Brønnøysundregistrene

# ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

**Enheten**

| | |
|---|---|
| Organisasjonsnummer: | 922 493 626 |
| Organisasjonsform: | Allmennaksjeselskap |
| Foretaksnavn: | REACH SUBSEA ASA |
| Forretningsadresse: | Møllervegen 6<br>5525 HAUGESUND |

**Regnskapsår**

| | |
|---|---|
| Årsregnskapets periode: | 01.01.2023 - 31.12.2023 |

**Konsern**

| | |
|---|---|
| Morselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

**Regnskapsregler**

| | |
|---|---|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | Regnskapslovens alminnelige regler |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | IFRS |

**Årsregnskapet fastsatt av kompetent organ**

| | |
|---|---|
| Bekreftet av representant for selskapet: | Birgitte W. Johansen |
| Dato for fastsettelse av årsregnskapet: | 15.04.2024 |

**Grunnlag for avgivelse**

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 06.08.2025

# Resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Revenue | 1,2 | 21 157 000 | 18 369 000 |
| **Sum inntekter** | | **21 157 000** | **18 369 000** |
| **Kostnader** | | | |
| Payroll expenses | 3,4 | 20 780 000 | 13 690 000 |
| Other operating expenses | 1,2,4 | 6 514 000 | 9 667 000 |
| **Sum kostnader** | | **27 294 000** | **23 357 000** |
| **Driftsresultat** | | **-6 137 000** | **-4 988 000** |
| **Finansinntekter og finanskostnader** | | | |
| Renteinntekt fra foretak i samme konsern | | 18 869 000 | 6 424 000 |
| Annen renteinntekt | | 21 000 | 24 000 |
| Other financial income | 5 | 12 487 000 | 63 637 000 |
| **Sum finansinntekter** | | **31 377 000** | **70 085 000** |
| Other financial expenses | | 43 000 | 8 000 |
| **Sum finanskostnader** | | **43 000** | **8 000** |
| **Netto finans** | | **31 334 000** | **70 077 000** |
| **Ordinært resultat før skattekostnad** | | **25 197 000** | **65 089 000** |
| Taxes | 6 | 4 615 000 | 14 323 000 |
| **Ordinært resultat etter skattekostnad** | | **20 582 000** | **50 766 000** |
| **Årsresultat** | | **20 582 000** | **50 766 000** |
| **Overføringer og disponeringer** | | | |
| Ordinært utbytte | | 97 837 000 | 45 981 000 |
| To/(from) other equity | | -77 255 000 | 4 785 000 |
| **Sum overføringer og disponeringer** | | **20 582 000** | **50 766 000** |

# Balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Utsatt skattefordel | 6 | 10 000 | 4 624 000 |
| **Sum immaterielle eiendeler** | | **10 000** | **4 624 000** |
| **Finansielle anleggsmidler** | | | |
| Investering i datterselskap | 7 | 341 328 000 | 341 502 000 |
| **Sum finansielle anleggsmidler** | | **341 328 000** | **341 502 000** |
| **Sum anleggsmidler** | | **341 338 000** | **346 126 000** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| **Fordringer** | | | |
| Accounts receivables | | | |
| Other receivables | | 486 000 | 487 000 |
| Konsernfordringer | 8,9 | 435 991 000 | 238 550 000 |
| **Sum fordringer** | | **436 477 000** | **239 037 000** |
| **Bankinnskudd, kontanter og lignende** | | | |
| Cash and bank deposits | 10 | 352 935 000 | 16 198 000 |
| **Sum bankinnskudd, kontanter og lignende** | | **352 935 000** | **16 198 000** |
| **Sum omløpsmidler** | | **789 412 000** | **255 235 000** |
| **SUM EIENDELER** | | **1 130 750 000** | **601 361 000** |
| **BALANSE - EGENKAPITAL OG GJELD** | | | |
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Share capital | 11,12 | 271 769 000 | 225 726 000 |
| Overkurs | 11 | 399 338 000 | 245 396 000 |

# Balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **Sum innskutt egenkapital** | | **671 107 000** | **471 122 000** |
| | | | |
| **Opptjent egenkapital** | | | |
| Other equity | 11 | 0 | 75 389 000 |
| **Sum opptjent egenkapital** | | **0** | **75 389 000** |
| | | | |
| **Sum egenkapital** | | **671 107 000** | **546 511 000** |
| | | | |
| **Sum langsiktig gjeld** | | **0** | **0** |
| | | | |
| **Kortsiktig gjeld** | | | |
| Leverandørgjeld | 9 | 3 853 000 | 3 267 000 |
| Public duties payable | | 3 947 000 | 2 461 000 |
| Utbytte | | 97 837 000 | 45 981 000 |
| Kortsiktig konserngjeld | 9 | 347 677 000 | 0 |
| Other short term liabilities | | 6 329 000 | 3 141 000 |
| **Sum kortsiktig gjeld** | | **459 643 000** | **54 850 000** |
| | | | |
| **Sum gjeld** | | **459 643 000** | **54 850 000** |
| | | | |
| **SUM EGENKAPITAL OG GJELD** | | **1 130 750 000** | **601 361 000** |

# Konsernets resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **RESULTATREGNSKAP** | | | |
| **Inntekter** | | | |
| Revenues | 5,25 | 1 966 584 000 | 1 161 533 000 |
| Other income/losses | 14 | 29 319 000 | 1 287 000 |
| **Sum inntekter** | | **1 995 903 000** | **1 162 820 000** |
| **Kostnader** | | | |
| Procurement expenses | 6 | 503 760 000 | 272 803 000 |
| Personnel expenses | 8 | 348 794 000 | 251 031 000 |
| Depreciation | 14,24 | 623 005 000 | 353 532 000 |
| Other operating expenses | 7,8 | 188 558 000 | 180 200 000 |
| **Sum kostnader** | | **1 664 117 000** | **1 057 566 000** |
| **Driftsresultat** | | **331 786 000** | **105 254 000** |
| **Finansinntekter og finanskostnader** | | | |
| Share of profit of investments accounted for using the equity method | 26 | 16 714 000 | 0 |
| Annen renteinntekt | 9 | 4 991 000 | 1 266 000 |
| Other financial items | 9 | 13 925 000 | 6 918 000 |
| **Sum finansinntekter** | | **35 630 000** | **8 184 000** |
| Annen rentekostnad | 9 | 77 882 000 | 15 415 000 |
| Other financial items | | | |
| **Sum finanskostnader** | | **77 882 000** | **15 415 000** |
| **Netto finans** | | **-42 252 000** | **-7 231 000** |
| **Ordinært resultat før skattekostnad** | | **289 534 000** | **98 023 000** |
| Taxes | 10 | 63 743 000 | 25 838 000 |
| **Ordinært resultat etter skattekostnad** | | **225 791 000** | **72 185 000** |
| **Årsresultat** | | **225 791 000** | **72 185 000** |
| Translation differences | | -1 116 000 | -2 503 000 |
| Sum resultatkomponenter for IFRS-foretak | | -1 116 000 | -2 503 000 |

# Konsernets resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **Totalresultat** | | **224 675 000** | **69 682 000** |

# Konsernets balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **BALANSE - EIENDELER** | | | |
| **Anleggsmidler** | | | |
| **Immaterielle eiendeler** | | | |
| Intangible assets | 15,27 | 30 769 000 | 10 623 000 |
| Utsatt skattefordel | 10 | 0 | 24 915 000 |
| Goodwill | 15,27 | 109 590 000 | 86 723 000 |
| **Sum immaterielle eiendeler** | | **140 359 000** | **122 261 000** |
| **Varige driftsmidler** | | | |
| Property, plant and equipment | 14 | 183 279 000 | 85 010 000 |
| Right-of-use assets | 14,24 | 1 163 222 000 | 90 258 000 |
| Assets under construction | 14 | 266 658 000 | 150 499 000 |
| **Sum varige driftsmidler** | | **1 613 159 000** | **325 767 000** |
| **Finansielle anleggsmidler** | | | |
| Investeringer i tilknyttet selskap | 26 | 113 452 000 | 0 |
| **Sum finansielle anleggsmidler** | | **113 452 000** | **0** |
| **Sum anleggsmidler** | | **1 866 970 000** | **448 028 000** |
| **Omløpsmidler** | | | |
| **Varer** | | | |
| Bunkers | | 28 418 000 | 9 884 000 |
| **Sum varer** | | **28 418 000** | **9 884 000** |
| **Fordringer** | | | |
| Trade receivables | 16,21 | 314 166 000 | 283 778 000 |
| Other current receivables | 16 | 41 905 000 | 18 804 000 |
| **Sum fordringer** | | **356 071 000** | **302 582 000** |
| **Bankinnskudd, kontanter og lignende** | | | |
| Cash and cash equivalents | 17 | 436 423 000 | 191 591 000 |
| **Sum bankinnskudd, kontanter og lignende** | | **436 423 000** | **191 591 000** |
| **Sum omløpsmidler** | | **820 912 000** | **504 057 000** |

# Konsernets balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **SUM EIENDELER** | | **2 687 882 000** | **952 085 000** |

**BALANSE - EGENKAPITAL OG GJELD**

| | | | |
|---|---|---|---|
| **Egenkapital** | | | |
| **Innskutt egenkapital** | | | |
| Share capital | 18 | 271 769 000 | 225 726 000 |
| Overkurs | | 388 273 000 | 267 345 000 |
| **Sum innskutt egenkapital** | | **660 042 000** | **493 071 000** |
| | | | |
| **Opptjent egenkapital** | | | |
| Avsatt utbytte | | 97 837 000 | 45 981 000 |
| Other equity | | 170 126 000 | 40 390 000 |
| **Sum opptjent egenkapital** | | **267 963 000** | **86 371 000** |
| | | | |
| **Sum egenkapital** | | **928 005 000** | **579 442 000** |
| | | | |
| **Gjeld** | | | |
| **Langsiktig gjeld** | | | |
| Utsatt skatt | 10 | 10 567 000 | 0 |
| **Sum avsetninger for forpliktelser** | | **10 567 000** | **0** |
| **Annen langsiktig gjeld** | | | |
| Gjeld til kredittinstitusjoner | 21,22 | 57 418 000 | 4 932 000 |
| Interest-bearing debt, leases | 21,24 | 805 931 000 | 4 310 000 |
| **Sum annen langsiktig gjeld** | | **863 349 000** | **9 242 000** |
| | | | |
| **Sum langsiktig gjeld** | | **873 916 000** | **9 242 000** |
| | | | |
| **Kortsiktig gjeld** | | | |
| Interest bearing debt to credit institutuions | 21,22 | 10 176 000 | 23 086 000 |
| Leverandørgjeld | 21 | 205 773 000 | 102 430 000 |
| Taxes payable | 10 | 41 026 000 | 7 853 000 |
| Public duties a.o | | 36 754 000 | 18 831 000 |
| Interest-bearing debt, leases | 21,24 | 386 036 000 | 98 660 000 |
| Other current liabilities | 20 | 206 196 000 | 112 541 000 |
| **Sum kortsiktig gjeld** | | **885 961 000** | **363 401 000** |

## Konsernets balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---|---|---|---|
| **Sum gjeld** | | **1 759 877 000** | **372 643 000** |
| | | | |
| **SUM EGENKAPITAL OG GJELD** | | **2 687 882 000** | **952 085 000** |

**Skattedirektoratet**

| Saksbehandler | Deres dato | Vår dato |
|---|---|---|
| Geir Johannessen | 24.03.2015 | 09.04.2015 |
| Telefon | Deres referanse | Vår referanse |
| 22 07 73 25/22 66 11 14 | Birgitte Wendelbo Johansen | 2015/297944 |

REACH SUBSEA ASA
Postboks 1393 Gard
5507 HAUGESUND

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres brev av 24. mars 2015, samt tilleggsopplysninger gitt per telefon og per e-post, der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk fra og med regnskapsåret 2014 for følgende selskaper;

| | |
|---|---|
| Reach Subsea ASA, | org.nr. 922 493 626 |
| Reach Subsea AS, | org.nr. 993 252 263 |
| Suveyor AS, | org.nr. 913 497 112 |

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk fra og med regnskapsåret 2014, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**
Reach Subsea ASA er notert på Oslo Børs med norske og internasjonale aksjonærer. Over halvparten av aksjene eies av norske aksjeselskaper, som i hovedsak er profesjonelle investorer. Selskapet er innvilget dispensasjon fra Oslo Børs i forhold til språkkravene i verdipapirhandelloven § 5-13. Selskapet har to datterselskaper; Reach Subsea AS og Surveyor AS. Selskapenes styremedlemmer og ledelse har svært gode engelskkunnskaper. Selskapenes arbeidsspråk er i stor grad engelsk. Selskapene opererer innen oljebransjen, der engelsk er det klart dominerende språket. Internettsiden til Reach Subsea er kun på engelsk. Årsregnskap og årsberetning blir derfor hvert år utarbeidet på engelsk og gjennomgått i engelsk språk av selskapenes styre da dette brukes i tilbudsarbeid og prosesser mot leverandører og kunder. Selskapene har i tillegg oversatt årsregnskapet og årsberetningen til norsk for å tilfredsstille kravet i regnskapslovens § 3-4. I lys av selskapenes situasjon, fremstår kravet i regnskapslovens § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som unødvendig. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser. Ettersom selskapenes arbeidsspråk til dels er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk. Selskapene mener derfor at alle brukere av regnskapet vil være tjent med at regnskapet kun utarbeides på engelsk. Med brukere av regnskapet menes her også vesentlige kreditorer da disse også i stor grad opererer innenfor oljeindustrien.


| Postadresse | Besøksadresse: | Sentralbord |
|---|---|---|
| Postboks 9200 Grønland | Se www.skatteetaten.no | 800 80 000 |
| 0134 Oslo | Org.nr: 996250318 | Telefaks |
| | E-post: skatteetaten.no/sendepost | 22 17 08 60 |

**Skattedirektoratets vurdering**
Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene driver virksomhet innen en internasjonal bransje der alle vesentlige aktører behersker og benytter engelsk språk, og at selskapene bruker engelsk som arbeidsspråk. Videre er det vektlagt at morselskapets største aksjonærer er profesjonelle investorer og at flere av de øvrige aksjonærene er utenlandske.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
*Seniorrådgiver*
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Geir Johannessen

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*

# Annual & Sustainability Report

Sustainable access to ocean space

Find out more at reachsubsea.com

# About Reach Subsea

Services are offered out of our head office in Haugesund as well as from our subsidiaries located across Norway, Sweden, UK, US, Brazil, Cyprus, Trinidad, Australia and Singapore. The company currently has over 360 employees located across these locations.

The company operates a wide range of work- and survey ROV's from its fleet of vessels, ranging from smaller survey, IMR and Light Construction Vessels to high-capacity Subsea Construction Vessels. Operations are performed by highly qualified offshore personnel and supported by competent onshore engineering resources.

The Group's objective is to be a preferred partner and full-service provider of ocean services for clients focusing on safety, environment, financial solidity and profitability. Our vision 'Sustainable access to ocean space' underpins our commitment to the development of sustainable solutions, with stakeholder groups key interests in focus.

# CEO Letter

I am delighted to share that 2023 marked another record-breaking year for Reach Subsea, with our performance aligning seamlessly with our ambitious goals. Quarter by quarter, we have consistently taken steps to continue our positive development, and I am confident that this is just the beginning. Allow me to summarize the key developments from 2023.

We have successfully scaled the company up to the next level in terms of size, approaching the NOK 2 billion revenue mark, and have continued to deliver increased margins alongside this growth.

We have broadened our services and extended Reach Subsea's presence across all time zones through the acquisition of Guardian Geomatics.

We have further strengthened our vessel capacity through new long-term charters.

Exiting 2023 with a record high order book, we have witnessed an increasing participation of clients in global markets and renewable energy segments.

Our Reach Remote USVs have progressed from initial paper sketches to tangible steel, with technology connections now actively being integrated.

Reflecting on our achievements, none of this would have been possible without the team representing the experience and competence required to succeed in our environment. Additionally, I am convinced that our team culture, characterized by an eagerness to learn, teach, and reach new heights, has been and still is essential. Throughout our expansion phases, we are therefore keeping a steady focus on maintaining our culture through acquisitions, integrations, and organic growth.

Ensuring profitability is core to building a sustainable company. We are carefully and consistently taking the steps required to strengthen our footprint while maintaining a balance between profitability and ESG targets.

Speaking of ESG targets, we are progressing well. Technology development is closely linked to ESG and sustainable development, and we are dedicated to staying at the forefront of driving product innovation and technology forward. This is where we can obtain noticeable results.

