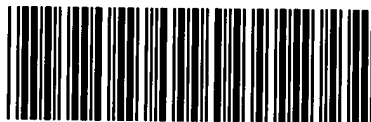


XODUS GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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XODUS GROUP LIMITED

DIRECTORS AND OTHER INFORMATION

Directors: G Davidson (Appointed 1 September 2025)
G C Sharland
S K Swindell

Registered Office: 5th Floor Capitol Building
429-431 Union Street
Aberdeen
United Kingdom
AB11 6DA

Registered Number: SC286421

Independent auditor: Ernst & Young LLP
4th Floor,
2 Marischal Square,
Broad Street,
Aberdeen,
AB10 1BL

Company secretary: T A Hart (Resigned 1 September 2025)
C M Massey (Appointed 1 September 2025)

XODUS GROUP LIMITED

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XODUS GROUP LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for Xodus Group Limited ("the Company") for the year ended 31 December 2024. This report is specific to the Company and not the wider Xodus Group or the wider Subsea 7 S.A. group. The results for the Subsea 7 S.A. group are contained within the Annual Report and Consolidated Financial Statements of Subsea 7 S.A. which can be found at www.subsea7.com.

Review of the business

The principal activity of the Company is the provision of consultancy services to the energy sector including services in the oil and gas, renewable energy, and environmental business areas. The Company primarily operates in the UK, Europe and the Middle East but also has some activity worldwide. The Company is also an intermediate holding company within the Xodus Group, comprising Xodus Group Holdings Limited and its subsidiaries, and controls the operating results of the entire group of Xodus operating companies including entities in Australia, UAE, Japan, Malaysia and the United States of America.

Despite our efforts to mitigate the impact of external economic factors, we have recorded a loss of £722,000 (2023: loss £596,000). This result is primarily due to delays in market conditions, especially in the Renewables sector. Additionally, with the support of the shareholders, the Company has continued its plans to invest in broadening capability throughout the Energy Transition market and increasing capacity across the business. We are confident that these investments will position the company for a stronger financial performance in the coming years. The Company also continues to invest in a number of equity, diversity and inclusion initiatives. The directors do not recommend payment of a dividend in the current year (2023: £nil).

Section 172 (1) statement

The Section 172(1) statement has been included within the Directors' Report. The full statement can be found on page 8.

Streamlined Energy and Carbon Reporting

The report can be found on page 4.

Key performance indicators

Under s414c of the Companies Act 2006, the Directors are required to disclose the Company's financial and non-financial key performance indicators.

The key financial and other performance indicators of the Company during the year and the prior year were as follows:

	2024 £'000	2023 £'000
Turnover	46,926	48,171
Loss after taxation	(722)	(596)
Net assets	11,786	12,501

The Subsea 7 S.A. group, manages its operations at a segmental and geographical level. For these reasons, the Directors believe that disclosure of further key performance indicators for the Company is not necessary or appropriate for a complete understanding of the development, performance or position of the business. The performance of the Group, which includes this Company, is discussed in the Annual Report of the ultimate parent undertaking, Subsea 7 S. A.

The Directors are satisfied with the performance and results of the Company for the year.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company is subject to management processes applicable to the entire Group. The Group's risk management programme seeks to limit the adverse effects of these factors on the financial performance of group companies. Information on how the risks specific to the Company arise are set out below, as are the objectives, policies and processes for their management and the methods used to measure each risk.

XODUS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

The key business risks and uncertainties affecting the Company include:

Investment risk

The financial position and performance of the Company is considered to relate to the value of investments which in turn relates to the trading position and the results of certain subsidiary undertakings, their ability to make dividend payments, and to repay amounts due to the Company. The Company monitors the financial position and performance of all subsidiaries and records impairments against investments and receivables where appropriate. Where necessary, actions would be taken to assist subsidiaries including recapitalisation or the provision of financial support if this is deemed to be in the best interests of the Company and the Group.

Economic risk

The financial strength and the economic viability of the Company's client's projects can be impacted by the fluctuation of energy prices and energy mix, which can be driven by global demand, political conditions, technological development or climate considerations. These, as well as other variable factors, determine the Company's level of activity in the sectors in which it operates, and are outside the Company's control but can have a direct impact on the operational and financial performance of the Company. Any significant change in the level, timing or nature of clients' expenditure plans could adversely impact the Company's order intake, financial performance, position and prospects. These factors may result in reduced levels of activity across certain parts of the Company's business but, conversely, lead to a higher concentration of work activity across fewer countries and with fewer clients, exposing the Company to certain aggregation risks which may materialise by way of significant change to those countries' political strategy or regulatory regime or from an interruption in the client's planned activities. As part of the Company's, and wider Group's, commitment to proactively participate in the energy transition, it combines many years of experience in offshore project execution a modern and an agile fleet to support the needs of its clients. Focusing on lower carbon-intensity oil and gas developments, places the Company in a stronger market position to select projects with attractive commercial terms while also balancing a manageable geographical spread.

The Company closely monitors market activity and collaborates with clients to understand their future project and expenditure plans. Early engagement in the design phase of an energy project enables the Company to better assess the risks and opportunities and the economic implications of projects as they progress towards construction. Following contract award, the Company can implement cost-reduction measures to adapt the projects to market conditions and work within the terms of the contracts to mitigate the effect of client-led changes to project schedules or work scopes. The Company has trialled alternative fuels on various vessels across the fleet and is positioned to make a change once alternative fuels are available globally and at a commercial scale.

The financial strength and solvency of the Company's clients and suppliers is a specific area of focus before entering into contracts. The Company has successfully managed its cost base and continues to look for ways to improve efficiency and delivery through the implementation of digitalisation and standardisation. A potential increase in demand is managed through supplementing the fleet with the use of third-party vessels. Beyond the fleet, the Company engages with key stakeholders to explain the Company's, as part of the Group's, approach and initiatives on energy transition, climate change and to ensure it maintains long-term alignment on economic activities. The Company also work with clients and suppliers to ensure that risk on pricing and availability is addressed through contractual measures.

The Company seeks to diversify selectively into new markets, including emerging energies markets, and has a diverse portfolio of projects, which allows an element of mitigation across its global markets.

