Covid-19 pandemic 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.

## 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 of the Group's ultimate parent company, Subsea 7 S.A. for the year ended 31 December 2020. The Condensed Consolidated Financial Statements of Seaway 7 ASA are prepared on a carve out basis as explained in Note 2 'Basis of preparation'.

No new International Financial Reporting Standards (IFRSs) were adopted by the Group for the financial year beginning 1 January 2021. Amendments to existing IFRSs, issued with an effective date of 1 January 2021 but not yet endorsed by the EU, will be adopted by the Group following their adoption by the EU.

## 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 of the Group's ultimate parent company, Subsea 7 S.A. for the year ended 31 December 2020, 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 of the Group's ultimate parent company, Subsea 7 S.A. for the year ended 31 December 2020:

- Revenue recognition on long-term construction contracts
- Revenue recognition on variation orders and claims
- Goodwill carrying amount
- Property, plant and equipment
- Recognition of provisions and disclosure of contingent liabilities
- Taxation

## 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 has one reportable segment. The chief operating decision maker (CODM) reviews internal financial information for the Group as a single economic environment, operating predominately in the offshore renewables sector. Factors such as geographical areas or regulatory environments are not used by the CODM for determining resource allocation or for assessing performance.

The disaggregation of the Group's revenue from contracts with customers, all recognised over time, represents \$1,259.8 million fixed-price (2020: \$630.3 million) and \$0.2 million day-rate (2020: \$1.1 million).

## 7. Earnings per share

### Basic and diluted earnings per share

Basic and diluted earnings per share has been calculated by dividing the net loss attributable to shareholders of the parent company, by the weighted average number of shares in issuance.

As a result of the business combination between Subsea 7 S.A. Group's Renewables business unit and OHT ASA qualifying as a reverse acquisition, the weighted average number of shares used in the calculation is based on 314,325,054 shares for the nine-month period ended 30 September 2021, and for the full year 2020, and 436,562,575 shares for the three-month period ended 31 December 2021.

Diluted earnings per share assumes 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:

For the period (in \$ millions)	Three months ended		Year Ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
<b>Earnings used in the calculation of diluted earnings/(loss) per share</b>	<b>6.6</b>	(4.0)	<b>(62.5)</b>	(49.5)
<b>Weighted average number of common shares used in the calculation of basic and diluted earnings/(loss) per share</b>	<b>436,562,575</b>	314,325,054	<b>344,884,434</b>	314,325,054

For the period (in \$ per share)	Three months ended		Year ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
Basic earnings/(loss) per share	<b>0.02</b>	(0.01)	<b>(0.18)</b>	(0.16)
Diluted earnings/(loss) per share	<b>0.02</b>	(0.01)	<b>(0.18)</b>	(0.16)

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:

For the period (number of shares)	Three months ended		Year Ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
Performance shares	<b>1,018,935</b>	-	<b>1,018,935</b>	-

## 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, finance income, other gains and losses (including foreign exchange gains and losses, gains on disposal of subsidiaries and gains on distributions), 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.

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, taxation and other gains and losses in 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 Seaway 7's peer group and therefore believes it to be a helpful calculation for those evaluating companies within Seaway 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.



## Notes to the Condensed Consolidated Financial Statements

Reconciliation of net operating income/(loss) to Adjusted EBITDA and Adjusted EBITDA margin:

For the period (in \$ millions)	Three months ended		Year Ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
Net operating income/(loss)	8.1	(1.5)	(38.9)	(39.7)
Depreciation, amortisation and mobilisation	21.9	12.8	63.3	51.3
Adjusted EBITDA	30.0	11.3	24.4	11.6
Revenue	326.3	233.9	1,260.0	631.4
Adjusted EBITDA margin	9.2%	4.8%	1.9%	1.8%

Reconciliation of net income/(loss) to Adjusted EBITDA and Adjusted EBITDA margin:

For the period (in \$ millions)	Three months ended		Year Ended	
	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	31 Dec 2021 Audited	31 Dec 2020 Audited
Net income/(loss)	6.6	(4.0)	(62.5)	(49.5)
Depreciation, amortisation and mobilisation	21.9	12.8	63.3	51.3
Finance income	–	(0.1)	–	(0.1)
Other gains and losses	(1.6)	(1.4)	4.4	(0.7)
Finance costs	0.3	1.5	4.8	5.5
Taxation	2.8	2.5	14.4	5.1
Adjusted EBITDA	30.0	11.3	24.4	11.6
Revenue	326.3	233.9	1,260.0	631.4
Adjusted EBITDA margin	9.2%	4.8%	1.9%	1.8%

### 9. Goodwill

The movement in goodwill during the year was as follows:

(in \$ millions)	Year Ended	
	31 Dec 2021 Audited	31 Dec 2020 Audited
At year beginning	–	–
Acquired in business combination	70.0	–
<b>At year end</b>	<b>70.0</b>	<b>–</b>

On 8 July 2021 Seaway 7 ASA (formerly named OHT ASA), announced it had entered into an agreement to combine with the Subsea 7 S.A. Group's Renewables business unit (consisting of the Subsea 7 S.A. Group's fixed offshore wind business). The transaction was completed on 1 October 2021. The business combination met the criteria to be treated as a reverse acquisition with the deemed accounting acquirer being the Subsea 7 S.A. Group's Renewables business unit. The transaction resulted in the recognition of goodwill of \$70.0 million in Seaway 7 ASA's Consolidated Balance Sheet at the date of the transaction.

#### Provisional fair values

The provisional fair values of the acquired identifiable assets and assumed liabilities at 1 October 2021 are shown below. This table includes fair value adjustments recognised in accordance with IFRS 3 'Business combinations' which reflect conditions existing at the date of the transaction. A downward fair value adjustment of \$32.3 million was applied to the acquired net assets resulting from an onerous fixed-price contract provision existing at the date of the business combination. As a result of supplier delays, the final installation, testing and commissioning of the equipment for the upending and lowering of monopiles, resulted in delays to the construction of *Seaway Alfa Lift*. The use of an alternative vessel has resulted in the recognition of an onerous fixed-price contract provision.

Stamp duty and other expenses incurred in connection with the acquisition have been accounted for separately and recorded within administrative expenses in the Group's Consolidated Income Statement.

(in \$ millions)	At 1 October 2021
<b>Assets</b>	
Property, plant and equipment	291.7
Right-of-use assets	3.0
Inventories	4.6
Trade and other receivables	10.3
Construction contracts – assets	8.9
Cash and cash equivalents	12.1
	<b>330.6</b>
<b>Liabilities</b>	
Trade and other liabilities	3.6

## Notes to the Condensed Consolidated Financial Statements continued

Derivative financial instruments	1.0
Borrowings	37.0
Lease liabilities	3.3
Construction contracts – liabilities	46.3
Provisions	32.3
	<b>123.5</b>
Identifiable net assets at fair value	207.1
Goodwill arising on acquisition	70.0
	<b>277.1</b>
<b>Consideration comprised</b>	
Share-based consideration	277.1
<b>Total consideration</b>	<b>277.1</b>

### 10. Commitments and contingent liabilities

#### Commitments

At 31 December 2021, the Group had contractual commitments totalling \$360.6 million, including commitments related to *Seaway Alfa Lift*, an offshore wind foundation installation vessel, and *Seaway Ventus*, an offshore wind turbine installation 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.

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

### 11. 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

The fair value of borrowings 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 2021 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)	2021 31 Dec Level 1	2021 31 Dec Level 2	2021 31 Dec Level 3	2020 31 Dec Level 1	2020 31 Dec Level 2	2020 31 Dec Level 3
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#### Recurring fair value measurements

Financial assets measured at fair value through profit or loss:

Derivative financial instruments	–	2.3	–	–	–	–
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Financial liabilities measured at fair value through profit or loss:

## Notes to the Condensed Consolidated Financial Statements

Derivative financial instruments	-	(1.7)	-	-	-	-
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During the period ended 31 December 2021 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.

#### 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.

## 12. Post balance sheet events

On 18 January 2022, the Group repaid in full the amount outstanding under the revolving credit facility of \$37.0 million.