Our first two Reach Remote vessels will be launched this season, and we are experiencing increasing attention in all regions. These unmanned vessels are set to completely change how we operate in the industry, bringing significant cost and emission reductions, as well as improved safety for our personnel. We have both national and international projects in our order book that fit these vessels very well.

Furthermore, we have made progress in developing remote services that will complement both the Reach Remote USVs and conventional vessels. In 2023, Reach Subsea, alongside others, pioneered a new and innovative data source to improve the understanding of earthquake cycles in subduction zones to reduce casualties and economic consequences of earthquakes. This can open a new market worldwide for Reach Subsea's monitoring services.

These are just some of the innovative developments from 2023 and that will e[...] our service deliveries in 2024 and beyon[...]

Throughout the year, we have further st[...] our vessel capacity through new long-te[...]

Most importantly, we continue our stron[...] Health, Safety, and Environment (HSE) t[...] our zero harm to people and environme[...] Personnel safety is always the very top [...] priorities. Unfortunately, we had one wo[...] injury in 2023, but fortunately our collea[...] well taken care of, and has fully recover[...]

Our strategic decision to expand comes [...] opportune moment, fitting in nicely with [...] strong market trend, which we expect t[...] As I mentioned initially, this is just the be[...]

Finally, I want to extend a heartfelt thank[...] the entire Reach Subsea team for your u[...] dedication and outstanding teamwork t[...] the year. I also extend my gratitude to o[...] investors, and partners for your continu[...]

Reflecting on our achievements and looking ahead, we remain steadfast in o[...] belief that everything is within reach.

**Jostein Alendal**
CEO, Reach Subsea ASA

## Our vision

# ‘Sustainable access to ocean space’ underpins our commitment to take part in the creation of a sustainable future.

# Our values

## LEARN

- We question and challenge established ways of performance.
- We acquire and develop technology to constantly improve data acquisition, analysis and operations.
- We evaluate and improve methods to put our ever increasing knowledge into action.

## TEACH

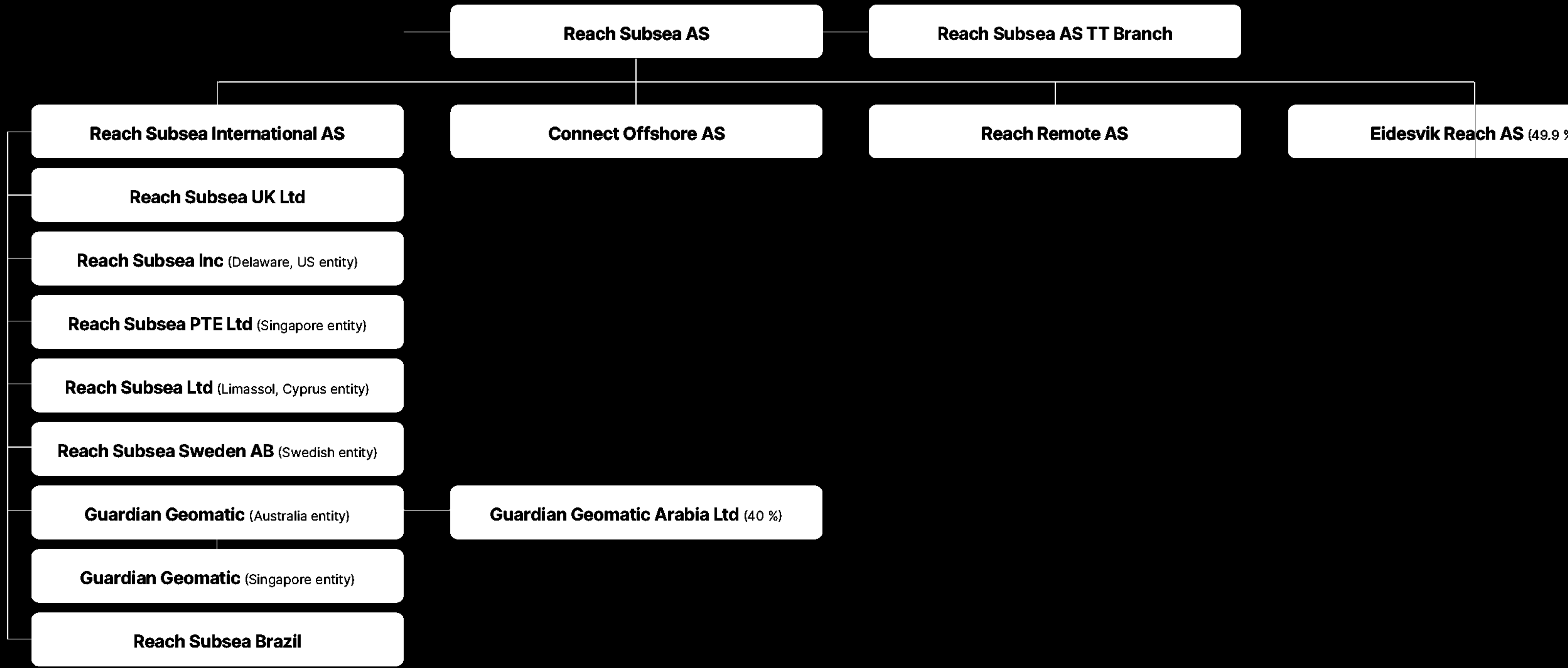
- We continuously strive to find solutions beyond current paradigms to work out and implement best practice in our field.
- We share knowledge in-house, to grow as a team.
- We use our knowledge to succeed in alignment with our clients and enable industry improvements.

## REACH

- We constantly reach for improvements as our knowledge and capabilities now, are not the endpoint.
- We have great ambitions. By investing in R&D driving technological leaps and methodologic improvements, we reach for new heights.
- We continuously seek for better solutions, bec no matter how good we get, there is always something better ahead of us – so we reach f

# Our focus

# Corporate Structure




As per 31 D

# Meet the management team

## Jostein Alendal

Chief Executive Officer

Jostein Alendal is the founder of Reach Subsea AS and has been the company's Business Development manager and CEO since 2008. Education: Automation Engineer. Experience: Technical Manager and co-founder of DeepOcean with group responsibility of all ROV operations. Stolt Comex Seaway AS, Seateam AS and DSND.

31 years in subsea

## Bård Thuen Høgheim

Chief Commercial Officer

Bård Høgheim has been CCO in Reach since 2014. Education: Master in Finance from Imperial College Business School. Experience: Project Broker in the subsea and renewables market in RS Platou and has experience in offshore industry analysis.

17 years in subsea

## Birgitte W. Johansen

Chief Financial Officer

Birgitte W. Johansen has been CFO in Reach since 2012. Education: The Blue MBA and Master of Business and Economics. Experience: Account Manager in BNP Paribas, Shipping department. Analyst and Project Manager in Oceanlink Management. Relationship Manager in SpareBank 1 SRBank, Energy and Maritime department.

25 years in finance

## Inge Grutle

Chief Operations Officer

Inge Grutle has been COO in Reach since 2012. Education: Master of Science degree in Marine and Subsea Technology. Experience: IMR Engineering Manager and Business Development in DeepOcean and has experience in planning and execution of offshore and subsea operations.

17 years in subsea

## Audun Brandtzæg

Chief Technology Officer

Audun Brandtzæg has been
Reach since 2023. Education
Engineer / Surveyor. Experie
Offshore / Senior Surveyor,
Manager Stolt Comex Seaw
Survey DeepOcean, Asset M
Project Manager / Survey re
Gassco, Pool Director JV MM
Global Operation Director O

34 years in subsea

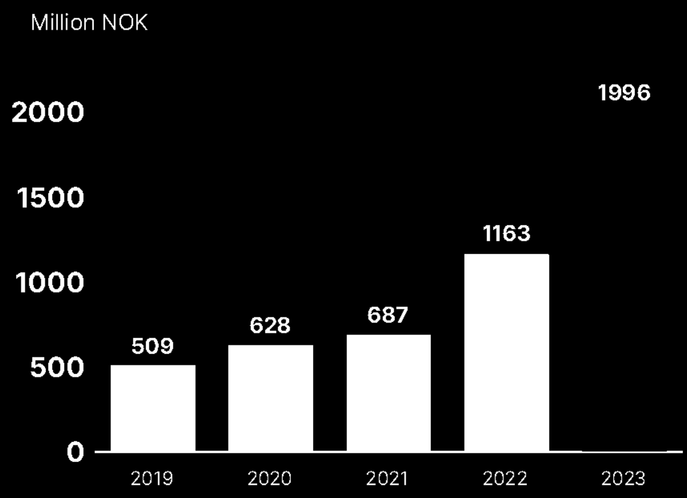
# Directors Report

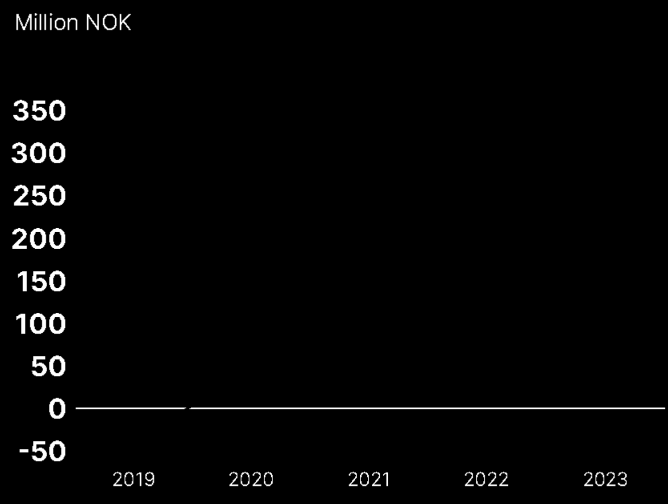
The Reach Subsea Group's business concept is to offer high quality solutions and technology to clients in need of ocean data and services.

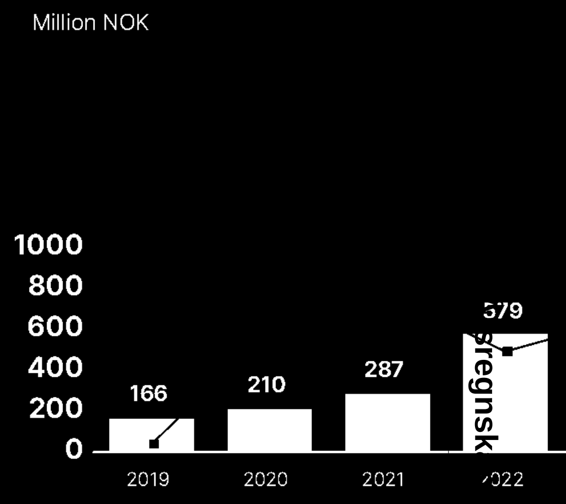
# Business concept

As a platform for performing the sul
services. Reach aims to utilize mode
high specification subsea vessels, w
reflected in the vessels chartered ir
various ship owners or owned. The
objective is to be a preferred subse
and full-service provider of subsea
for clients, among others by having
focus on safety, environment, financ
and profitability. Contracts in the oil
renewables, and utilities sectors are
securing cash flow and laying the fo
for prudently growing the organizati
fleet and asset base in a sustainable

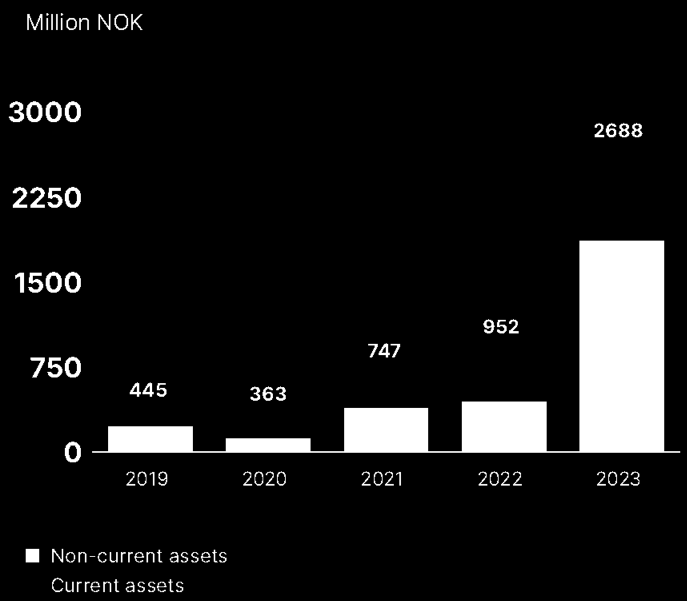
# Directors Report

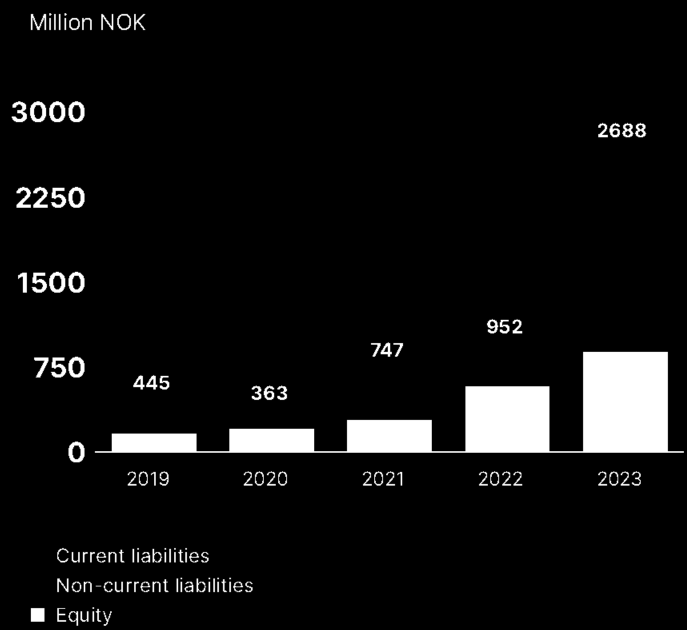


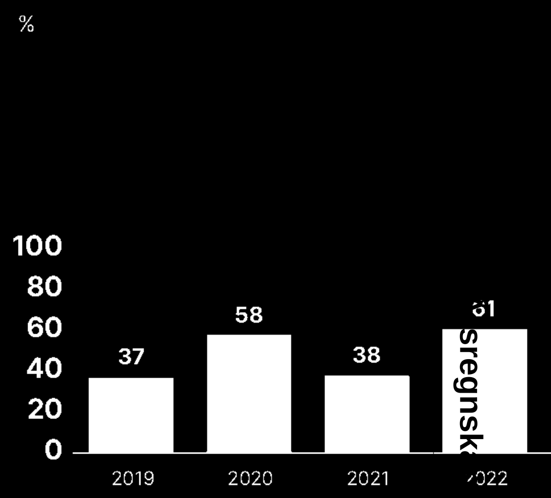



# Directors Report



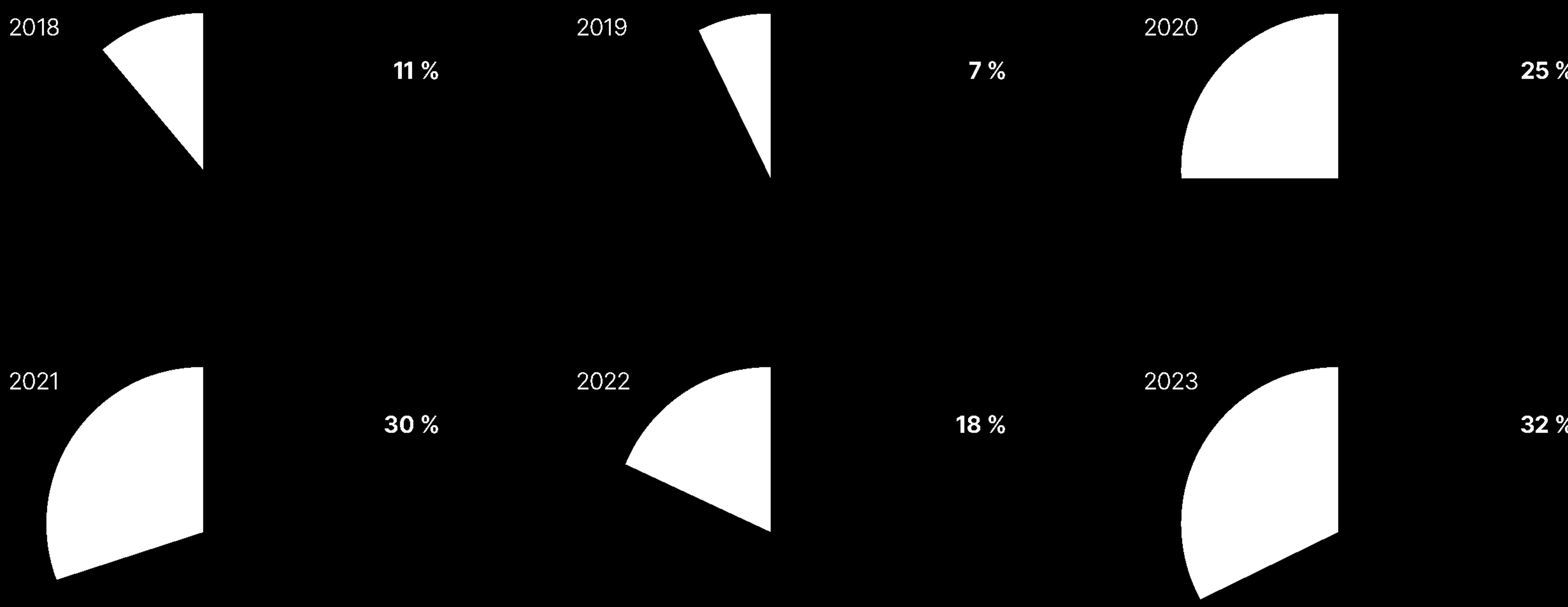



# 2023 Highlights

# Revenue Sector

Oil & Gas ■ Renewable & Other



# 2023 Market Highlights

## General
Reach Subsea is an established provider of survey and subsea services. Busy tendering activity through the year.