Competition risk

The Company faces competition to win a sufficient level of contracts to assure a sustainable backlog of future work. This competition may result in pricing pressures or a change to a contractor's risk profile, as competitors strive to win contracts and secure work. This may have an adverse impact on the Company's financial performance and position. The Company's experience and resources, in particular its people, versatile modern fleet and proprietary technology offerings, help it to respond effectively to challenges from competitors. A further differentiator is both the Company and Group's ability to partner with clients and form alliances with other energy companies to offer packaged solutions and to contribute to the early development stages of projects, as well as offering cost-effective and efficient technical solutions.

XODUS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Compliance and ethics risk

The Company is committed to conducting business in a legal and ethical manner. However, there is a risk that its employees, representatives or other persons may take actions that breach the Company's Code of Conduct or applicable laws, including but not limited to anti-bribery and anti-corruption laws. Any such breach could result in monetary penalties, convictions, debarment and damage to the Company's reputation and could therefore impact its ability to do business.

Integrity is one of the Group's core values and the Group also has an Ethics Policy Statement and Code of Conduct, which clearly sets out the behaviours expected of its employees and those who work for it. The Group has a compliance and ethics programme underpinned by its values and designed in accordance with international best practice to embed the Code of Conduct and to prevent bribery and corruption. The programme includes financial controls, supply chain management procedures, and procedures for managing third party risks. Mandatory annual compliance and ethics e-learning for employees raises awareness, highlights the whole range of consequences and encourages compliance. A committee comprising members of the Group's Executive Management Team sets objectives for the implementation of the compliance and ethics programme and monitors progress. The Group has engaged an independent third party assurance provider to benchmark the compliance and ethics programme against best practice including International Standard ISO 37001-2016.

Information technology and security risk

The Company's operations depend on the availability and security of a number of key information technology (IT) systems. These systems could be disrupted or compromised by a general IT failure or cybercrime risks including, but not limited to:

- Unauthorised system access;
- Malware (including computer viruses);
- Theft and misappropriation of data and sensitive information;
- Targeted fraud attacks;
- Data management and non-compliance with legislation such as the EU General Data Protection Regulation (GDPR);
- Increasing use of IT to interconnect with multiple stakeholders and the possibility of such interconnectivity being disrupted to their detriment;
- Denial of access to or utilisation of assets with the risk of a potential loss or damage event; and
- Emerging threats, including advanced attacker tactics and techniques, and the use of social media and Artificial Intelligence.

Such breaches in IT security could adversely impact the Group and Company's ability to maintain ongoing business operations and lead to financial and asset loss, reputational damage, potential physical harm, loss of client and shareholder confidence and could result in regulatory breach and subsequent penalties.

The Group recognises the increased incidence of cyber security threats and continually reviews its policies, procedures and defences to mitigate associated risks, engaging market-leading specialists where appropriate. The Group has a number of IT policies, including a policy on information security, designed to protect its systems and ensure availability and integrity as well as combating attempted fraud. These policies are regularly reviewed to ensure they continue to address existing and emerging information security, cyber maritime and cybercrime risks as well as GDPR. Mandatory internal e-learning courses are used to raise awareness among employees of IT security risks and of the Group's procedures to manage them. The Group's Executive Vice President of Projects & Operations has responsibility for ensuring the setting and implementation of the Group's cybersecurity strategy. This is reported through the Executive Risk Committee, which reports to the Group's Chief Executive Officer on all matters of risk, and to the Subsea 7 S.A. Board of Directors on a six-monthly basis. A member of the Board is identified as the Board's focal point for cybersecurity.

XODUS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Geographic risk

The Company operates primarily in the United Kingdom but also has operations in several countries worldwide, each with specific political, economic and social characteristics which can give rise to various risks and uncertainties that can, on occasion, adversely impact project execution and financial performance, including but not limited to:

- Economic instability;
- Legal, fiscal and regulatory uncertainty and change;
- Sanctions and export controls;
- Onerous local content obligations;
- Civil or political unrest, including war; and
- Regime change.

Country or regional risks are identified and evaluated before and during operations in such markets. Appropriate risk responses are developed and implemented to mitigate the likelihood and impact of identified risks. The Group adopts a proactive and rigorous approach to assessing and mitigating these risks and, where possible, looks to develop local or regional management teams to strengthen its knowledge of, and presence in, the countries of operation.

Credit risk

Financial instruments which potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade receivables. Cash and cash equivalents, primarily composed of deposits and investments, are maintained with group treasury functions and/or a number of major financial institutions in regions which the Company operates. Counterparties are either group undertakings or banks with high credit-ratings assigned by international credit rating agencies. In relation to trade receivables, exposure to credit risk is influenced by the individual characteristics of each client. Counterparty limits are reviewed and approved annually and the Company performs on-going credit evaluations utilising both historical and forward-looking information.

Cash flow and liquidity risk

The Company's working capital position is affected by the timing of contract cash flows where the timing of receipts from clients may not necessarily match the timing of payments made to suppliers. In rare instances clients may request specific payment terms such as extended payment terms or payment deferrals which can negatively impact the cash flow profile of projects. The availability of short-term and long-term financing may be required to meet obligations as they fall due. In the event that such financing was to be unavailable or withdrawn, the Company's activities would be significantly constrained.

The Company works to mitigate client payment deferral request risks through its contract terms. In addition, the Company continuously assesses the creditworthiness of its client and supplier base. The Company is part of the Group's centralised financing arrangements which, through committed banking facilities, seeks to meet the core financing and working capital requirements of all group companies. The Group has access to committed external facilities and other sources of external finance which can be made available to the Company as required. The Company has access to these sources of funding through a working capital facility provided by a fellow group company.

Climate risk

The Group and the Company are committed to delivering onshore and offshore solutions to meet the needs of clients as well as the Group's own strategy that supports sustainable energy sources. With a committed strategy to facilitating the transition towards lower-carbon and renewable energy sources. The Group and the Company are also focused on climate change and meeting the Group's own targets to reduce Scope 1 and 2 emissions and proactively participating in the energy transition in a safe, ethical and responsible manner. This is supported in part through investment in new technologies, innovative programmes and industry sector diversification that reduce both the Group's and its clients' carbon emissions. Furthermore, the Group has an environmental management system that will underpin and consolidate its efforts to meet its targets and expectations.

XODUS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Climate Risk (continued)

The Group and the Company recognise the impacts of climate change and the potential effect on its business, markets and society and acknowledges the risks and potential effects on the business's future associated with not taking steps to mitigate its impact. These risks include:

- Operational and financial risks relating to the effect of climate change, for example, the availability of sufficient volumes of alternative fuel that are commercially viable and can be sourced globally to support the goal of reducing Scope 1 and 2 emissions;
- emerging regulation leading to increased costs due to changes in GHG legislation including carbon taxes and emission schemes;
- regulation and supervision of climate-related risks in the financial sector, which could lead to challenges in accessing financial capital; and
- The availability to keep pace with the timescale required to provide emerging energies in a sustainable and cost-efficient way.

Group, and Company, risks are identified and evaluated before and throughout business operations, and appropriate risk responses are developed and implemented to mitigate the likelihood and impact of short and medium-term risks.

In 2024, the Group's sustainability targets and corporate disclosures are included in the Annual Report of Subsea 7 S.A. which can be found at www.subsea7.com. Detailed information of how sustainability and climate related impacts, risks and opportunities are shown on pages 64 to 121, along with details of how these areas help shape the Group's strategy.

Technological innovation

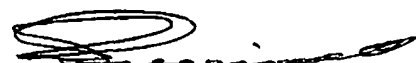
The Company's clients seek cost effective solutions to develop energy resources, particularly in deep waters and challenging offshore environments, to enhance the full field lifecycle. The Company's experience of designing and executing projects across the globe helps create sustainable value by delivering offshore energy transition solutions. To make this possible the Company differentiates itself by focusing on early engagement and system innovation, collaboration and partnerships, integrated services, sustainable delivery, digital solutions, and enabling products. Any failure by the Company to anticipate or respond appropriately to any of these elements could adversely affect the Group's ability to compete effectively for, and win, new work or achieve its targets and objectives of making possible the delivery of offshore energy for today and tomorrow.

The Group's and Company's ambition for proactive participation in the energy transition is focused through two key areas: the continuous evolution of oil and gas, and renewables and emerging energies. Technology advancements are key to progressing in these areas, where the risks include investing in or developing technology for one or multiple areas identified which becomes superseded or immediately obsolete. Introducing technology, systems or products that are insufficiently mature or unsatisfactorily implemented when selected by a client as a valid solution could have an adverse reputational and financial impact for the Company.

The Group and Company monitor industry trends and collaborates with clients to understand their technology requirements. This allows the Group and Company to effectively invest in developing differentiated and cost effective technologies to meet current and anticipated demand. In developing new technologies, systems and products the risks associated with selecting and pursuing appropriate technological solutions, technical completion, commercialisation and successful implementation are carefully considered and addressed through adherence to industry engineering standards and codes, technical readiness levels and contractual gate controls operated by knowledgeable and experienced personnel.

In the opinion of the Directors, the Company is well placed to successfully manage the principal risks and uncertainties.

On behalf of the Board



Stephen Swindell
Director

26 September 2025

XODUS GROUP LIMITED

STREAMLINED ENERGY AND CARBON REPORT

The Directors present their Streamlined Energy and Carbon report for the year ended 31 December 2024. This report represents the annual greenhouse gas (GHG) emissions for the Company's UK operations for the calendar year 2024. This report is a quantification of the amount of GHG emissions that can be directly attributed to the organisation's operations within the declared boundary and for the year to 31 December 2024.

As the Company is an active participant in the United Nations (UN) Global Compact, Xodus commits to making a meaningful contribution to the UN Sustainable Development Goals (SDGs). The Company is taking urgent action to combat climate change and its impacts, including revisions to Company policies and procedures in order to implement actions aimed at reducing GHG emissions to align with global commitments.

During 2021, the Company eliminated Scope 1 emissions, committed to maintaining zero scope 1 emissions, committed to renewable energy tariffs for all UK offices, and implemented policies to actively encourage videoconferencing in lieu of inter-site travelling. During 2024 the Company continued to implement and promote policies to further these commitments and continued to take actions designed to improve energy efficiency. The Company paid to offset all carbon emissions via an independent third-party provider in 2023 and will do the same for 2024.

Methodology

This report and the calculations used for these disclosures were produced in accordance with the 'GHG Reporting Protocol - Corporate Standard' methodology which aligns with the GHG Protocol, ISO 14064-1, and relevant government legislation and guidance for greenhouse gas emissions factors. The emissions were classified under the following categories:

- Direct GHG emissions (Scope 1): emissions from sources that are owned or controlled by the Company.
- Indirect GHG emissions (Scope 2): emissions from the generation of purchased electricity, heat and steam consumed by the Company.
- Indirect GHG emissions (Scope 3): emissions that occur as a consequence of the Company's activities but from sources not owned or controlled by the Company.

Operational boundaries

Definition of the operational boundaries began by identifying all GHG sources that the Company should include in its inventory. The Corporate Carbon Footprint for the Company has been developed by setting the boundary of assessment as defined by the areas that the Company has direct control over which are considered Scope 1 and 2 emissions. At this stage, Xodus has accounted for:

- Scope 1 emissions (direct emissions): Company facilities, combusted fuel for heating and refrigerants utilised.
- Scope 2 emissions (indirect emissions): Purchased electricity.
- Partially account for Scope 3 emissions (indirect emissions): Business travel and working from home

Other scope 3 emissions have been excluded on the grounds of immateriality or a lack of available data. The Company plans to take steps to implement processes and procedures to gather additional data for future periods.

Total Energy use

The total energy measured for the purposes of this report was 315,402 kWh (2023: 387,005 kWh).

Total Greenhouse Gas

The total greenhouse gas emissions (GHG) measured for the purposes of this report were 876 tonnes CO₂E (2023: 857 tonnes CO₂E). This included zero scope 1 emissions, 2 tonnes CO₂E (2023: 75 tonnes CO₂E) scope 2 emissions, 874 tonnes CO₂E (2023: 782 tonnes CO₂E) scope 3 emissions.

Energy Intensity ratio

The Company assesses its emissions using an intensity ratio based on full time equivalent (FTE) headcount. For 2024 emissions were 2.83 tonnes CO₂/FTE (2023: 2.34 tonnes CO₂/FTE).