## Oil & Gas Norway
Secured several call-offs under the frame agreements awarded.

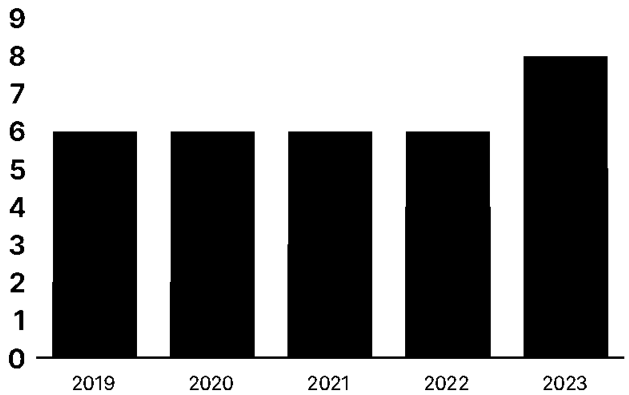
## Renewables
Awarded several contracts within the renewables market, including cable/route survey, installation, walk to work, light construction and decommissioning. The two in-house developed Surveyor Interceptor ROVs had good utilization with high satisfaction score from our clients.

## Other business
Executed several projects within survey, gravimetric and monitoring as well as other emerging sectors.

## International activity
Increased international presence with offices in Australia, Singapore, Aberdeen and Cyprus as well as contract awards in the US, Brazil, Trinidad and Tobago and other regions

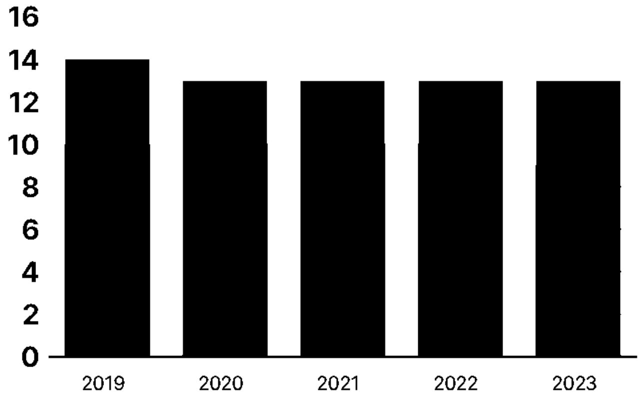
# Balancing growth & flexibility

## Vessels



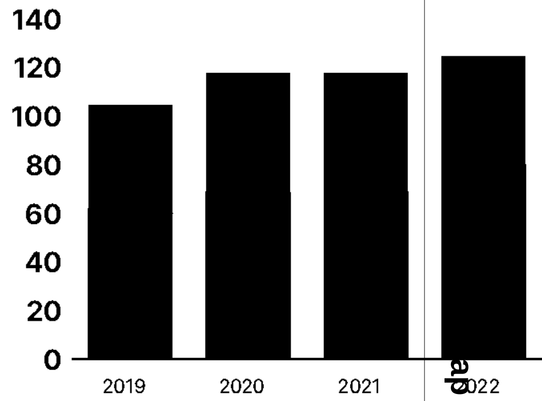

■ Fixed terms
■ Flexible terms

## ROV Systems




■ Owned
■ Hired in

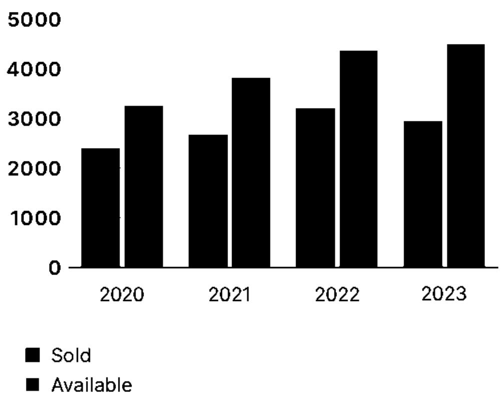
## Offshore personnel



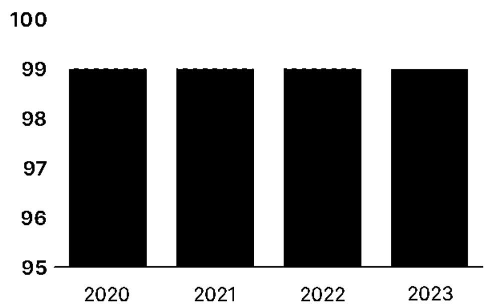

■ Own staff
■ Contracting staff

# Annual Report 2023

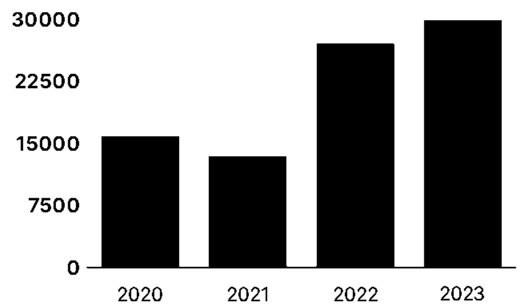
## Number of ROV days – Annually



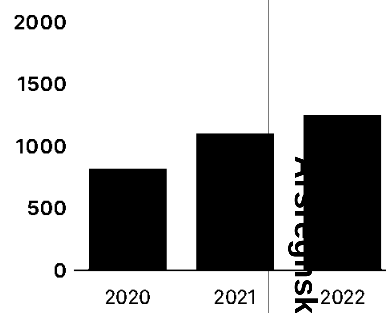

## Technical uptime on ROVs




## Offshore personnel days sold




## Vessel days sold

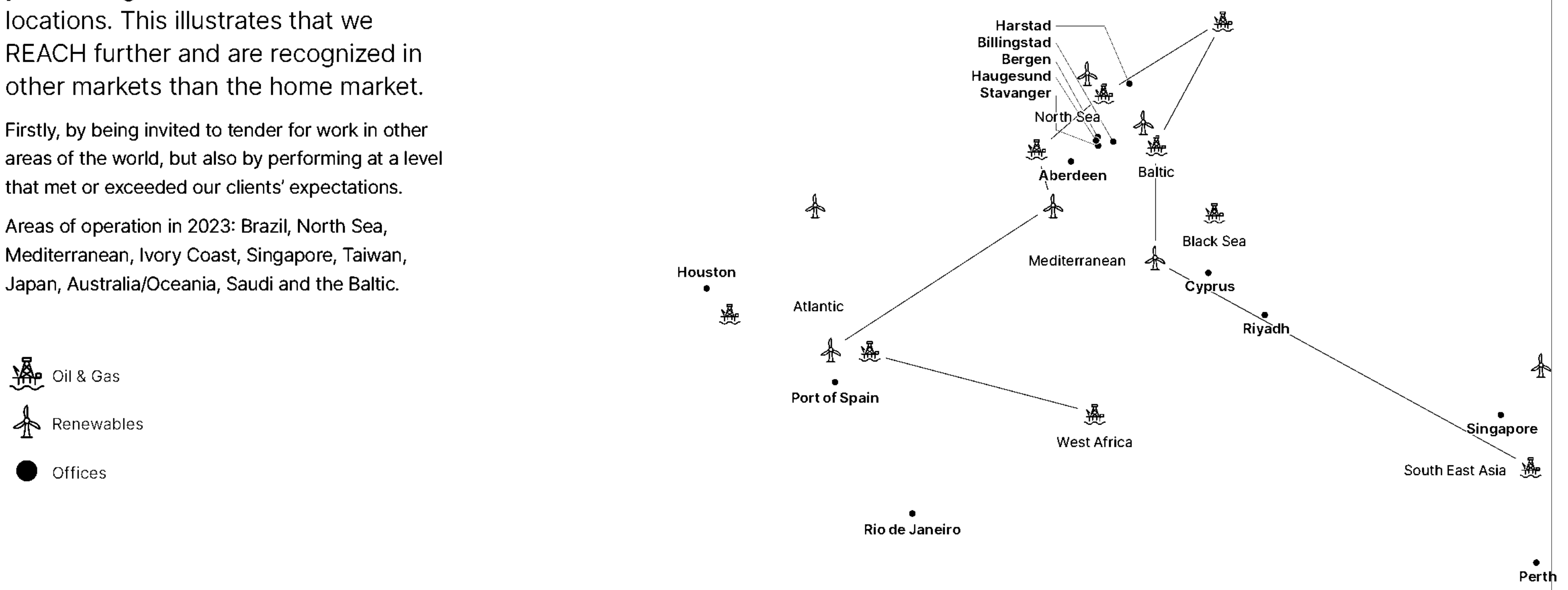


# Operating areas 2023

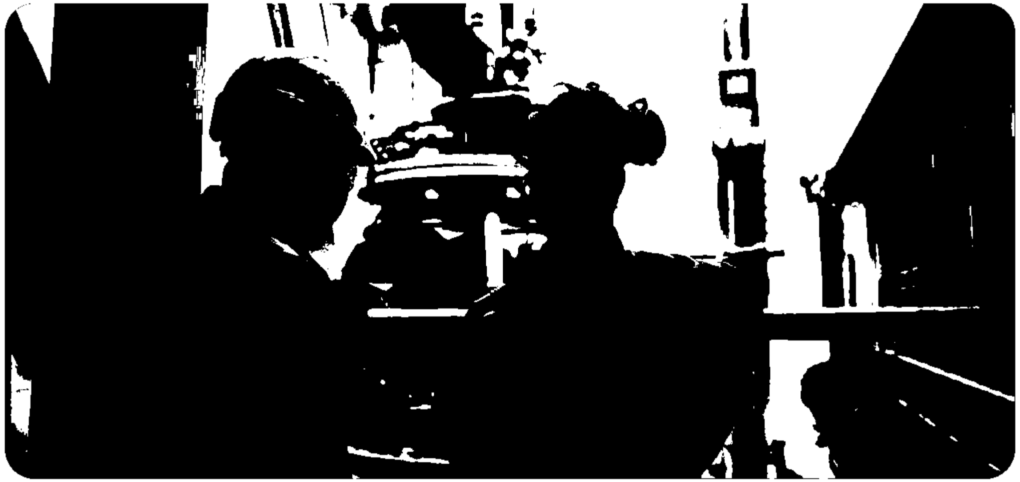
This map shows the areas we have operated during the last couple of years along with our current office locations. This illustrates that we REACH further and are recognized in other markets than the home market.

Firstly, by being invited to tender for work in other areas of the world, but also by performing at a level that met or exceeded our clients' expectations.

Areas of operation in 2023: Brazil, North Sea, Mediterranean, Ivory Coast, Singapore, Taiwan, Japan, Australia/Oceania, Saudi and the Baltic.



# 2023 Review



Figures for the same period last year are presented in brackets in the text.

REACH Subsea ASA Group ("Reach") operates and markets by year end six (six) subsea spreads, whereof five (four) subsea spreads consist of vessels chartered in by Reach. In addition, Reach delivers survey, positioning, and monitoring services onboard a number of vessels and platforms. The number of vessel days that passed through our P&L in 2023 was 1,759 (1,246) with a 92 % utilization (88 %).

REACH had per year end 11 WROV-systems and two "Surveyor Interceptor" systems available for subsea operations, in addition to a pool of high quality survey and monitoring assets and equipment.

REACH had 4,506 available ROV-days in 2023 (4,363), of which 2,942 days were sold (3,204) leading to a total utilization of 65 % (73 %). Three vessels worked on non-ROV projects (walk-to-work and diving) in 2023.

REACH acquired Octio/Monviro in 4Q2021 and iSurvey Group in 1Q2022, securing in-house monitoring and survey capacity. From 2023 the acquired businesses are fully integrated into the Reach Subsea Group, with joint asset base and projects. The Group now offers integrated monitoring and survey services with own equipment and personnel to our clients.

REACH closed the acquisition of Guardian Geomatics 15 November 2023, strengthening our position within survey and remote operations in Asia Pacific and contributing to REACH world wide footprint. Guardian Geomatics' operations and projects will be fully integrated into the Reach Group during 2024.

REACH Remote, our new and future-proof, sustainable solutions for subsea services is progressing in close cooperation with our two major suppliers, Kongsberg Maritime (USV) and Kystdesign (ROV). Estimated delivery of Reach Remote is slightly delayed from

the yard, but is expected to be on tr
startup of commercial projects durin

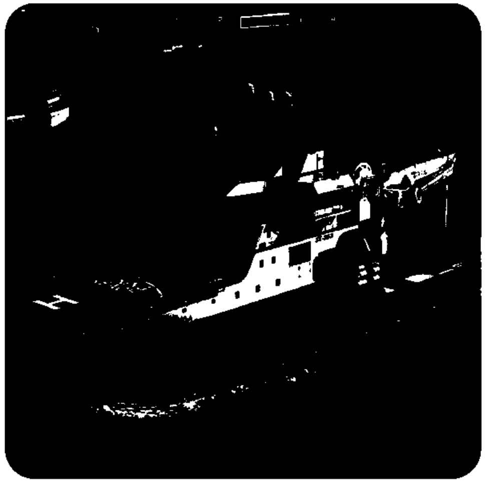
REACH offshore personnel contract
business, Connect Offshore, contin
sourcing highly skilled offshore pers
during the year. The base of contrac
hired from Connect Offshore and ot
suppliers, is important in peak seas
when the number of man hours in o
normally doubles compared to our c

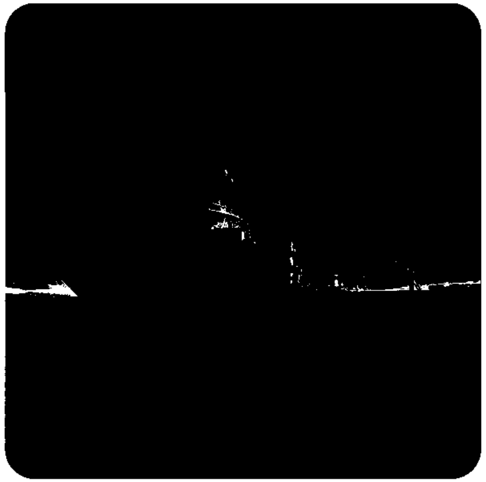
REACH has per 1. April 2024 a firm
book of NOK 1.6 billion for work in t
first quarter of 2024 and beyond, w
vast majority related to work in 202
order book figures do not include e
volumes from the frame agreement

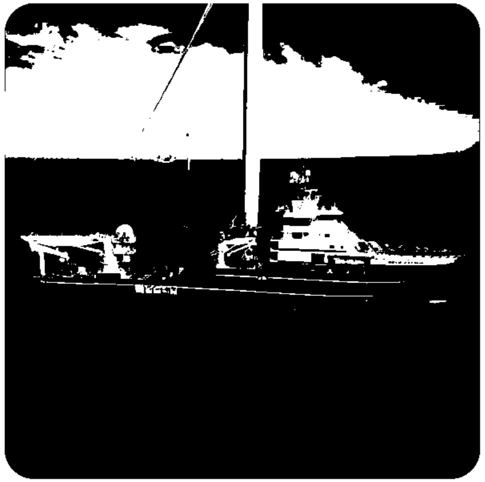
Offshore operations performed by t
spreads received high client scores
segments and on all sectors. Our hig
to HSEQ is illustrated by the fact tha
had no serious accidents or incident
commencement of offshore operatio

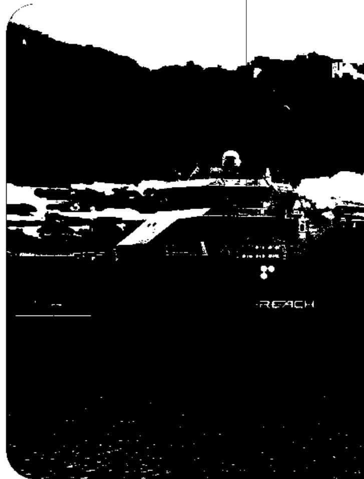
There was one work-related injury l
to absence from work registered du
the year. The employee is now back
work in good health after the injury.