XODUS GROUP LIMITED

DIRECTORS' REPORT

The Directors present their report for Xodus Group Limited (the "Company") for the year ended 31 December 2024. This report is specific to the Company and not the wider Subsea 7 S.A. group and Xodus Group. The results for the Subsea 7 S.A. group are contained within the Annual Report and Consolidated Financial Statements of Subsea 7 S.A. which can be found at www.subsea7.com.

Directors

The names of the directors are listed below. All held office throughout the year, unless otherwise stated:

G C Sharland
S K Swindell
G Davidson (Appointed 1 September 2025)

Existence of branches outside the UK

The Company has one registered branch outside the UK in Abu Dhabi, UAE.

Qualifying third-party indemnity provisions

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as of the date of approving the Directors' Report.

Principal activities

The principal activity of the Company is the provision of consultancy services to the energy sector including services in the oil and gas, renewable energy and environmental business areas. The Company primarily operates in the UK, Europe and the Middle East but also has some activity worldwide. The Company is also an intermediate holding company within the Xodus Group and controls other Xodus operating companies in Australia, Japan, Malaysia and the United States of America.

Results and performance

In the year ended 31 December 2024, the Company achieved turnover of £46,926,000 (2023: £48,171,000) and an operating profit of £75,000 (2023: operating loss £29,000). The loss for the year before taxation amounted to £917,000 (2023: loss £736,000). The Company's total comprehensive loss for the financial year of £722,000 (2023: loss £596,000) has been transferred to reserves.

In 2024, with the improving market conditions and increase in overall activity, with the support of shareholders, the business continued its growth strategy which commenced in 2019. The Company invested in a number of areas to build capability and capacity to help position the Company for future growth. This included continued investment in staff with specific skills and capabilities and investment in training and business development activities which in turn led to an increase in utilisation and increased profitability at a revenue and gross profit level.

Dividends

The Company does not have a formal dividend policy. Dividends are recommended based on a review of financial position and financial performance by the Directors. The Directors do not recommend the payment of a dividend.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Xodus group of companies. This is achieved through formal and informal meetings and the group intranet. The Group has a number of initiatives focused on diversity and inclusion and actively monitors KPIs including gender pay gap reporting.

Disabled persons

Application for employment by disabled persons is always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should as far as possible, be identical to that of a person who does not suffer from a disability.

XODUS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

Financial Instruments

The Company is part of the Subsea 7 S.A. group's centralised financing risk management arrangements and manages financial risks through internal risk reports which analyse exposures by degree and magnitude of risks. Where appropriate the Group's risk management programme seeks to limit the adverse effects of risks and seeks to minimise the effects of these risks by using a variety of financial instruments to hedge risk exposures. The Group reviews compliance with policies and exposure limits on a regular basis and it does not enter into or trade financial instruments for speculative purposes. The Company does not enter into financial instruments in order to manage foreign currency exposures.

Research and development

During 2024 the Company continued to invest in digital products and the development of software as part of the upgrading process for internal software systems. The associated costs expended in the year were £912,000 (2023: £684,000).

Future developments

The Company is well positioned to take advantage of future opportunities arising from the energy transition and rapid efforts to decarbonise energy markets. In recent years the oil and gas market has undergone a transformational period. Where possible the Company has responded with innovation (both in core services and the development of new capabilities and technologies) and reorganisation in order to drive down costs and find better, more efficient solutions. The Company is well positioned to build on its key strengths and experience and to act as a key partner for clients focused on both the energy transition and the growing renewable energy sector. Activity levels in 2025 are expected to be higher than in 2024 due to the continued expansion in renewables and activities associated with energy transition objectives of the Company, both geographically and in capabilities. The Directors expect that income will continue to be primarily generated from the same principal activities as in 2024.

Section 172(1) statement

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they have engaged with employees, how they have engaged with key stakeholders when considering principal decisions and how they have applied the matters set out in section 172(1)(a) to (f) of Companies Act 2006 whilst acting in good faith to promote the success of the Company for the benefit of its members as a whole.

Decision making processes

The Company is a member of the Subsea 7 S.A. Group. The Group follows formalised corporate governance, risk management and internal control processes which include, but are not limited to, the Ethics Policy Statement and the Group's Code of Conduct. These policies and procedures reflect the Group's commitment to its clients, shareholders, employees, and other stakeholders to conduct business legally and with integrity and honesty. They establish levels of risk which can be taken by the Group's business units, organised by region, country and by function, ensuring that all risks are reviewed and escalated to the appropriate management level within the Group, whilst respecting the separate legal entities through which decisions are ultimately taken and business transacted.

Principal decisions are defined as those which are material to the strategy of the Company, and which could have a significant impact on the Company's reputation or key stakeholders. Through the policies and procedures outlined above, ahead of such principal decisions being taken by the Company's Board of Directors, sufficient engagement is undertaken with the relevant management teams within the Group, thereby ensuring that the Board is suitably informed of the potential impact its decisions will have on its members as a whole.

Engagement with other stakeholders

The Company prioritises the need to consider the impact of its decisions on its stakeholders. As a holding company of operational subsidiaries, these include the stakeholders of its subsidiaries. The Company's other key stakeholders are considered to be, its shareholder, customers and suppliers including those of its subsidiary undertakings, the communities in which it and its subsidiaries operate, and other Subsea7 group undertakings.

The Directors of the Company acknowledge that the interests of the Company's various stakeholders may in some cases differ, depending on the decisions being considered. As such, there may not always be a positive outcome for each group. However, in line with the governance procedures of the Group, it is the Company's Board of Directors' consistent aim to promote the long-term success of the Company (and ultimately, therefore, that of its stakeholders).

XODUS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

Going Concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to risks are described in the Strategic Report.

The Company, as part of the wider Subsea 7 S.A. Group, is dependent on the Subsea 7 S.A. Group for the financing of continued investment and growth. A fellow group company, with access to adequate financial resources, has provided a Letter of Support to the Company. The Directors have considered the forecast cash flow of the Company, as part of the overall group cash flow projections, which, alongside committed financial support from the Subsea 7 S.A. Group, are considered to be sufficient to support continued trading operations for a period of 12 months from the date of signing the Financial Statements.

At 30 June 2025, the Group retained a strong cash position with cash and cash equivalents of \$413.3 million. Total borrowings at 30 June 2025 were \$661.0 million, in relation to the Group's South Korean Export Credit Agency and both UK Export Finance facilities. The Group's \$600.0 million multi-currency revolving credit and guarantee facility remained unutilised. The Group's borrowings and guarantee facilities contain financial covenants, including a maximum level of net debt to earnings before interest, tax, depreciation and amortisation. During the year ended 31 December 2024, all financial covenants were met and the Group expects to be able to comply with all financial covenants during 2025. The Group ended the period with order backlog of \$11.8 billion.

Management considers that the Group will generate sufficient cash flow and have access to adequate liquidity to support the assumption that the Group will continue as a going concern. Management has performed stress tests of future cash flow forecasts to evaluate the impact of severe but plausible downside scenarios. These include scenarios which reflect extended periods of low energy prices and potential operational-related issues which could adversely impact the Group. In all scenarios management identified no forecast breaches of banking covenants and demonstrated sufficient liquidity for the Group.

On 24 July 2025, Subsea 7 S.A., the ultimate parent company of the Group, and Saipem S.p.A. announced that they have entered into a binding merger agreement, confirming the terms of the combination of the two companies, following on from the signing of the memorandum of understanding on 23 February 2025. Completion of the proposed combination is anticipated to occur in the second half of 2026, subject to shareholder and regulatory approval. Additional details of the proposed combination can be found at www.subsea7.com.

The Directors consider that the going concern assumption remains appropriate for the Company. In forming that conclusion, the Directors have taken into consideration the potential completion of the proposed combination with Saipem S.p.A. The Directors 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 Company's ability to continue as a going concern.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;

XODUS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Responsibilities Statement (continued)

- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They have a general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 5. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

Ernst & Young LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on its behalf:



Stephen Swindell
Director
26 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XODUS GROUP LIMITED

Opinion

We have audited the Financial Statements of Xodus Group Limited for the year ended 31 December 2024 which comprise of the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the company's affairs as of 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XODUS GROUP LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 9 and 10, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XODUS GROUP LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

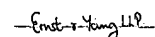
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, GDPR and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how it maintains and communicates its policies and procedures and corroborated responses by obtaining and reviewing supporting documentation. We also inspected correspondence with relevant external authorities.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by making enquiries with Management, including Subsea 7 S.A. Management, to understand and identify the internal policies and procedures related to the identification and monitoring of fraud risks. We considered the opportunity and incentives for the perpetration of fraud based on our understanding of the business.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing designed to identify unusual activity and lower testing thresholds applied to Financial Statement accounts with deemed higher risk of fraud. Transactions sampled were agreed to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



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Gordon Edwards (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen

29 September 2025

XODUS GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £'000	2023 £'000
Turnover	3	46,926	48,171
Cost of sales		(35,430)	(37,193)
Gross profit		11,496	10,978
Administrative expenses		(11,421)	(11,271)
Reversal of impairment in investments	12	-	264
Profit/(Loss) from operating activities		75	(29)
Interest payable and similar charges	8	(992)	(707)
Loss before tax		(917)	(736)
Tax on Loss	9	183	173
Loss for the financial year		(734)	(563)
Other comprehensive loss:			
Exchange differences on retranslation of foreign operations		12	(33)
Total comprehensive Loss for the year		(722)	(596)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

XODUS GROUP LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	2024 £'000	2023 £'000
Fixed Assets			
Intangible assets	10	2,580	2,301
Tangible Assets	11	796	1,029
Investments	12	1,518	1,518
		4,894	4,848
Current assets			
Debtors	13	25,312	25,584
Stocks		20	19
Deferred tax asset	9	366	353
Cash at bank and in hand		38	17
Total current assets		25,736	25,973
Creditors: amounts falling due within one year	14	(18,844)	(18,320)
Net Current Assets		6,892	7,653
Net assets		11,786	12,501
Capital and reserves			
Called up share capital	16	8,735	8,735
Share premium account		10,115	10,115
Other reserves		31,041	31,022
Profit and loss account		(38,105)	(37,371)
Shareholders' Funds		11,786	12,501

The Financial Statements were approved by the Board of Directors and authorised for issue on 26 September 2024 and were signed on its behalf by:



Stephen Swindell
Director

Company Registration No. SC286421

XODUS GROUP LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
As at 1 January 2023	8,735	10,115	(36,808)	30,962	13,004
Transactions with owners:					
Issue of share capital	-	-	-	-	-
Equity share based payments	-	-	-	-	-
Comprehensive Profit:					
Loss for the financial year	-	-	(563)	-	(563)
Movement in Equity share based payments	-	-	-	93	93
Exchange differences on retranslation of foreign operations	-	-	-	(33)	(33)
Total Comprehensive Profit	-	-	(563)	60	(503)
Balance at 31 December 2023	8,735	10,115	(37,371)	31,022	12,501
Transactions with owners:					
Issue of share capital (note 15)					
Equity share based payments					
Comprehensive Loss:					
Loss for the financial year	-	-	(734)	-	(734)
Movement in Equity share based payments	-	-	-	7	7
Exchange differences on retranslation of foreign operations	-	-	-	12	12
Total comprehensive Loss	-	-	(734)	19	(715)
Balance at 31 December 2024	8,735	10,115	(38,105)	31,041	11,786

The share premium reserve represents the premium arising on issue of equity shares, net of issue expenses. The profit and loss reserve represents cumulative losses.

The other reserves represents a £31,041,000 capital contribution from prior years arising from the forgiveness of amounts due to the immediate parent company, cumulative translation gains and losses arising on the retranslation of the Company's Abu Dhabi branch and reserves held in connection with equity settled share based payment schemes.

XODUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies

The particular accounting policies adopted are described below.

General information and basis of accounting

Xodus Group Limited (the 'Company') is a company limited by shares and incorporated in the UK under the Companies Act 2016 and is registered in Scotland. The registered office is 5th Floor Capitol Building, 429-431 Union Street, Aberdeen, United Kingdom, AB11 6DA. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 5.