# Operational update









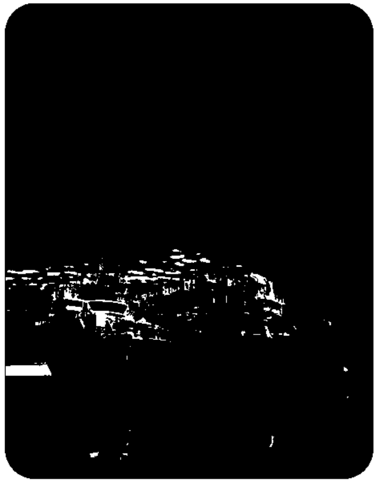

**Viking Reach** is chartered in by Reach for use on own projects. The vessel is mobilized with one Supporter WROV, one Surveyor ROV and survey equipment, specialized for survey and light construction work. Viking Reach had high utilization in 2023 and is currently scheduled for projects lasting throughout the main season in 2024 for key clients in the energy sector. Reach holds 49.9 % of the shares in the entity owning the vessel.

**Havila Subsea** is equipped with two owned Schilling WROVs, one Surveyor ROV, and offshore personnel from Reach's offshore pool. Havila Subsea had high utilization in 2023 working on projects in Brazil lasting towards the end of 1Q24. The spread is further scheduled for a project in US Gulf expected to last throughout the third quarter of 2024.

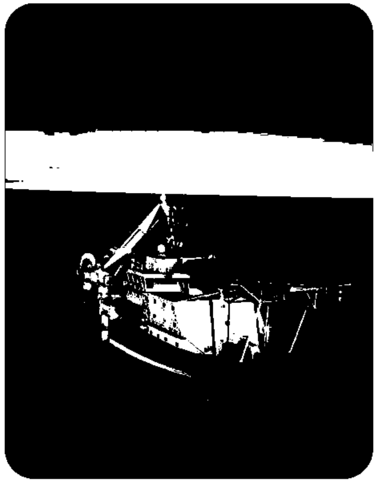
**Deep Cygnus** is chartered in by Reach for use on own projects and was mobilized with a gangway, working in the walk to work market on contracts in 2023 and 1Q2024. The vessel thereafter spent approx. one month in dry dock at owner's expense for maintenance and battery installation, an important step in our goal to reduce emissions, as well as mobilization of full WROV and survey spread. The vessel is ready for subsea projects within light construction, IMR, trenching and decommissioning from 2Q24.

**Go Electra** is chartered in by Reach on own projects. The vessel was wo on a diving project until December 2 whereafter she was mobilized with survey equipment, specialized for in survey projects. The vessel is sched projects expected to last well into th season of 2024.

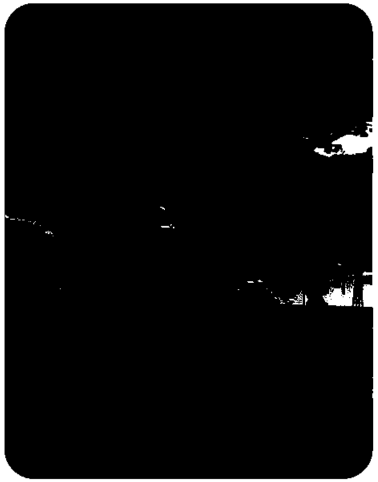
# Operational update cont.



**Olympic Zeus** was chartered in for a project in the oil & gas sector in the Ivory Coast, which commenced late 1Q2023 and lasted until early 4Q2023. The vessel was thereafter demobilized and has exited the Reach fleet.



**Olympic Triton** is chartered in by Reach for use on own projects. The vessel was mobilized with a gangway working in the walk to work market until dry dock in October 2023. The vessel is now mobilized with full WROV and survey spread ready for subsea projects within light construction, IMR and decommissioning, scheduled for projects expected to last well into the main season of 2024.



**Olympic Artemis** was mobilized with one Supporter WROV set up for survey and light construction projects within the renewables and oil and gas sector. The subsea spread worked on a project for Magseis in the US Gulf lasting until 01.02.2023, whereafter she exited our marketed fleet.

**Olympic Delta** was mobilized with two hired-in WROVs. The subsea spread worked on a contract between vessel owner Olympic and Technip with Reach as WROV service provider most of the year, a contract lasting into 1Q2024, whereafter the vessel spread exited our marketed fleet.

**Stril Explorer**, a survey v
mobilized with a full WRO
was on a charter contrac
Møkster to Reach cooper
partner Ocean Infinity un
September 2023. Reach
ROV services consisting
Supporter WROV and one
ROV and offshore person
the vessel until the vesse
demobilized in Septembe

# Operational update cont.

**Other subsea business:** Reach offshore personnel contracting business, Connect Offshore, continued sourcing highly skilled offshore personnel during the quarter to Reach and other clients.

## REACH Survey Division

During a busy 2023, in addition to providing integrated survey services to the Reach fleet, the REACH Survey Division successfully delivered multiple independent survey projects. One of the most important projects was related to a major offshore wind development in Scotland and included survey support for installation of high voltage (HV) power cable infrastructure. During the different phases of the large-scale wind farm development, the Reach deliveries included: Pre-installation surveys:

- **Trenching survey support**
- **HV power cable installation survey support**
- **Cable protection survey support**
- **As installed power cable survey documentation**

For the different steps in the installation program, as outlined above, Reach provided advanced survey support for the different vessels involved.

To further develop REACH's survey support capabilities, the REACH Monitoring Division's R&D department is in good progress to complete the next generation of REACH's magnetometer gradiometer instrumentation. This instrumentation will further strengthen REACH's ROV based capability to detect buried cables, pipes and UXO. 2024 started with high activity, at a time of the year where activity normally is at a lower level.

## REACH Monitoring division

2023 has been another busy year for the REACH Monitoring Division, with high activity on operations, advanced processing services, and R&D. We have worked on processing data from past data acquisition campaigns for gas fields on the NCS while continuing to work on modelling and studies for new international gWatch projects, mainly within the emerging CCS market. In addition, we commenced work on a DepthWatch campaign at two deepwater fields in the GoM for a large Ocean Bottom Node (OBN) seismic contractor.

There is an increase in cross-divisional activities, with synergies on both operational and R&D projects. In addition to contributing to Subsea vessel and asset utilization, we have included offshore personnel from the Survey division in our gWatch and DepthWatch campaigns, and engineers and geoscientists from the Monitoring division are participating in and running R&D projects for the Subsea and Survey divisions. In the coming quarter, we plan to maintain h activity on R&D projects and operations, continuing o GoM DepthWatch campaign while also preparing for g campaigns in Japan, the Middle East, and Australia.

## New vessels

**Offshore Surveyor**
Offshore Surveyor is chartered in by Guardian Geomatics for survey projects in Asia Pacific. Expected start up for this contract is June 2024.

**Northern Maria**
Northern Maria is chartered in for 3 years firm period and 6+6 months options for use in Reach own, integr survey projects. The contract started late 1Q 2024.

**Olympic Taurus**
Olympic Taurus is chartered in for a 2+2 years contra early 2024. The vessel is currently working on a walk contract in the North Sea and will thereafter be mobil with WROVs and survey spread, ready for Reach proj

**Agalas Newbuild**
Reach has entered into a charter agreement with own newbuild subsea LCV Agalas. Expected delivery is ea The vessel will be mobilized with full WROV and surve

# Annual HSEQ Report

# Annual HSEQ Report

| | | | | | |
|---|---|---|---|---|---|
| Exposed man hours | 303 680 | 428 646 | 384 834 | 737 861 | 553 416 |
| Improvement reports | 231 | 213 | 181 | 292 | 718 |
| Recordable cases | 2 | 0 | 0 | 2 | 8 |
| Sick leave | 2.8 % | 5.2 % | 5.7 % | 1.65 % | 2.17 % |

| | | | | | |
|---|---|---|---|---|---|
| Fatalities | | | 0 | 0 | 0 |
| Lost-Time Injuries | | | 0 | 1 | 1 |
| Medical Treatment Injuries | | | 0 | 2 | 9 |
| Restricted Work Injuries | | | 0 | 0 | 0 |

| | |
|---|---|
| Long-term | 0.70 % |
| Short-term offshore | 0.89 % |
| Short-term onshore | 0.44 % |

# Sustainability within reach

Our vision 'Sustainable access to ocean space' underpins our commitment to take part in the creation of a sustainable future. Our values support and enable team members of our group to take actions in our reach for sustainability. We have a high focus on health and safety, environment, financial solidity, profitability and quality. We are constantly balancing these elements to meet the increased demand for sustainable solutions by our stakeholders. Interpretation of our values in a sustainable perspective is described on the following pages.

# 2023 Highlights

Limit our footprint

92 % utilization

67.8 % oil & gas (percent of turnover)

65 % utilization

A solid EBIT margin of nearly

Of which 14.9 % were females

One work related injury

$CO_2$ emissions

Focus on retention of own sta
and recruitment for organic gr

# Ambitions

E

## Environmental

By 2040 we aim to have a fleet consisting of zero- emission vessels.

S

## Social

We are committed to performing safe operations, with the health and safety of our people as our utmost priority.

G

## Governance

We minimize risk, increase transparency, an facilitate more efficient use of our resources increasing our value and competitiveness.

# Sustainability governance

The Board of Directors ("the Board") has the overall responsibility for sustainability reporting in REACH as well as the Group's strategy and risk profile.

The work of the Board is governed by the Norwegian Companies act, the Code of Conduct as well as the Norwegian Code of Practice for Corporate Governance ("NUES").

The Board holds meetings regularly throughout the year, discussing business and market challenges and opportunities, as well as any sustainability-related topics of material significance. The CEO and Group Management constitutes the day-to-day management.

The nomination and selection process for the Board is described in the Corporate Governance chapter of the company's Annual Report and is based on the recommendation in "NUES". Diversity, independence and competencies are examples of the evaluations done by the nomination committee for Board members.

As part of the annual report and corporate governance work any related party transaction, incapacities, cross-board memberships or shareholdings are identified. Should a conflict of interest arise in a Board meeting, the Board member will be identified as incompetent from discussing and voting on the relevant matter.

Employees are not permitted to do purchases or negotiations with any related party.

The Board of Directors consists of three women and four men. The age range is 43 to 65. They are all Norwegian citizens with international experience from finance, subsea and/or maritime companies. All Board members are non-executive. A broad presentation of the Board of Directors, including diversity, background, experience and education can be found on www.reachsubsea.no/investors/board-of-directors/

The Board has Sustainability on the agenda, hereunder formal regulation updates and demands and expectations from stakeholders such as employees, clients, suppliers and Governmental bodies.

These updates include presentations from external parties, such as a GAP analysis on the Sustainability Reporting GRI standard in 2022/23. Another example of professional update is a course for Board members of listed companies focusing on formal requirements and expectations.

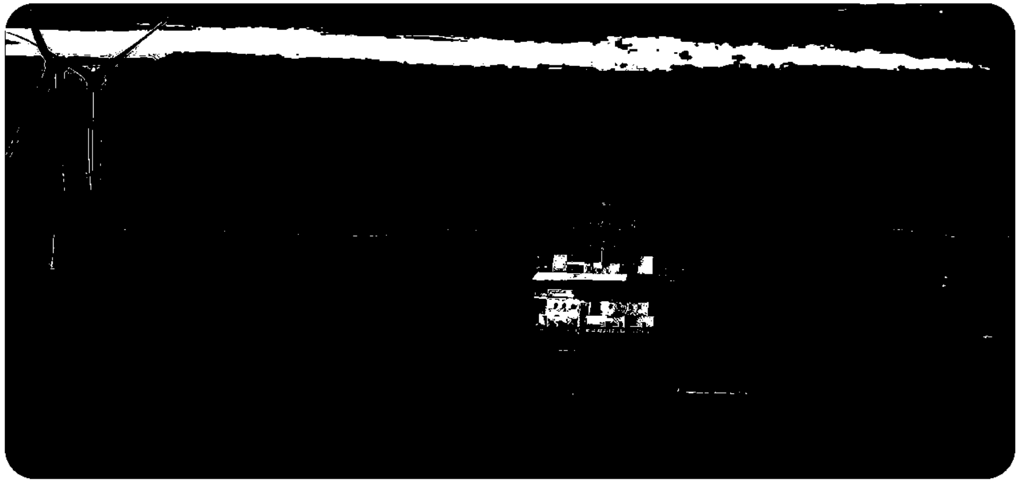
The Board does not involve directly with the Company's external stakeholders, but reviews and analyses thoroughly on a regular basis client satisfaction, employee surveys, HSEQ statistics etc.

The Board has high attention to the
impact on the environment and soc
general. The Board performs a surv
year, lead by the secretary of the Bo
is independent of any major shareh
Board member or employees of the

The survey includes a self-evaluatic
an evaluation of the Management, r
independence and quality of meetir
documentation. The survey is anony
and actions are taken whenever nee
improve quality and the work for the

The Board has established an audit
consisting of three Board members,
and two women. The audit committ
5-6 times each year with financial r
and sustainability reporting as main
The audit committee reviews the re
and evaluates on any need for addit
information or changes before the r
processed and approved by the Boa

# Sustainability governance



A sustainability project team has been established, consisting of the Chief Financial Officer and members from the communication and marketing, HR, HSEQ and operations team on a Group level. The team follows up sustainability projects and reporting throughout the year. The project team has a balanced gender and age diversification.

Reach has a Health, Safety, Environment and Quality Assurance department ("HSEQ") consisting of 7 employees from all Group locations. HSEQ ensures high quality in operations and corporate matters.

The HSEQ Vice President reports to the CEO. The Subsea division performs quarterly management reviews, and the Monitoring and Survey division performs management reviews twice a year. The Group management holds a joint summary meeting once a year. The Board reviews the HSEQ results monthly.

Sustainability has been incorporated in the quality management system, and the Group Management team continuously collaborate with the organization to identify needs and issues and implement improvements to achieve our overall vision.

The sustainability report aims to reflect the impacts our operations have on Environmental, Social and Governmental factors and how Reach works toward mitigating risks and reducing any negative implications of our operations. The report has been prepared in accordance with GRI standards 2021.

The GRI Standards feature a modul
lated structure, and represent the g
practice for reporting on a range of
environmental, and social impacts.

The report contains consolidated in
for all entities in the Group, where a
departments and legal entities have
standard measure. No adjustments
made for minorities. Input from com
acquired during the year are include
the date of the merger. Unless othe
specified, figures are presented on
and full-time equivalent basis. Cons
are not included in employment figu
they have been part of the Reach pa

Total man-hour figures in a HSEQ pe
though, includes contractors and co

# Stakeholder dialogue

Reach priorities and focus areas within sustainability are defined based on stakeholders' expected interest in and impact on Reach. In 1Q2024 Reach conducted a Double Materiality Assessment ("DMA") to identify stakeholders opinions on our sustainability footprint, and how stakeholders and our surroundings impact us. The outcome of this project defines our sustainability KPIs.

## Shareholders

Reach Subsea ASA is a publicly listed company with several shareholders, and the largest owners represented in the Board of Directors. The Board of Directors are elected by the Annual General meeting and represents our shareholders.

There is close communication between the Board members and Group Management through monthly reports, Board meetings, audit committee tender board meetings and general dialogue. During the DMA we interviewed some of our major shareholders. The results are presented below.

## Customers

Reach operates within a global mar
corporate customers worldwide, an
customers range from smaller local
to global corporations, and as such
customer interests and issues may
Key customer interests and issues a
on received customer reviews and l
learned meetings after project com
as well as discussions with custome
existing and future contractual requ
We have continuous dialogue with c
during project planning and executi
and included an interview with som
part of the DMA. A common feature
customers is the interest in sustaina

# Stakeholder dialogue

## Employees (current and future)

Our employees are the cornerstone in our business. Reach Subsea Group had 342 full-time equivalent employees in 2023.

The dialogue with employees is performed through operational- and department meetings, yearly seminars, as well as through input to our work environment committee and safety delegates, management inspections and visits on offshore sites. Personal employee appraisals and anonymous employee surveys are performed yearly. Frequent meetings with employee unions are held throughout the year. During the DMA we interviewed six employees, both onshore and offshore.