The Financial Statements have been prepared under the historical cost convention and in accordance with FRS 102 'The Reporting Standard applicable in the UK and Republic of Ireland'. They are also prepared under the requirements of the Companies Act 2006.

The functional currency of Xodus Group Limited is considered to be pounds sterling, being the currency of the primary economic environment in which the Company operates. The Financial Statements are presented in pounds sterling and are rounded to the nearest £'000.

The Company is a wholly owned subsidiary of Xodus Group (Holdings) Limited. It is included in the consolidated Financial Statements of Subsea 7 S.A., which are publicly available (note 20). The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated Financial Statements. The Financial Statements therefore present information about the Company as an individual undertaking and not as a group.

Xodus Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following available exemptions in relation to certain disclosures on financial instruments:

- The requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d)
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c), as the information is provided in consolidated Financial Statements of Subsea 7 S.A.
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7
- from disclosing transactions between wholly-owned group companies per paragraph 33.1A of FRS 102.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to risks are described in the Strategic Report.

The Company, as part of the wider Subsea 7 S.A. Group, is dependent on the Subsea 7 S.A. Group for the financing of continued investment and growth. A fellow group company, with access to adequate financial resources, has provided a Letter of Support to the Company. The Directors have considered the forecast cash flow of the Company, as part of the overall group cash flow projections, which, alongside committed financial support from the Subsea 7 S.A. Group, are considered to be sufficient to support continued trading operations for a period of 12 months from the date of signing the Financial Statements.

At 30 June 2025, the Group retained a strong cash position with cash and cash equivalents of \$413.3 million. Total borrowings at 30 June 2025 were \$660.5 million, in relation to the Group's South Korean Export Credit Agency and both UK Export Finance facilities. The Group's \$600.0 million multi-currency revolving credit and guarantee facility remained unutilised. The Group's borrowings and guarantee facilities contain financial covenants, including a maximum level of net debt to earnings before interest, tax, depreciation and amortisation. During the year ended 31 December 2024, all financial covenants were met and the Group expects to be able to comply with all financial covenants during 2025. The Group ended the period with order backlog of \$11.8 billion.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****1. Accounting policies (continued)****Going concern (continued)**

Management considers that the Group will generate sufficient cash flow and have access to adequate liquidity to support the assumption that the Group will continue as a going concern. Management has performed stress tests of future cash flow forecasts to evaluate the impact of severe but plausible downside scenarios. These include scenarios which reflect extended periods of low energy prices and potential operational-related issues which could adversely impact the Group. In all scenarios management identified no forecast breaches of banking covenants and demonstrated sufficient liquidity for the Group.

On 24 July 2025, Subsea 7 S.A., the ultimate parent company of the Group, and Saipem S.p.A. announced that they have entered into a binding merger agreement, confirming the terms of the combination of the two companies, following on from the signing of the memorandum of understanding on 23 February 2025. Completion of the proposed combination is anticipated to occur in the second half of 2026, subject to shareholder and regulatory approval. Additional details of the proposed combination can be found at www.subsea7.com.

The Directors consider that the going concern assumption remains appropriate for the Company. In forming that conclusion, the Directors have taken into consideration the potential completion of the proposed combination with Saipem S.p.A. The Directors 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 Company's ability to continue as a going concern.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows:

Fixtures and fittings	3-10 years
Tenant's improvements	10 years, or the period of the lease if shorter
Computer equipment	2-3 years

Fixed asset investments

Investments in subsidiaries and joint ventures are recorded at cost less impairment. Provision for impairment is recognised when identified.

Intangible assets

Goodwill represents the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised over its estimated economic life, estimated at 10 years.

Licences are recorded at cost and are amortised in equal instalments over their estimated economic lives, which range from 3 to 8 years. Provisions are made for any impairment when identified.

Where the directors are satisfied as to the technical, commercial and financial viability of individually developed software projects, the identifiable expenditure is capitalised as an intangible asset and amortised over the expected period of benefit. A provision is made for any impairment when identified.

Foreign currencies

Transactions in foreign currencies are translated into pound sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the Statement of Comprehensive Income.

XODUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

1. Accounting policies continued

Foreign currencies (continued)

The results of overseas operations are translated into sterling at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity. Other exchange differences are recognised in profit or loss in the period in which they arise.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lessees. All other leases are classified as operating leases.

Assets held under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in liabilities

net of finance charges. The finance element is charged to the Statement of Comprehensive Income account over the period of the lease so as to produce a constant periodic rate of charge on the net obligation outstanding.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Pension

The Company operates a defined contribution pension scheme. The annual contributions payable are charged to the Statement of Comprehensive Income. Differences between payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Turnover

Turnover represents the value of services rendered, net of sales taxes and discounts. Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the services provided to date based on the state of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of current liabilities.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viabilities of individual projects.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion in terms of income and expenditure in taxation computations in periods different from those in which they are included in the Financial Statements. Deferred tax assets are recognised to the extent that it is regarded as probable will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are represented by cash at bank and in hand, debtors, and creditors.

XODUS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

1. Accounting policies continued

Financial instruments (continued)

When a financial asset or financial liability is recognised initially, it is measured at transaction price unless the arrangement constitutes, in effect, a financing transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Company has no financial instruments that upon their initial recognition are designated as at fair value through profit or loss. Therefore, subsequent to initial recognition financial assets and liabilities of the Company are measured at amortised cost using the effective interest method, unless they are classified as payable or receivable within one year on initial recognition, in which case they are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash received (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The accounting policies for key financial instruments held by the Company are set out below.

Cash at bank and in hand

Cash and cash equivalents include cash on hand, cash with banks, and deposits with an original maturity of less than three months.

Debtors

Debtors account held by the Company, are non-interest bearing and current, and are stated at transaction prices, which approximates to their fair value on initial recognition. Appropriate allowances for estimated irrecoverable amounts are recognised subsequent to initial recognition in the Statement of Comprehensive Income when there is objective evidence that an asset is impaired.

Creditors

Creditors account are short-term and are measured at the undiscounted amount of the cash or other consideration expected to be paid which normally constitute a transaction price.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, judgements, estimates and assumptions are required 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 factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are subject to review 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 the revision and future periods if the revision affects both current and future periods.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****2. Critical accounting judgements and key sources of estimation uncertainty****Key sources of accounting judgements**

The critical judgements made in the process of applying the Company's accounting policies which have the most significant effect on the amounts recognised in the Financial Statements are considered below.

Revenue recognition

Turnover for lump sum contracts is calculated by reference to the estimated stage of completion. In making the judgement on the stage of completion management considers the value of work performed to date as a proportion of the total contract value and prior history of completion of similar projects.

Key sources of estimation uncertainty

There were no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3. Turnover

Revenue represents time-based charges for consulting services in a number of areas including energy production, technology development and environmental safety and compliance. No further analysis by class of business is considered necessary.

An analysis of the Company's turnover by geographical market is set out below:

	2024 £'000	2023 £'000
Europe	40,411	40,092
Middle East and Asia	4,048	5,848
North America	932	1,275
Africa	1,466	752
South America	34	-
Australia	35	204
	46,926	48,171

4. Profit/(loss) from operating activities

This is stated after charging/ (crediting) the following:

	2024 £'000	2023 £'000
Amortisation of licences and developed software (note 10)	612	479
Depreciation of tangible fixed assets (note 11)	407	356
Operating lease rentals: Land and buildings	895	884
Forex exchange loss	135	625
Research and development expense	912	684
Impairment of licences and developed software (note 10)	224	-

5. Auditor's Remuneration

The fee payable to the Company's auditors for the audit of the Company's annual accounts is borne by the Group on the behalf of the Company amounting to £40,500 (2023: £36,000)

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****6. Staff costs**

Staff costs, including Directors' remuneration, were as follows:

	2024 £'000	2023 £'000
Wages and salaries	23,692	21,734
Social security costs	2,878	2,627
Other pension costs (note 16)	3,007	2,740
	29,577	27,101

The average monthly number of employees during the year was as follows:

	2024 No.	2023 No.
Directors	2	2
Administration	63	58
Technical	290	293
	354	353

7. Directors' remuneration

	2024 £'000	2023 £'000
Emoluments	242	216
Company pension contributions to defined contribution pension scheme	1	1
	243	217

During the year the Directors accrued retirement benefits in respect of defined contribution pension schemes of £1,000 (2023: £1,000). The highest paid director received remuneration of £ 242,000 (2023 £217,000).

8. Interest payable

	2024 £'000	2023 £'000
Interest on intercompany borrowings	992	707
	992	707

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****9. Tax on loss**

Tax in the Statement of Comprehensive Income is disclosed as follows:

	2024 £'000	2023 £'000
<i>Current tax:</i>		
UK corporation tax	(163)	(307)
Foreign tax		
Current tax credit	(163)	(307)
Amounts overprovided in previous years	(7)	(1)
Total current tax credit	(170)	(308)
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(20)	130
Adjustment in respect of prior years	7	5
Impact of change in tax laws	-	-
Total deferred tax credit	(13)	135
Taxation credit reported in the Statement of Comprehensive Income	(183)	(173)

The tax on the Company's Loss before taxation differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK as follows:

	2024 £'000	2023 £'000
Accounting Loss before taxation	(917)	(736)
Tax on ordinary activities at the standard UK rate of 25% (2023:23.5%)	(229)	(173)
<i>Effects of:</i>		
Expenses not deductible for tax purposes [disclose individually if >5% of tax]	21	29
Fixed asset and other timing differences	22	11
Impairment reversals on investment in subsidiary	-	(62)
Tax over/(under) provided in previous years	-	4
Change in Tax Laws and Rates	-	8
R&D expenditure credits	3	10
Total tax credit for the year	(183)	(173)

Corporation Tax Rate

The UK corporation tax rate is 25% for the year ended 31 December 2024. The tax charge for the current year is different to the standard rate for the reasons set out in the reconciliation.

The deferred tax included in the balance sheet is as follows:

	2024 £'000	2023 £'000
<i>Deferred tax asset</i>		
Provisions	130	64
Tax losses carried forward	101	122
Decelerated capital allowances	135	167
Deferred tax asset	366	353

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****9. Tax on Loss (continued)****Deferred tax in the Statement of Comprehensive Income**

(Decelerated) Accelerated capital allowances	32	142
Tax Losses carried forward	21	2
Provisions	(66)	(9)
Deferred tax expense	(13)	135

10. Intangible assets

	Goodwill £'000	Licences £'000	Developed software £'000	Total £'000
Cost				
At 1 January 2024	1,270	2,107	3,161	6,538
Additions	-	75	1,040	1,115
At 31 December 2024	1,270	2,182	4,201	7,653
Amortisation				
At 1 January 2024	1,270	1,689	1,278	4,237
Charge for year	-	127	485	612
Impairment	-	-	224	224
At 31 December 2024	1,270	1,816	1,987	5,073
Net book value				
At 31 December 2024	-	366	2,214	2,580
At 31 December 2023	-	418	1,883	2,301

11. Fixed Assets

	Fixtures and fittings £'000	Tenant's improvements £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2024	686	739	2,510	3,935
Additions	3	-	171	174
Disposals	-	-	-	-
At 31 December 2024	689	739	2,681	4,109
Depreciation				
At 1 January 2024	391	535	1,980	2,906
Charge for year	39	24	344	407
Disposals	-	-	-	-
At 31 December 2024	430	559	2,324	3,313
Net book value				
At 31 December 2024	259	180	357	796
At 31 December 2023	295	204	530	1,029

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****12. Investments**

	Investments in subsidiaries £'000	Investments in joint ventures £'000	Total £'000
Cost			
At 1 January 2024	1,572	-	1,572
Investments	-	-	-
Additional	-	-	-
Disposals	-	-	-
At 31 December 2024	1,572	0	1,572
Provision for impairment			
At 1 January 2024	54	-	54
Disposal	-	-	-
Reversal of impairment	-	-	-
At 31 December 2024	54	-	54
Net book value			
At 31 December 2024	1,518	-	1,518
At 31 December 2023	1,518	-	1,518

Investments

In April 2024, a direct subsidiary of the Company incorporated a company called Xodus Group Doha LLC

Impairment and impairment reversal

A review was performed on the Company's investments in subsidiary undertakings in order to identify indicators of potential impairment. Where indicators were identified an exercise was performed to estimate the recoverable value (being the higher of value-in-use or fair value less costs of disposal) of the investments. Where necessary, impairment charges have been recognised within the net operating loss to remeasure the carrying amounts of specific investments to their recoverable amount.