## Suppliers

Reach performed over 8.924 purchases in 2023, from over 909 suppliers. The large number of suppliers makes it difficult to perform an in-depth dialogue with the supplier group. As basis for the DMA, we therefore focused on the most critical suppliers, being suppliers of hired in vessels, ROVs and subsea equipment. Assurance processes and performance reviews are performed for our most critical suppliers. We also have continuous dialogue with suppliers through our procurement process. Most of our purchases are covered by the Norwegian Transparency Act. Having said that, all interaction with suppliers are treated in the same way throughout the entire Group - making all transactions in Compliance with the Norwegian Transparency Act.

## Business partners

Reach has close cooperation with commercial partners. Transactions with these partners are conducted on an "arm's length" principle. Business partners in 2023 are agents, brokers, ship owners with profit share agreements and the bank, with whom we have a close dialogue.

## Society at large

Reach operates within the global su
market, but also has a local presenc
offices in local communities. As suc
expectations both on a global- and
We also follow the Continuous Oblig
Stock Exchange listed companies, r
mandatory information such as new
contract awards and financial figure
Oslo Stock Exchange as well as usin
media platforms. The fact that Reac
ISO-certifications for the quality sta
ISO 9001, the environment standa
ISO 14001 and the work environmen
standard ISO 45001, proves that ac
work every day to meet the requiren
of the relevant standards. Our perce
global expectations and interests is
information presented by internation
political discussions and regulatory

Likewise, we assess the interests of
local community based on local me
regulatory bodies and other sources
part of our DMA we interviewed var
stakeholders such as Norges Reder
SAFE, SR Bank, Exfin, Arctic Securit
and Haugesund Næringsforening.

# Stakeholder groups and their key interests and issues

## Shareholders

- Profitability and financial solidity
- Responsible and safe operations
- Secure systems on Cybersecurity
- Environmental strategies
- Autonomous and remote-controlled services
- Adapting and developing to the market

## Customers

- Autonomous and remote-controlled services
- Responsible and safe operations
- HSEQ routines and correct certifications
- Human rights
- Sustainable business

## Employees

- Reliable working conditions
- Safe and health-promoting working environment
- Good working environment
- Information on sustainability
- Corporate Social Responsibility
- Equal opportunities
- Autonomous and remote-controlled services

## Suppliers

- Financial solidity
- Quality-, Health- and safety measures
- Safe operations
- Emission reduction
- Technology
- Anti-Corruption
- Sustainability in supply chain
- Transparency act

## Business partners

- Profitability and financial solidity
- Responsible- and safe operations
- Anti-corruption
- Development

## Society at large

- Environmental strategies
- Transition to renewable energy productio
- Risks related to climate change
- Contribution to local communities
- Anti-Corruption
- Sustainability in supply chain
- Cooperation with educational programs

# Material topics for sustainability

ENVIRONMENT

SOCIAL

GOVERNANCE

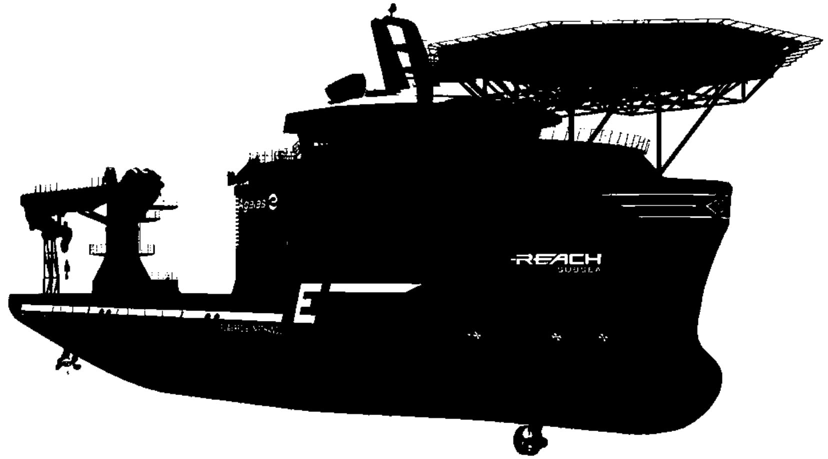
# Environmental

## Achieving the ambitions in the Paris Agreement will require a 40 % reduction greenhouse gas emissions in EU within 2 compared to 1990 levels.

The transition to a low-emission society requires a reduction in use of hydrocarbon relate sources. At the same time, the world population and demand for energy is growing. The to a low-emission society is a priority on the political agendas.

The capital markets have made strong turns toward a green economy and there is a gen concern about the world's environmental development. To maintain our position as an att business partner we need to strive to meet stakeholders' expectations when it comes to environmental profile. Reach has a strong commitment in contributing to the goals set in Agreement. Climate related issues, such as risk and opportunities, are hot topic on the agenda. The Management team reports sustainability KPI's to the Board monthly. Our go have minimum impact to the environment.

# Transition to renewable energy production




The expected energy transition poses both risks and opportunities for Reach. In 2023 our activity split between Renewables and the Oil & Gas- segment was mostly influenced by the demand in the Oil & Gas-market, which represented 67.8 % of our turnover, a reduction from 2022 (80 %).

A central objective for Reach is to enhance engagement in non-O&G sectors. Achieving this involves not only dedicating more of our team's time to these sectors, but also ensuring that we secure a prominent position on their lists of offerings.

We see opportunities within offshore wind, subsea power cabling, tidal turbines, subsea mining, and offshore aquaculture. Furthermore, aligning our assets and services with the specific requirements of these sectors is crucial. We have been actively involved in the renewable energy sector for several years, and we anticipate our engagement will continue to grow in tandem with the expanding market, thanks to the versatility of our services. Maintaining a high level of asset utilization is another pivotal aim. Throughout 2023, our assets have consistently operated at a range exceeding 99 %, underscoring the quality and competency that drive us toward our objectives. Addressing the imperative of reducing fuel emissions is of utmost importance. Regrettably, our data for 2023 reveals an increase in emissions rather than the desired reduction.

This uptick can be attributed to the
in mobilizations and transits, driven
our expanding international presenc
Furthermore, modifications in our fle
contributed to heightened fuel emis
Nonetheless, it is essential to under
our commitment to an overarching e
reduction strategy. In this regard, th
introduction of our Reach Remote U
holds promising potential and aligns
longterm goals for emissions reduct
unwavering commitment to environm
stewardship, we diligently refine our
operational procedures to prevent a
significant spills into the sea. We are
to report that we have sustained a f
record in this regard. It's important t
our ambitions extend beyond these
endeavours. Our global team contin
strides in refining our operations and
positive impact on the environment.
we solidified our enhanced position
broader renewable market.

# SUSTAINABLE DEVELOPMENT GOALS

Reach will contribute to the environment by focusing on climate action, affordable and clean energy, and life below water. These are points 7, 13 and 14 of the UN sustainability goals listed below.

## 7. Affordable and clean energy

Ensuring access to reliable, sustainable, modern, and affordable energy for all.

The goal is to reduce reliance on non-renewable energy sources, decrease carbon footprint, and contribute to economic growth and development. We can contribute by providing innovative solutions for renewable energy in marine environments. This involve the development and implementation of technologies related to installation, maintenance, and monitoring of such facilities.

## 13. Climate action

Climate change is a global challenge that affects everyone, everywhere.

Our goal is zero harm to the environment. We work toward reducing emissions and climate impact by chartering fuel-efficient vessels, promoting environmentally friendly actions. Any impact on the environment is reported and followed up to prevent re-occurrence. Our suppliers are encouraged to reduce their environmental footprint and improve energy efficiency. A positive effect of the COVID 19 pandemic is the increased awareness to participate digitally in meetings and conferences, reducing travel and emissions.

## 14. Life below water

Careful management of thi
essential global resource is
feature for a sustainable fu

The sea is our workplace, and we under
the importance of preserving the sea as
resource. We aim to minimize our enviro
impact by using environmentally friendly
hydraulic oil in our subsea operations an
to leave the seabed unharmed in the sa
condition as we found it. We cooperate
with vessel owners on waste manageme
and water discharge plans. One of our K
Performance Indicators is "Zero major sp

# Reach Remote

The iROCC has successfully managed various survey projects for several years. By utilizing the iROCC for survey projects, Reach has minimized the need for offshore personnel. The iROCC supports various operational modes – fully remote, hybrid (a mix of onshore and offshore personnel), and offshore operations with onshore remote support. This allows for flexible, safe, and cost-effective solutions tailored to client needs.

Introducing Reach Remote: Two Kongsberg USVs, outfitted with Kystdesign eROVs, are under construction. Targeting a 2024 market launch, this marks a significant milestone in our journey.

These vessels will be remotely operated from an onshore location, further decreasing health, safety, and environmental (HSE) risks and emissions.

Reach Remote is set to offer low-emission, cost-efficient subsea services, attracting interest from the offshore wind, oil and gas, aquaculture, subsea mining, and environmental surveillance sectors.

With existing framework agreements, Reach positions itself as a leading provider for the offshore wind industry and other markets.

The innovative approach allows projects to be executed with smaller vessels and fewer personnel onshore, drastically reducing $CO_2$ emissions, operational risks, and costs, while maintaining high safety and efficiency standards.

The benefits of Reach Remote inclu
eliminating offshore personnel risks
achieving over 90 % reduction in CC
emissions, alongside significant cos
in subsea survey and inspection ser

# Risks related to climate change

## Physical risks

Reach is exposed to the expected changes in weather conditions. More extreme weather could result in challenging offshore working conditions. In turn, this may impact the project cycle, shortening the seasons where subsea services can be performed, resulting in possible adverse financial impact. An increase in sea level may also have adverse impacts, such as less availability of docking locations and may make crew changes, vessel and project mobilizations more difficult to perform.

## Regulatory risks

In the effort to drive society towards lower emissions, there is a risk of regulatory changes that may have financial impacts for Reach. Such changes may include scenarios with increased fees and taxes related to $CO_2$ emissions or other changes in frame- work that may have negative economic impacts on the industry.

## Changes in demand

Targeted implementation of regulatory framewor to reduce $CO_2$ emission may create shifts in dem for hydrocarbons. This can in turn may affect fut investment levels for the petroleum sector and increase competition between subsea suppliers necessitate adaptation to new market conditions

To mitigate these risks, Reach has incorporated climate change into strategic planning, operational decision-making, risk management processes, and investment strategies.

# Reducing our emissions

Our aim is zero environmental impact, aligned with our HSE policy emphasising a zero-tolerance approach to environmental harm and accidents. Like many companies in the offshore industry, our primary environmental concern is $CO_2$ emissions from fuel oil consumption.

Reach both owns and charters vessels from shipowners under various charter party terms, and provide ROV services on vessels operated by others parties. Recognising shared responsibility for vessel-related environmental impacts, we consolidate CO2 emissions from our fleet in our reporting, backed by a sustainability-focused supplier declaration. We contribute to invest in newer, cleaner vessels and technology to reduce emissions and fuel consumption. Reach Remote lowers overall energy consumption in our operations.

We collaborate with vessel owners on fuel reduction, focusing on efficient offshore activities to minimize fuel consumption. Technical uptime ensures efficient operations and lower emissions. We encourage our customers to monitor transit speeds for fuel efficiency. In 2023, over 99 % of our energy came from non-renewable fuel oil. CO2 emissions per available vessel day is a key metric, considering activity levels and fleet composition. While increased activity may raise emissions per day, efficiency efforts aim to outperform competitors.

Our "Surveyor Interceptor" ROVs show from operational data that we can perform survey more efficient using SROV rather than WROV. Our calculations show a reduction in emission up to 40 % compared to traditional ROVs, with three times the survey efficiency. Suppliers are assessed for environmental compliance, and we promote eco-friendly transport and video conferencing to reduce travels. ISO 14001 certification drives continuous environmental performance improvement.

| Energy Consumption (in GJ) | 2023 | 2022 | 2021 |
|---|---|---|---|
| Non-renewable fuel consumed (fuel oil) | 615 751 | 425 403 | 295 639 |
| Electricity, heating, cooling and steam purchased for consumption | 3 582* | 340 | 335 |
| Total energy consumption within the organization | 619 333 | 425 753 | 295 974 |

* "Electricity, heating, cooling and steam purchased for consumption" 2021-2022 figures represent t headquarter in Haugesund, Norway only. From 2023, consumption at all offices in Norway, as well a Singapore and Australia (from the time of acquisition) is included, hence the increase.

Conversion factors: Marine fuel oil = 3 596 kg $CO_2/m^3$

| $CO_2$ emissions | Unit of measure | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Scope 1* | Tons $CO_2$ equivalent | 59 715 | 42 493 | 29 530 |

* Scope 1 is based on fuel consumption on vessels hired in by Reach. There is an inherent uncertain scope 1 emissions due to minor inaccuracies in the way fuel consumption is recorded onboard the v subsequently converted from $m^3$ to $CO_2$.

| $CO_2$ emission per vessel day | 2023 | 2022 | 2021 |
|---|---|---|---|
| Tons $CO_2$ emission per available vessel day | 35.08 | 30.21 | 31.88 |

# Reducing our emissions

In 2023 our total $CO_2$ emissions (Scope 1) were 59 715 tons $CO_2$ – compared to 42 493 in 2022. $CO_2$ emission per available vessel day was 35,08 tons $CO_2$-equivalents in 2023 compared to 30,21 tons in 2022. $CO_2$ emission per available vessel day functions as a good measuring tool for our emissions. However, the bigger picture holds more nuance as activity levels on each vessel may vary from year to year. Available vessel days are defined as all vessel days that flow through our P&L, irrespective of whether they are quayside or working offshore.

In periods where activity increases, $CO_2$ emission per available vessel day will increase given an unchanged number of available vessel days.

## The rise in average emission levels is tied to altered fleet composition and adjustment in operational profile and geographic areas.

We always plan to perform offshore work as time efficient as possible and we aim to be more efficient than our competitors. This may mean working at higher speeds and result in higher $CO_2$ emission per day, but time saved may reduce overall emission.

We have performed several survey scopes with our two "Surveyor Interceptor" survey – ROVs, and operational data show that we can perform survey more efficient using SROV rather than WROV.

The average production rate for SR
survey is up to 150 km/day, which is
times more efficient than survey wit
averaging a production rate of 50 k
When comparing SROV vs. WROV s
calculations show a reduction in em
to 40 % for any given scope.

All key suppliers are evaluated base
environmental criteria and all suppli
perform a self-evaluation on their c
with laws and regulations, hereunde
environmental compliance. We focu
selecting environmentally friendly t
on crew changes, extended use of
conferencing to reduce travels and
encourage our suppliers to do the s
Reach has already implemented too
procedures for measuring and follo
on environmental performance, and
14001 - certification requires us to
out this work on a daily basis and fo
continuous improvement.

# Reducing our impact on the sea

Performing subsea work will in one way or another cause impact to the sea, marine life, seabed and/or surroundings. Such impacts may be discharge of environmental hazardous chemicals stored onboard the vessels to the sea, hydraulic oil leakage from ROVs under operation, noise and vibrations from ROV disturbing marine life, physical disturbance of seabed during construction and inspection etc.

To mitigate these impacts, we operate our ROVs with degradable hydraulic oil and we continuously screen the market to improve the environmental profile of our chemical list. Furthermore, the ROV operators have competence in controlling the ROV to reduce impacts and Reach participates in Marine mammal preservation programs in connection with projects.

Our HSE-policy includes a zero-philosophy for environmental damage and accidents.

Significant spills are defined as spills over 10 litres. In 2023, Reach had zero significant spills.

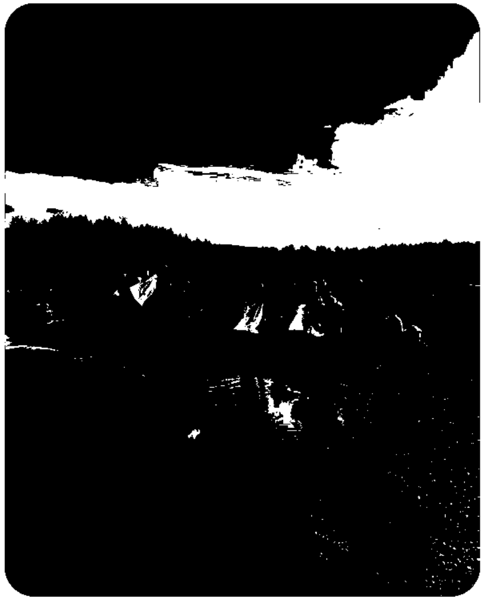
Plastic pollution is the most widespread problem affecting the marine environment.

Leaving a green footprint on the seabed also means not leaving behind any non-degradable waste, such as plastic items. All our vessel owners are ISO 14001- certified and hence the vessels must comply with the requirements of the standard.

We cooperate with vessel owners c
waste management. No deviations c
environmental laws and regulations
noted in 2023. Our critical suppliers
encouraged to be certified accordin
ISO 14001- standard, or have an env
management system according to s

In 2023 we participated in
Ocean Cleanup campaign,
an annual event.

# Reducing our impact on the sea



Throughout September and October 2023, our global teams actively participated in our annual Coastal Cleanup campaign.

These initiatives serve a dual purpose: not only do they facilitate hands-on cleaning efforts, but they also contribute significantly to raising awareness and fostering a culture of continuous coastal cleanup. This year's campaign held a special focus on encouraging the involvement of children and family, and the response from our future workforce was exceptionally enthusiastic. Through these collective efforts, we remain steadfast in our dedication to shaping a sustainable future.

# Environmental

## Key targets 2023

### Increase activity within non-O&G segment

Achieved

Activity within non-Oil & Gas segment represents 32 % of total activity year to date 2023.

### Maintain technical uptime above 99 %

Achieved

Ensure efficient operations, represented on 99.7 % technical uptime.

### Participate in Ocean Cleanup Campaign

Achieved

Reach participated in an Ocean Cleanup campaign in the third quarter 2023.

### Zero major spills of hazardous materials to the sea

Achieved

Includes oils, plastics, garbage etc. 0 major spills year to date in 2023. Reach continues to focus on use of environmentally friendly high degradable hydraulic oils in our ROVs.

### Reduce fuel emission of $CO_2$ compared to activity levels

Not achieved

Our total $CO_2$ emissions per sold ves was 35.08 ton of $CO_2$ equivalents, th 2023, compared to 27.86 in 2022.

## Key targets 2024

### Successfully bring two USVs to market in 2024

Increase use of autonomous and/or remote operations.

### Increase activity within non-O&G segment

Activity is measured through performed project days.

### Zero major spills of hazardous materials to the sea

Includes oils, plastics, garbage etc.

### $CO_2$ footprint below the NSA rel emission target

Benchmarking our fleet with the indu

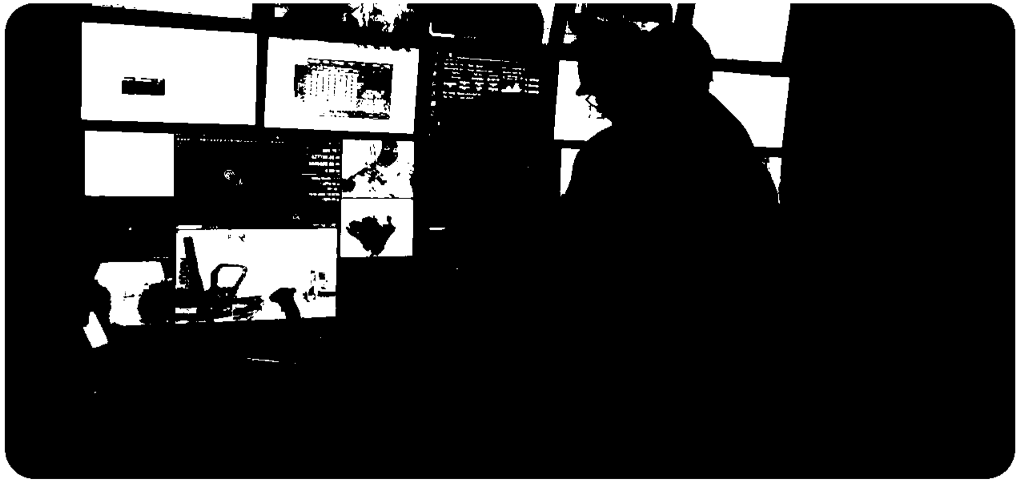
# Social

We truly believe our employees are the cornerstone of our business. We are committed to performing safe operation with the health and safety of our people our utmost priority.

Reach has implemented a HSEQ - Management System including a set of rules and proc
to secure the safety and well-being of the people who work for us and the society aroun
acknowledge our role as employers, supplier and client and being, client and being a me
size company.

We are ambitious when it comes to quality, both internally and externally. We operate wit
industry HSEQ standards and are certified according to the work environment standard I
45001:2018. The HSEQ-manual describes the Work Environmental Management System
framework of our HSEQ-Management System. Everyone involved in our operations is res
for carrying out their work in accordance with the Manual in a manner that will not harm
safety, or environment. Our adherence to the Norwegian Transparency Act means that w
full transparency in our supply chain, whether it concerns consultants or goods and servi
CEO is responsible for ensuring implementation of the overall HSEQ policy in the organiz

# The safety of our people



The realization of our goals hinges upon a dedicated, thriving and motivated workforce. One of our vital objectives for 2023, is the attainment of zero work-related sick leave. So we are very pleased to announce that throughout the year, we have done exactly that and sustained an impeccable record of zero work-related sick leave.

This unwavering commitment to safety extends to our approach to work-related injuries. As our company experiences significant growth, we recognize the amplified social risks that arise, prompting us to enhance our vigilance in this regard. Unfortunately we registered an LTI during the last quarter of the year. The employee has recovered well from the incident.

As we set our sights on expanding within this burgeoning market, the need for a substantial influx of qualified new employees becomes apparent. Equally imperative is the retention of our existing staff and the maintenance of a healthy turnover rate. We have unfortunately gone above our target of maximum 8 % turnover rate in 2023. This is carefully monitored, and actions are taken to prevent further increase. In line with our commitment to transparency and accountability, we have issued our inaugural statement in accordance with the Transparency Act, enacted in 2022, during the second quarter of 2023.

In anticipation of continued growth, particularly considering our recent substantial expansion, we are pro-actively advancing the development of comprehensive employee development programs across all our global offices. This initiative is designed to cultivate growth and enhance skills throughout our entire organization. To accelerate and reinforce these efforts, we are bolstering our HR organization.

To mitigate safety risk the HSEQ de
quarterly releases HSE-campaigns f
on important aspects of employee h
safety. Reach has well integrated pr
to ensure that risks and hazards are
assessed, and mitigated.

Associated risk reducing actions are
by the HSEQ -department in alignm
the ISO 31000 Risk Management st
The risk assessment is communicat
offshore team through 'Toolbox Talk

## Our results

| Sick leave | 2023 |
|---|---|
| Long-term | 0.70 % |
| Short-term offshore | 0.89 % |
| Short-term onshore | 0.44 % |

One incident (LTI) was recorded in 2
leave is stable and considered low i
Figures from Guardian (Australia) ar
included in the sick leave.

# The safety of our people

Our “Stop the job” policy is an important part of how we always think safety. No work is so urgent that we cannot take the time to do it in a safe manner.

All work shall be stopped when any member of the workforce believes that there may be an unsafe condition. This applies to employees, contractors, visitors, and clients. Work that has been stopped shall not be resumed until a ‘Time Out for Safety’ has been held and all issues and concerns have been addressed in accordance with procedures.

HSEQ performance is benchmarked against ISO 9001, ISO 45001, ISO 31000 and ISO 14001. HSEQ - results are monitored on an ongoing basis and dangerous conditions, near misses and incidents are recorded in our Non-Conformance and Improvement reporting system and addressed by the management. Incidents that have or could have potential for compromising health and safety of personnel, safety of operations, security of personnel or assets are investigated by an appointed investigation team and reported to the CEO. We work continuously to improve our HSEQ - procedures and the HSEQ results are monitored by the Group Management and Board of Directors on a monthly and quarterly basis.

## The well-bein of our people.

We acknowledge the importance a healthy working environment to promote the health of our employ and to increase performance and secure safe and efficient operatio

We perform yearly campaigns directed to mental health and wel being to further promote focus on this topic both at work and at home. We also plan to perform at least one competition among our employees on activity levels.

# Development of employee skills and competences

The competence and capabilities within our workforce are keys in ensuring our future sustainability.

Reach's HSE policy and Quality policy provides guidelines and principles to achieve and share competence within the company, and the HSE training and competence procedure provide instructions on how training should be carried out.

To mitigate the risk of becoming outdated, we work constantly to secure Reach as an attractive workplace to be able to attract and retain the right people.

**To retain and develop employee skills, we focus on giving employees opportunities to grow both professionally and personally.**

All employees are provided with training to improve their skills within risk management, HSEQ and performing safe offshore operations.

We believe that having well-manage diversified teams is a key to develop solutions for our customers and solv complex problems, and we further f having a work environment that pro participation and collaboration betw team members. We have strong trus our employees and focus on providi them with the experience and learn curve they need to reach their poter and advance within the organization

All employees receive regular perfor reviews from their manager through annual personnel appraisal meeting

We strive to develop competence in local community and offer trainee p in communities where we have long presence, we continued our local tra programs throughout 2023. All train been assigned a dedicated experien senior colleague to support them in training program. In total, the trainee covered 25 apprentices and trainee

# Equal opportunities

We are committed to treating our employees with respect and have a zero tolerance for all forms of discrimination.

All employees are given the same rights and possibilities regardless of gender, background, religion, nationality or disability. Recruitment processes do not exclude any applicant based on these factors. Reach is proud to have employees with different backgrounds.

The nationalities of our employees include Norwegian, British, Danish, Polish, Algerian, Trinidadian, American, Russian, Spanish, Indian, Cypriot, New Zealander, Singaporean, and Australian. The age range is 18-69 with education levels from trainee to doctor's degree. We have employees with different disabilities and religions and intend to facilitate to avoid any challenges. Offshore employees are covered by a collective bargaining agreement.

The offshore industry has historically been dominated by male workers. We aim for a more gender-balanced offshore workforce, i.e. by recruiting women through our trainee program.

Reach employees in Norway are entitled to parental leave in accordance with Norwegian legislation.

In 2023, all employees in the Group were employed in Norway (Haugesund, Bergen, Stavanger, Harstad, Asker), Sweden, Cyprus, UK, US, Brazil, Trinidad, Singapore and Australia. In addition to employees, Reach also hires contractors and consultants in different parts of the world, providing good terms and conditions.

Reach has established a Remuneration Committee. The Committee consists of three Board members and their work and responsibilities are further described under the Corporate Governance chapter in this report.

Salary reviews are done yearly, through the Union or individually. Statistics, inflation, education, experience and social considerations lay basis for the salary development.

Gender, diversity, ethnicity, sick leave or sexual orientation have no impact in these evaluations.

Reach issues a Remuneration report yearly, with remuneration statistics in general, and details for the Board and executive management.

This report is considered on the company's annual general meeting and published on the company's web pages. Minutes from the annual general meeting contains voting information. In 2023 all shareholders present at the general meeting voted in favour of the report.

The salary of offshore personnel in Norway is based on an agreed matrix with the trade union SAFE, taking into account seniority and employment category. As such, all offshore workers have equal salary terms regardless of gender.

As Reach's onshore organization is relatively small, the average salary in each category will be impacted by any variances.

Reach has performed an in-depth review of salary differences by employment categories and found that when adjusting for seniority, education levels and level of responsibility there are no major difference in female to male salaries.

Operational changes are described Management of change procedure.

For labour related consequences of operational changes Reach follows local legislation for notice routines a notice periods as a minimum. In son regions we offer more employee-fri routines than the minimum requirem In such cases this is described in th agreement between the employer a employee and/or the Union Agreem

All key suppliers are evaluated base social criteria and all suppliers perfo evaluation and sign a supplier decla their compliance with laws and regu hereunder also social compliance.

This includes giving employees equ opportunities, fair pay and not prom any unlawful human rights practices such as human trafficking, child lab or any other forced labour practices

As our operations expand geograph and in volume we are increasingly e to risk of incidents in our supply cha Consequently, we monitor the socia we have through our supply chain.

# Equal opportunities

## Employment & workforce diversity

| Employment type | 2023 | 2022 |
|---|---|---|
| **Permanent employees FTE** | **342** | **270** |
| Where of male % | 85 | 88 |
| Where of female % | 15 | 12 |
| **Temporary employees FTE** | **6** | **5** |
| Where of male % | 67 | 100 |
| Where of female % | 33 | 0 |
| **Full-time employees FTE** | **334** | **267** |
| Where of male % | 87 | 88 |
| Where of female % | 14 | 112 |
| **Part-time employees FTE** | **8** | **3** |
| Where of male % | 25 | 40 |
| Where of female % | 75 | 60 |

## Percentage of employees by gender and age

| Employee Category | Male | Female | < 30 years | 30-50 years | 50 years > |
|---|---|---|---|---|---|
| Board of directors | 57 % | 43 % | 0 % | 14 % | 85 % |
| Group Management | 80 % | 20 % | 0 % | 60 % | 40 % |
| Administration (HR, Finance, Sales) | 67 % | 33 % | 5 % | 61 % | 34 % |
| Project Management | 85 % | 15 % | 8 % | 77 % | 15 % |
| Engineering/technical | 87 % | 13 % | 30 % | 53 % | 17 % |
| HSEQ | 83 % | 17 % | 0 % | 50 % | 50 % |
| ICT | 100 % | 0 % | 50 % | 50 % | 0 % |
| G&G | 73 % | 27 % | 27 % | 70 % | 0 % |
| Subsea | 98 % | 2 % | 26 % | 50 % | 24 % |
| Survey | 88 % | 12 % | 36 % | 56 % | 9 % |
| Reporting Group | 88% | 13 % | 0 % | 50 % | 50 % |

# SUSTAINABLE DEVELOPMENT GOALS

When it comes to UN sustainability goals within social, Reach will focus onthe two sustainable development goals, Quality Education and Gender Equality.

4 QUALITY EDUCATION

## 3. Quality education

Obtaining a quality education is the foundation to improving people's lives and sustainable development.

The competence of each individual working for us represents the backbone for performing safe subsea operations and providing quality in everything we do. We have implemented training procedures for our employees as well as local training programs in communities where we have a long-term local presence.

5 GENDER EQUALITY

## 5. Gender Equality

This goal aims to achieve gender equality and empower all women and girls, and involving women's participation in decision-making processes.

Reach contributes to gender equality by implementing policies and practices that promote the equality in the workplace. This includes equal pay for equal work, providing opportunities for career advancement and leadership roles for women. As well as fostering a supportive and inclusive work environment free from discrimination and harassment.

# Social

## Key targets 2023

**Work related sick leave at low level (less than 1.0 %)**

Achieved

There has an impeccable record of 0 % work-related sick leave year to date in 2023.

**Zero work related injuries (LTI)**

Not achieved

A hand injury during mooring operation on a vessel. The employee has recovered well from the incident.

**Maintain turnover below 8 %**

Not achieved

By end of 2023, we have unfortunately gone above our target of maximum 8 % (10.7 %) turnover rate. This is carefully monitored, and actions are taken to prevent further increase.

**Establish program for employee development**

Achieved

Employee survey, training, organizati and clear position descriptions in Rea

**Conduct 15 supplier audits with focus on Social Responsibility and the Transparency act**

Achieved

Value chain awareness.

**Implement campaign with focus on mental and physical health**

Achieved

A HSEQ campaign covering well-being & mental health was implemented in Q1 2023.

## Key targets 2024

**10 apprentices and trainees participating yearly in trainee program**

Enriching the workforce with fresh talent and investing in future expertise.

**Zero work related injuries**

Focus on HSEQ.

**Maintain turnover below 8 %**

Retain our talents.

**Lost time incidents 0 %**

Focus on HSEQ and productive work time.

# Governance

Reach aims to be an attractive and professional subsea operator by maintai high ethical standards defined by our Code of Conduct, which refers to the UN's Sustainable Development Goals an applies to the precautionary principle.

The Code of Conduct applies to all Reach activities and business relationships, and is available to download from www.reachsubsea.no/ sustainability. Reach reviews and issues a Corporate Governance report yearly, based on the Norwegian Code of Practice for Corporate Governance ("NUES").

# Governance

Reach has outlined clear governance objectives for 2023 and beyond. A full Corporate Governance review can be found as a separate chapter in this report.

Acknowledging the rising cyber security threats that companies confront in today's dynamic landscape, we have implemented mandatory cyber security training courses for all Reach employees. These courses are easily accessible through our ReachED training portal, and we provide monthly reports that offer detailed statistics and outcomes. A number of phishing simulations have been conducted with a strong failure rate decrease.

Similar initiatives have been implemented for the training modules covering code of conduct, anti-bribery policies and human rights available to all employees through our ReachED training portal. We firmly believe that every individual employee stands to benefit from comprehending the risks and expectations, enabling collective efforts to mitigate these risks. The results for 2023 ended on 70 % completion, also slightly lower than our goal of 80 % completion. Our commitment remains steadfast in revitalizing and fortifying our sustainability governance framework.