Due to the nature of the investments held by the Company, recoverable values can be impacted by a combination of various factors including, but not limited to; the outlook for levels of activity in regions in which the Company or its subsidiaries operate; the valuation of, and changes in, assets held by the Company or its subsidiaries, and changes in the level of cash and debt held by the Company. The outlook for levels of activity in the global oil and gas and renewable energy industries impacts the market valuation and future demand for services provided by subsidiary undertakings.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****12. Investments****Subsidiary undertakings**

Name of company	Registered office	Nature of business	Proportion of Ordinary shares held
Evolv Energies Limited	5 th Floor Capitol Building, 429-431 Union Street, Aberdeen, AB11 6DA	Property rental	100%
Xodus Academy Limited	5 th Floor Capitol Building, 429-431 Union Street, Aberdeen, AB11 6DA	Energy consulting	100%
Xodus DMCC	36th Floor, Swiss Tower, Cluster Y, Jumeirah Lakes Towers, Dubai, PO Box 487286, United Arab Emirates	Energy consulting	100%
Xodus Group PTY LTD	Level 5, 1 William Street, Perth WA 6000, Perth, Australia	Energy consulting	100%
Xodus Group A/S	c/o 5 th Floor Capitol Building, 429-431 Union Street, Aberdeen, AB11 6DA	Non-trading	100%
Xodus Group Inc	c/5 th Floor Capitol Building, 429-431 Union Street, Aberdeen, AB11 6DA	Energy consulting	100%
Xodus Group BV	c/o 5 th Floor Capitol Building, 429-431 Union Street, Aberdeen, AB11 6DA	Non-trading	100%
Xodus Group Consultants SDN. BHD	Upper Penthouse, Wisma RKT, No. 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300, Kuala Lumpur, W.P. Kuala Lumpur, Malaysia	Energy consulting	100%
Xodus Group Kabushiki Kaisha	Ebisu Business Tower 10 th Fl. 1-19-19 Ebisu, Shibuya-Ku, Tokyo, Japan 150-0013	Energy consulting	100%
Xodus Green Light PTY LTD*	Level 5, 1 William Street, Perth WA 6000, Perth, Australia	Environmental Consulting	100%
Ocean Geo Solutions Inc **	8584 Katy Freeway, Houston Texas 77024	Energy consulting	100%
Xodus Greenfuel Development Company PTY LTD*	Level 5, 1 William Street, Perth WA 6000, Perth, Australia	Special Purpose Vehicle	100%
Xodus Group Doha LLC	Regus Al Jaidah Business Centres LLC, Regus - DOHA, The Pearl, Qanat Quartier, QQ05A - Piazza Level, Units 93-99, The Pearl, PO Box 301588, Doha, Qatar	Energy consulting	100%

* Xodus Green Light PTY LTD and Xodus Greenfuel Development Company PTY LTD are held indirectly through the Company's shareholding in Xodus Group PTY LTD.

** Ocean Geo Solutions Inc is held indirectly through the Company's shareholding in Xodus Group Inc.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****13. Debtors**

	2024 £'000	2023 £'000
Trade debtors	6,399	8,062
Amounts owed by group undertakings	11,817	10,082
Prepayments	1,298	1,500
Accrued income	5,070	4,850
Other Debtors	42	34
Tax receivables	686	1,056
	25,312	25,584

Trade debtors are non-interest bearing and are normally settled on 30-day terms.

Amounts owed by group undertakings are non-interest bearing and are due under one year.

14. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	650	1,069
Amounts owed to group undertakings	12,957	12,068
Social security and other taxes	1,410	1,284
Accruals	2,106	2,263
Deferred income	1,712	1,621
Other creditors	9	15
	18,844	18,320

Trade creditors are non-interest bearing and are normally settled on 30-day terms.

Amounts owed to group undertakings are non-interest bearing and are due under one year.

15. Deferred tax asset

A potential deferred tax asset amounting to £1,316,000 (2023: £1,316,000) was not recognised as its recoverability is dependent on future profitability and considered uncertain.

16. Called up share capital

	2024 £'000	2023 £'000
Allotted, called up and fully paid		
8,700,001 Ordinary shares of £1 each	8,700	8,700
35,025 B Ordinary shares of £1 each	35	35
	8,735	8,735

The Ordinary and B Ordinary shares rank pari passu with respect to dividends and have full voting rights. On the winding up, liquidation or capital reduction of the Company, the B Ordinary shares have the right to repayment of £4.28 per share in priority to any payment to the holders of the Ordinary shares. Thereafter, after repayment of £1 per share to the holders of Ordinary shares, the holders of Ordinary and B Ordinary shares are entitled to share any remaining surplus assets of the Company in proportion to the number of shares owned.

XODUS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****17. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost in the year amounted to £3,007,000 (2023: £2,740,000). At 31 December 2024 contributions of £522,000 (2023: £255,000) were outstanding.

18. Guarantees and other financial commitments

Barclays Bank PLC, Lombard North Central PLC, and RBS Invoice Finance Limited holds a fixed and floating charge over all assets of the Company.

19. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases were as follows:

	2024	2023
	£'000	£'000
Land and Buildings		
<i>Expiry date</i>		
Within 1 year	912	304
Between 2 and 5 years	1,510	1,217
More than 5 years	1,145	1,516
	3,567	3,037

20. Related party transactions

The Company has taken advantage of the exemption available under s33.1A of Financial Reporting Standard 102 with regard to non-disclosure of transactions between wholly-owned members of the Subsea 7 S.A. Group. There are no other transactions with related parties which would require disclosure.

21. Ultimate parent company

The Company's immediate parent company is Xodus Group (Holdings) Limited. The Company's ultimate parent company is Subsea 7 S.A. a Company registered in Luxembourg whose common shares trade on the Oslo Børs and as American Depositary Receipts (ADRs) over-the-counter in the USA. The address of its registered office is 412F, route d'Esch, L-1471 Luxembourg. Subsea 7 S.A. is not considered to have a controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Subsea 7 S.A. The group accounts may be obtained from its registered office.