We are diligently preparing to meet forthcoming requirements outlined i
Corporate Sustainability Reporting D
(CSRD) and the European Sustainab
Reporting Standards (ESRS). We ha
established a new taskforce repres
board members and managers in Re
and are well underway with conduc
a thorough double material analysis

| (in NOKm) | 2023 |
|---|---|
| Revenues | 1996 |
| EBIT | 332 |
| Pre-tax profit | 290 |
| Cash and cash equivalents | 436 |
| Net working capital | (105) |
| Net interest bearing debt, excl IFRS 16 leases | (369) |
| Equity | 928 |

## Profitability and financial sc

Reach follows an annual reporting c
01.01- 31.12 for both its sustainabilit
reporting and financial reporting.

# Quality services


We acknowledge the importance of providing quality in all that we do. Providing quality services helps us build our reputation as a trustworthy and preferred subsea partner and builds ground for long-term sustainability.

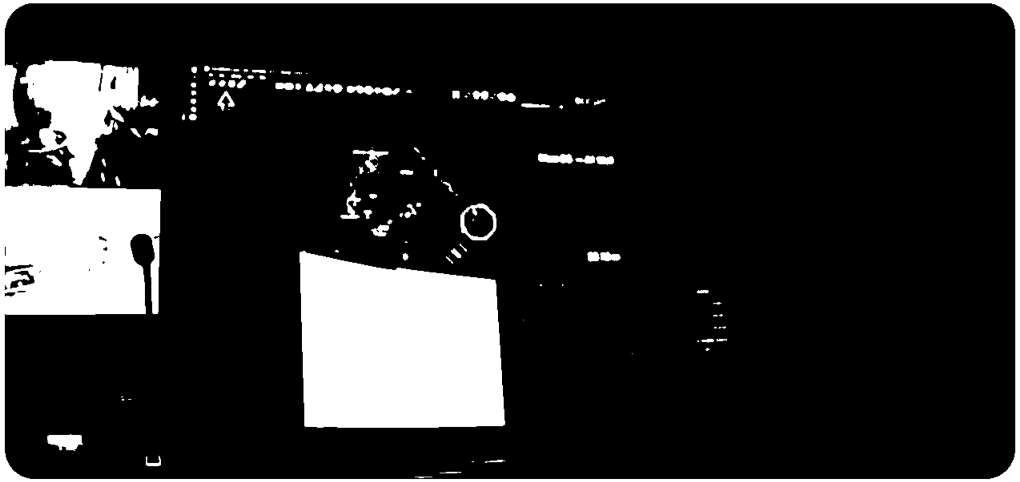
The subsea industry is competitive and quality is an important factor when being assessed by clients for current and future projects. We believe that our values, combined with our competent and highly motivated workforce give us an excellent starting point in securing quality in all that we do. We strive to carry out lessons learned meetings between project teams and clients and encourage all clients to provide feedback on completed projects.

The quality of our services is measured though customer satisfaction rating provided by our customers. We are measured on our quality, understanding of scope, ability to inform, technical ability, response and HSEQ performance. The rating is from 0-5, and in 2023 our average customer satisfaction score was 4,75. Our aim is to maintain a high level of customer satisfaction in the future.

Lessons learned and feedbacks are
internally for improvement indicator
any indicators are discussed with th
project team to find the best possib
perform the activity in the future. Ou
conformance and improvement repo
system is continuously followed up
HSEQ department and managemen
a newsletter containing highlights fr
system is distributed to the organiza
We also subscribe to IMCA safety fl
which help us keeping track on gen
improvement indicators in the indus

| Year | Technical upti |
|---|---|
| 2019 | 100 % |
| 2020 | 99 % |
| 2021 | 100 % |
| 2022 | 99 % |
| 2023 | 99 % |

# Anti-corruption and business ethics



We strive to act with honesty and to carry out our business in an ethical manner and in compliance with international and local laws and regulations. By doing so, we earn the trust of our stakeholders.

As our operations expand geographically and in volume, we are increasingly exposed to risk of corruption and bribery. Reach shall conduct all business in an honest and ethical manner and we have a zero- tolerance policy for bribery and corruption, which includes Reach officers, employees, temporary workers and all third parties acting on our behalf.

The Anti-bribery policy is a part of our Code of Conduct and summarizes the procedures implemented to comply with applicable laws and regulations. The Anti-Corruption and Anti- Bribery measures are regularly evaluated by Management and Board of Directors.

Reach is committed to ensuring that anyone who works for us can speak up in confidence if they have any concerns relating to corruption or bribery. Any need for advice on implementing the organization's policies and practices for responsible business conduct can be raised to the Reach HSEQ department. Any concerns should be raised to the CEO in first instance and will be treated confidentially.

Reach will not tolerate retaliation in form against anyone raising concern reporting what they genuinely belie be improper, unethical or inappropri behaviour. There have not been any instances of non-compliance with la and regulations that resulted in fine sanctions during the reporting perio

We require our leaders to take resp for preventing, detecting and respon issues relating to unethical behaviou corruption risk. All management per have completed an IMCA -based e- training program related to anti-cor In 2020 we implemented an e-learn employees related to anti-bribery. 7 have finished the e-learning in 2023

# Sustainability in our supply chain

We continuously work with our suppliers to reduce risk of unethical business, such as corruption or violation of human rights, in our supply chain.

Our supply chain is centred around offshore operations and subsea services, and includes:

- Vessel Charter
- ROV Services
- Bunkering
- Crew Services
- Subsea Equipment Hires

To be accepted to provide services
all suppliers must perform a manda
self- declaration, which also include
compliance with our policies relating
Code of Conduct, Anti-Corruption a
Bribery, Transparency as well as soc
compliance. Reach continuously rev
the supplier list to identify critical ve

We also perform supplier audits to e
compliance. We aim to maintain foc
business ethics in our supply chain
continuing to perform supplier audit
reviewing self-declarations and sup
questionnaires. We are constantly w
to develop and improve our ReachE
courses, and aim for the following y
to develop e-learning course with fo
on Sustainability for our employees.

# The Transparency Act

Reach is covered by the definitions and requirements in the Transparency Act, which is governed by the Norwegian Consumer Agency.

The Transparency Act promotes companies' respect for basic human rights and decent working conditions and ensure the public access to information. The law describes companies' duties to carry out diligence assessments and provide information.

Foreign businesses that are liable to tax in Norway, offer goods and services in Norway and are larger businesses will be covered by the Transparency Act. Norwegian businesses domiciled in Norway, offer goods and services in or outside Norway and are larger businesses are covered by the Transparency Act.

Norwegian businesses that fall outside the scope of the Transparency Act must still comply with the law being a supplier to Reach, which is covered by the Transparency Act.

In addition, an e-learning course is established in ReachED to familiarize relevant employees with the requirements of the law.

With a strong commitment to transparency and accountability, Reach has taken proactive steps to ensure compliance with the Transparency Act.

The Transparency Act, also known as the Transparency in Supply Chains Act, is a legislative framework aimed at promoting transparency and combating human trafficking, forced labour, and modern slavery in supply chains. Organizations are required to disclose their efforts in to identifying and addressing these issues within their operations and supply chains.

Recognizing the significance of these global challenges and the importance of ethical practices, Reach has adopted the Transparency Act as part of its corporate responsibility strategy. The company firmly believes in the principles of human rights, fair labour practices, and environmental sustainability.

## Process to fulfill the transparency act

Reach has over the past year worked to map the requirements and any deviations within our operations.

A procedure, ref. REACH-ADM-WP-011 Safeguarding the Transparency Act, has been put in place to ensure that we fully adhere to the regulations.

The procedure applies to all activities concerning the Company's actions including;

- Promoting the Company's respect for fundamental human rights
- Ensuring decent working conditions in connection with the delivery of the Company's services
- Ensuring public access to information accordingly

The procedure of Safeguar the Transparency Act is ow by our VP Group HSEQ, ch by VP Group HR and CFO, finally approved and signe by the CEO and the Board.

The procedure outlines the key duti to comply with the Transparency Ac

For more information on this topic p download the document here. The r statement for 2023 will be publishe before the deadline 30.06.2024 on reachsubsea.no/transparency-act/.

# Cyber Security

The European Union Agency for Cybersecurity, ENISA, is the Union's agency dedicated to achieving a high common level of cybersecurity across Europe.

Reach aims for a safe digital working environment for all employees and continuously raise awareness of cyber security. The Board and Management has cyber security on the agenda, both as part of the monthly reporting and in Board meetings. Activities include risk assessments and mitigating actions including services from external advisors. In 2023 our campaign on cyber security focused on increased awareness of digital security among employees, phishing, extortion and other attacks that can have negative consequences. ReachED includes four mandatory e-learning courses for all employees.

The European Union Agency for Cybersecurity, ENISA, is the Union's agency dedicated to achieving a high common level of cybersecurity across Europe.

Established in 2004 and strengthen EU Cybersecurity Act, the Europear Agency for Cybersecurity contribute cyber policy, enhances the trustwor of ICT products, services and proce with cybersecurity certification sche cooperates with Member States anc bodies, and helps Europe prepare fc the cyber challenges of tomorrow.

Through knowledge sharing, capaci building and awareness raising, the works together with its key stakeho to strengthen trust in the connected economy, to boost resilience of the infrastructure, and, ultimately, to kee Europe's society and citizens digital secure." Source: ENISA web page.

# SUSTAINABLE DEVELOPMENT GOALS

Working for quality jobs and reducing rorruption and bribery is essential for the UN's sustainability goals eigth and sixtheen. Reach has committed to prioritizing these objectives in the coming years.

## 8. Decent work and economic growth

Sustainable economic growth requires societies to create the conditions that allow people to have quality job.

We believe sustainability and long-term profitability go hand in hand. By continuing to focus on sustainable solutions we increase our value and competitiveness, by minimizing risk, increasing transparency, and facilitating more efficient use of our resources. In turn, profitability and financial strength helps to secure Reach as a reliable employer by providing workers with a secure and meaningful place to work.

## 16. Peace, justice and strong intuitions

Contribute work for substantially reduce corruption and bribery

We can contribute by ensuring ethical business practices, promoting transparency and accountability within its operations, fostering a safe and inclusive workplace culture, and adhering to legal and regulatory frameworks. Additionally, Reach can engage in initiatives that support access to justice, conflict resolution, and community development in the regions where it operates.

# Governance

## Key targets 2023

**Establish renewed sustainability governance structure**

Achieved

Clear long term goals and KPIs was set for 2023.

**80 % completion of Cyber security awareness training courses**

Not achieved

We have not fully achieved our goal of 80 % completion as 2023 ended in 70 %, however we have made significant progress toward achieving our engagement goals.

**80 % completion of Code of Conduct and Anti Bribery course**

Not achieved

The results for 2023 ended on 70 % completion, also slightly lower than our goal.

**Implement Taxonomy Reporting System**

Achieved

Meet relevant maritime requirements

## Key targets 2024

**90 % completion of Cyber security awareness training courses**

Increase the overall Cyber Security awareness for the organisation.

**90 % completion of Code of Conduct and Anti Bribery course**

Increase the overall awareness and understanding the Code of Conduct Policy.

**Implement and gain 90 % completion of Sustainability course**

Increase employee engagement with sustainability initiatives, such as having a “Deep Dive” with sustainability topic and implementing e-learning course in ReachED.

# Directors Report

Reach Subsea ASA is listed on the Oslo Stock Exchange (Euronext). The Company has per 31 December 2023 issued 271,769,245 shares, of which the majority is owned by Norwegian shareholders. The increased number of shares compared with 31 December 2022 is related to (i) a share increase of 850,000 new shares from the share incentive program for employees exercised in December 2023, (ii) the purchase of Guardian Geomatics, partly settled by issuing 15,469,682 new shares, and (iii) a private placement of NOK 125.0 million, resulting in 29,411,000 new shares, followed by (iv) a subsequent offering of NOK 1.3 million resulting in 312,635 new shares.

Wilhelmsen New Energy was in 2022 granted the right to subscribe for and be allocated an additional 44,766,684 new Reach shares at a subscription price of NOK 4.00 per share, with the subscription price subject to customary adjustment clauses. The warrants have a duration of three years and can be exercised at any time.

The Board proposes a dividend of NOK 0.36 per share, to be resolved at the AGM on 31 May 2024. This is in line with the Board of Directors' dividend policy stating that the company aim to distribute a dividend of around 50 % of adjusted net profit. Adjusted net profit is defined as reported net profit, adjusted for items the Board regard as transitory.

The Group consisted at the end of 2023 of 15 companies; Reach Subsea ASA and the fully owned subsidiaries Reach Subsea AS, Connect Offshore AS, Reach Subsea International AS, Reach Remote AS, Reach Subsea UK Ltd, Reach Subsea US Inc, Reach Remote AS, Reach Subsea PTE Ltd, Reach Subsea Ltd, Reach Subsea AB, Reach Brazil LTDA, Guardian Geomatics Pty Ltd and Guardian Geomatics PTE Ltd. The main activity of the Group is conducted in Reach Subsea AS. Reach Subsea AS has a branch in Trinidad & Tobago and further Permanent Establishments (branch) in countries of long-term operation. Reach Subsea further holds 49.9 % of Viking Reach AS, an entity owning the vessel Viking Reach, and 40.0 % of Guardian Geomoatics Arabia Ltd, an entity owned together with our local partner in Saudi Arabia. Connect Offshore AS provides hired offshore personnel to Reach Subsea and other clients. Reach Subsea International is an owning entity for all international entities.

Reach essentially follows the recommendation for rep
IR-information issued by the Oslo Stock Exchange an
all its news releases on www.newsweb.no, a service p
by the Oslo Stock Exchange. Reach aims for a high le
quality on the content, and high frequency of informa
provided to its investors. Our quarterly financial repor
include financial details to increase the transparency
business. Financial reports, General Meeting Minutes,
price information, Corporate Governance, Operationa
and presentation of the Board and Management can
on the company's web page, as well as the full Sustai
Report covering initiatives and measures on Corporat
Responsibility. Reach Subsea ASA has a dividend poli
that the company aims to distribute a dividend of aro
of adjusted net profit. Adjusted net profit is defined a
net profit, adjusted for items the Board regards as tra

# Directors Report

The Group is exposed to commercial, operational, technical and financial risk by the nature of the business. Identifying, managing and mitigating risk factors is part of the Group monthly reporting and on the annual Board Strategy Meeting agenda. A weekly risk assessment by the Management team contains a likelihood and consequence analysis and mitigating actions and responsibilities. The monthly report is presented to the Board and to relevant employees in Reach. As part of the yearly strategy meeting the Board and Management further conduct markets analyses and reviews the organisations capabilities. These analyses integrate into the discussions and planning of activities enabling the organisation to be prepared for current and future risk factors. The annual Board meeting plan contains an overview of various compliance and risk factors to be covered in each meeting.

The Board members and the CEO are covered by liability insurance. The policy has worldwide coverage, and in addition to financial loss, it provides cover for aggravated, punitive and exemplary damages imposed on the insured, where these are insurable by law. The limit of liability is NOK 50 million per claim.

**Operational and technology risk**

The group is exposed to operational and technology risk factors. The topics below describe how we are mitigating the risk factors identified.

- Project risk. Performing risk analysis is part of our QMS and Project Manuals. Training, procedures and good cooperation between offshore and onshore locations are key elements to avoid surprises or accidents. HSEQ statistics are part of our meetings and monthly report.
- Quality and capacity risk. Maintaining our subsea assets and close cooperation with key suppliers are two key elements for reducing the risk of not being able to deliver to our clients.
- Technology development. Innovative, efficient solutions are important to be attractive for clients and employees. To mitigate this risk Reach has Research and Development (R&D) projects for technology development and further participates in various fora and conferences and discusses with employees, suppliers and clients. R&D cost is presented in our accounts as operating expenses or as part of new or upgraded assets.

- Reach has invested in two remotely operated vesse Remote"). The Reach Remote is a USV (Unmanned Service Vessel) mobilized with an eROV (Remotely Operated Vehicle) that is operated through a moon with an umbilical and/or hull mounted equipment.

The USV and the eROV will be operated from an onsh location. The risk factors related to the project includ governmental regulations, market risk, technical risk and financial risk. The major risk factors are related to the new technology and new regulations for unmanne vehicles in this innovative project. In addition notified delivery delays may cause financial issues for our sup including the ship yard. Reach bears the yard risk.

# Directors Report

### Financial and compliance risk

The Group is exposed to financial risk factors including;

- Interest and foreign exchange. Interest rate risk and exchange rate risk occur through financing and contracts with clients and suppliers. The Management is continuously considering hedging and other risk reducing methods as well as aiming to have expenses and income in the same currency. Freight rates, currency exchange rates and interest rates may impact the value of the Group's assets, liabilities and future cash flows.
- Capital. Our growth requires available capital and liquidity to be able to invest and be attractive for banks and other financial providers. Maintaining a strong balance sheet and focusing on the working capital level mitigate these risk factors. The Group has no major loan instalments to financial institutions or maturities the next five years. No uncovered need for financing has been recognized in the near future. A worsened market situation may change this radically on relatively short notice. The Group's liquidity situation as per 31 December 2023 is satisfactory based on the current financial position and project schedule.
- Compliance. Increased international presence and growth introduce risk factors related to compliance. Company policies including code of conduct and high focus on ethics are mitigating actions.
- Tax. The Group is exposed to tax risk, when working on projects in various countries, hereunder sales tax, withholding tax, environmental tax and corporate tax. The tax risk is partly mitigated by establishing a branch or reporting on a Permanent Establishment basis. Risk assessments are performed on each tender and before start-up of projects. Larger tenders and tenders involving new risk factors are reviewed by a Tender Board consisting of members from the Board of Directors and Management before submitted. Further Reach is planning to enter into the Norwegian tonnage tax regime. Performing projects that do not qualify for the tax regime may impose increased tax cost, though not above regular tax levels in Norway.
- In 2023, Reach reviewed and updated compliance and routines, hereunder transfer pricing, and in addition strengthened the team with an experienced Legal Director to mitigate risk factors related to contracts, tax and other legal aspects.

### Commercial and market risk

- Reach has increased the vessel commitment by en new charter agreements in 2023 and 2024. The ves a competitive cost level and are scheduled for proj the Reach Subsea Group. The current order book f vessel is presented under the Operational Report a of our current order book is related to projects in th three quarters in 2024. Vessel commitment as per 2024 is presented on the next page.
- The Board emphasizes that there is considerable u about future events, hereunder market conditions, of spare parts and cost of goods and services. Ma operational risk are related to changes in demand f prices of services provided by the Group, and pote adverse effects of the provision of such services. R currently not directly affected by political instability situations, including in Ukraine. The demand in the gas sector is currently not expected to decrease, b events might adversely alter this expectation.
- The Group continually evaluates measures to reduc exposure as mentioned above. Certain risk factors described in the notes. Reference is also made to t section in this report.

# Vessel capacity for long-term growth

| | Vessel | Type |
|---|---|---|
| Owned vessels | Viking Reach | Survey, IMR, Light Construction |
| | Reach Remote 1 & 2 | Unmanned and Robotics |
| | Reach Remote 3 & 4 | Unmanned and Robotics |
| Vessels on charter | Deep Cygnus | Construction |
| | Go Electra | Survey, IMR, Light Construction |
| | Olympic Triton | IMR, Light Construction |
| | Havila Subsea | Survey, IMR, Light |
| | Olympic Taurus | IMR, Light Construction |
| | Offshore Surveyor | Survey |
| | Northern Maria | Survey, IMR |
| | Agalas Newbuild | IMR, Light Construction |
| Project charter | Olympic Delta | Survey, IMR, Light Construction |
| | Olympic Zeus | Construction |
| | Stril Explorer | Survey, IMR, Light Construction |

# Directors Report

In accordance with IAS 1.25, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on the Group's budget for the year 2024 including the Business Plan, the cash flow forecast and the contract backlog. Reference is also made to the Outlook statement in this report. Figures for 2022 are presented in brackets.

Reach Subsea acquired iSurvey Group in March 2022. The transaction was closed 22 March 2022. iSurvey Group is fully consolidated from 31 March 2022. Consolidated balance sheets as from 31 March 2022 include all the acquired entities. Reach Subsea acquired Guardian Geomatics 15th November 2023. Financial results are fully consolidated as of that date. The financial effects of the transactions are further described in the Notes.

Reach Subsea ASA serves as parent and holding company for the Group. In 2023, the parent company turnover was NOK 21.2 million (NOK 18.4 million in 2022). The main activity in the parent company is consultancy services to Group companies. Operating expenses in 2023 was NOK 27.3 million (NOK 23.4 million). The increased operating expense is primarily related to salary cost, as the number of employees in the parent company increased from 4 to 5 in February 2023.

Interest income from Group companies and Other financial and interest income totaled NOK 31.4 million (NOK 70.1 million). Profit for the year was NOK 20.6 million (NOK 50.8 million). The parent company has an equity of NOK 671.1 million (NOK 546.5 million), representing 59.4 % (90.8 %) of the total balance sheet. The parent company has a strong liquidity position, with cash and bank deposits of NOK 352.9 million (NOK 16.2 million). Net cash flow in 2023 was NOK 19.3 million (NOK 11.1 million). See further details in the full Parent Company Accounts, including Notes, in this report.

Reach Subsea Group total operating income for the full year 2023 was NOK 1,995.9 million (NOK 1,162.8 million), with the increase from last year explained by (i) a higher number of project days sold, (ii) increased service scope on projects, (iii) higher pricing and (iv) revenue from the acquired businesses.).

Operating expenses in 2023 were NOK 1,664.1 million (NOK 1,057.6 million) where project- related expenses, including depreciation of IFRS 16 assets, represent the majority of the operating expenses for the Group. The increase compared to the same period last year is primarily explained by (i) higher project activity, hereunder more vessel days, and (ii) operating expenses from the acquired business. Details about depreciations and impairment sensitivity is presented in the Notes.

Operating result (EBIT) in 2023 was NOK 331.8 millio
105.3 million). The improved EBIT is primarily a result
higher activity with strong utilization and higher prici
as well as contribution from the acquired businesses
a NOK 29.8 million gain on sale of a WROV in 2Q2023

Net financial items in 2023 were NOK -59.0 million (N
million). The main year-over- year differences are (i) i
interest expenses due to the higher level of IFRS 16 re
which amounted to NOK -77.9 million (NOK -15.4 milli
currency effects, which amounted to NOK 13.9 million
million). Our charter hires are in USD and NOK, while
the quarter was in NOK, USD and EUR. Result from as
companies was NOK 16.7 million (N/A). The total comp
income for 2023 was NOK 224.7 million (NOK 69.7 mi

In 2023, Oil & Gas revenues constituted 67.8 % while
Other constituted 32.2 % of total revenues. By compa
2022 Oil & Gas revenues were 82.1 % while Renewabl
constituted 17.9 % of total revenues. Oil & Gas entails
from survey, IMR and light construction projects whe
client's asset is used in the oil & gas sector. Renewab
entails revenues from survey, IMR and light constructi
where the end client's asset is used outside the oil &

# Directors Report

Total current assets at the end of the quarter were NOK 820.9 million (NOK 504.1 million), of which cash and cash equivalents amounted to NOK 436.4 million (NOK 191.6 million). Including the unutilized revolving credit facility, available liquidity was NOK 466.4 million (NOK 221.6 million).

Receivables and inventories were NOK 384.5 million (NOK 312.5 million). Total non- interest-bearing current liabilities were NOK 489.7 million (NOK 241.7 million). This leaves a net working capital of NOK -105.3 million (NOK 70.8 million). The decrease in working capital is mainly a result of increased short term liabilities, including payable tax, accounts payable on investments made in 4Q2023, and the NOK 39 million seller credit related to the purchase of Guardian Geomatics.

Total non-current assets at the end of the quarter were NOK 1,867.0 million (NOK 448.0 million). The increase is mainly a result of (i) increased Right of use assets (leases capitalized under IFRS 16) of net NOK 1,073.0 million (ii) Investment in associated companies (49.9 % of the shares in the single purpose company owning Viking Reach) of NOK 113.5 million, (iii) Assets under construction of net NOK 116.2 million, which is mainly related to the Reach Remote project and (iv) Property, plant and equipment of net NOK 98.3 million.

The 2023 additions to Right of use assets and liabilities include the vessels Go Electra, Olympic Triton, Olympic Zeus, Viking Reach, Havila Subsea (extension), Offshore Surveyor, and Deep Cygnus.

Net interest-bearing debt (total interestbearing debt, including capitalized leases under IFRS 16, less cash) stood at NOK 823.1 million (NOK -60.6 million). The increase is explained by the increased charter commitment as described above.

Net financial interest bearing debt t
credit institutions (i.e. excluding IFR
leases) was NOK –368.8 million (NO
-163.6 million), i.e. cash positive.

Net cash flow from operating activit
was NOK 952.7 million (NOK 466.3
Net cash flow from investing activiti
NOK -208.4 million (NOK -204.7 mil

Included in this figure is Purchase o
assets related to general equipment
mobilizations and general investmen
NOK -202.7 million (NOK -167.8 milli
proceeds from the sale of a WROV
NOK 31.4 million in 2Q2023 as well
NOK 64.7 million investment in the
Reach vessel owning entity in 1Q20

For 2023, net cash flow from financ
activities was NOK -487.8 million (N
-214.5 million), and includes vessel
hire classified as "Repayment of bo
and leases" according to IFRS 16, pr
from a private placement and emplo
option program of NOK 123.0 million
(NOK 152.3 million) and dividends p
NOK 46.0 million (NOK 40.5 million)

# Directors Report

Details about cash outflow from leases can be found in the Cash flow statement and the Notes. Net change in cash and cash equivalents for 2023 was NOK 256.6 million (NOK 47.1 million). Reach has per 31 December 2023 no major debt maturities to credit institutions.

The Reach Remote project represents a total investment of approximately NOK 426 million, of which NOK 213 million is covered by credit facilities. As of 31 December Reach has capitalized NOK 208.1 million as Asset under construction. In addition, two eROVs are under construction, financed by a build lease facility. Off balance sheet, not recognized, progress cost related to the eROVs amounts to NOK 37.3 million.

Remaining Reach Remote investments are approximately NOK 217.9 million, of which NOK 185.5 million is covered by debt and lease facilities.

Besides the Reach Remote project, Reach has taken further steps to secure vessel capacity at competitive terms as well as technology development and equipment upgrades.

After year end Reach has entered into chartering agreements for the vessels Olympic Taurus and Northern Maria. Investments in 2024 associated with these vessels and capex projects are expected to amount to approximately NOK 230 million. Reach has secured bank and lease financing to partly fund these investments.

Reach has been awarded several contracts and call-offs under frame agreements, involving inspection, survey and construction support projects across Europe, the Americas and in Asia Pacific. Clients represent major operators and tier 1 contractors in both the oil & gas and renewable sectors.

Reach has further expanded its capacity by securing charters for both the Northern Maria and Olympic Taurus. For the Northern Maria, the charter arrangement includes 3 years firm period and 6+6 months options. For the Olympic Taurus, a project charter of 100 days started in January 2024. Thereafter the vessel is signed for a new charter party for 2 years + 2 years' options. Our schedule indicates good utilization for all our subsea spreads throughout the main season 2024.

We now have an order book of approximately NOK 1.6 billion (NOK 740 million), with projects for execution in 1Q2024 and beyond. These contracts cover a wide spectrum of project types and are across both oil & gas and renewables projects and are included in the "Operational update" in this report. These figures do not include options and expected call- off extensions under frame agreements, which from experience can constitute significant additional work.

Current tender volume for the Group is NOK 10 billion (2.5 billion). See further details under «Operational Update» and «Outlook».

REACH currently markets and operates eight subsea
spreads (vessel, ROVs, and personnel, alone or toget
partners), which have a competitive cost structure. T
subsea spreads are tailored to our target markets and
well suited to the scope of services that are at the co
our business. We are continuously monitoring the ma
opportunities to complement and strengthen our bus
while at the same time progressing Reach Remote to
commercialization in 2024. Looking ahead we see tha
dramatic changes in global energy markets create a b
environment with both challenges and opportunities.
challenges are evident as subsea services provided t
& gas sector will have lower activity levels in the long

However, in the short to medium term we are witness
the resurgence of oil & gas activity, driving increased
utilization across the industry. The opportunities are t
our core subsea service competence is being deploy
new and fast growing maritime sectors such as offsh
wind, offshore aquaculture, carbon storage monitorin
environmental surveillance, and subsea mining. Going
2023 we took multiple steps to ensure that we could
to grow our business profitably into an improving ma

# Directors Report

These steps involved securing several vessels through new longer term charter agreements, the part acquisition of "Viking Reach", investing in upgrades of our equipment pool across all our business lines, and strengthening our organisation through several key recruitments. With a threefold increase in 2023 profits and outstanding tender volumes, we can safely say that the initiatives have paid off so far. Our commitment to growth and global expansion is underpinned by the recent announcement to acquire Australian-based Guardian Geomatics. This move is a testament to our strategic vision of establishing Reach services in the key global hubs, while it also enhances our capabilities.

Guardian Geomatics brings to Reach a wealth of expertise in marine surveying and geosciences, which complements our existing services and paves the way for us to capture a significant share of the burgeoning Asia-Pacific market. We are thrilled about the new avenues this acquisition opens for us, and we are confident that it will serve as a catalyst for our global expansion plans.

A major milestone in 2024 will be the introduction of Reach Remote to the market. We are in active dialogue with clients around the globe and notice substantial interest for a more sustainable way of providing subsea services and gathering subsea data.

Furthermore, the substantial increase in charter rates for conventional subsea vessels further contributes to the competitive cost advantage of the Reach Remote solution. Thus, from a commercial and value creation standpoint, Reach Remote is looking even more attractive. The Board and management are pleased with the company's record breaking financial performance in 2023. However, there is still a large untapped potential within the group, and efforts to bundle our new capabilities into more value-added integrated services, as well as utilizing the full capabilities on all our subsea spreads will accelerate going forward. Matching these efforts with the promising opportunity and pricing environment we see unfolding will be key to drive growth and margins further.

We hereby confirm that, to the best of our knowledge, the Annual Accounts for the period 1 January to 31 December 2023 have been prepared in compliance with applicable accounting standards; and that the information in the accounts offers a true and fair view of the Group's and the parent company's assets, liabilities, financial standing and overall performance. We further confirm that the Annual Report provides a true and fair view of the development, earnings and standing of the Group and the parent company; and sets out most important risk factors and uncertainties facing the Group.

Haugesund 15 April 2024

Chairperson of the Board

Board member

Board member

Board member

Board member

Board member

Board member

CEO

# The Board of Directors

## Rachid Bendriss

Chairperson of the Board

Rachid Bendriss (1969) has been Chairperson of the Board of Reach since 2020 and holds a Master of Management degree from BI – Norwegian Business School. He has more than 25 years of extensive capital markets and transaction experience through employment at firms like Morgan Stanley, Danske Bank and Carnegie, and as an independent strategic and financial advisor to various companies in the energy sector. North Energy ASA, where Mr. Bendriss is the CEO, owns 50,832,449 shares.

## Kristine Skeie

Board member

Kristine Skeie (1974) has been a board member of Reach sin
and is Managing Director of HK Shipping Group AS which is
company trading in the shortsea bulk segment. Skeie is also
member in Eidesvik Offshore ASA. She is a College graduate
administration from the Norwegian Business School and has
a Maritime Executive Program directed by Norwegian Shipo
Association. Mrs. Skeie beneficially owns 505,588 shares th
fully owned company Vest-Norsk Handelskompani AS.

## Ingunn Ø. Iveland

Board member

Ingunn Øvereng Iveland (1971) has been a board member of Reach since 2019 and holds a Master of Science degree from NTNU – Norwegian University of Science and Technology in physics and mathematics and a Master of Management degree from BI- Norwegian Business School. She has broad experience from positions in the subsea service and aquaculture industry. She is currently holding the position as strategic purchase director in Knutsen OAS Shipping AS. Mrs. Iveland owns 30,000 shares privately, and 30,588 through her fully owned Company I Øvereng AS.

## Martha Kold Monclair

Board member

Martha Kold Monclair (1962) has been a board member of R
2020 and is the founder and managing partner of KOLD AS
executive director of public listed companies as Hexagon Pu
Wind and BW LPG. Prior to that Ms. Bakkevig served two ye
Executive Officer of Steinsvik Group, an equipment and serv
for fish farming industry worldwide and ten years as Chief E
Officer of DeepWell, an oil service company operating in the
Sea. Ms. Bakkevig has extensive experience in management
and business development, and a broad academic backgrou
a doctor's degree in both technical and business strategical
She holds a master's degree and PhD from the Norwegian U
Science and Technology (NTNU) and a Doctorate in Econom
Norwegian Business School. Bakkevig beneficially owns 94
through her fully owned company Kold Invest AS.

# The Board of Directors

## Anders Onarheim

Board member

Anders Onarheim (1959) has been a board member of Reach since 2012. He just recently left his post as CEO of BW LPG, the leading global shipping company transporting LPG. Currently he is the Chairman of North Energy ASA, Ocean GeoLoop ASA and Energi Teknikk AS. He holds an MBA from Washington University of St. Louis. He has extensive knowledge of management, business development and capital markets after serving as the chief executive of companies in the Carnegie Group investment bank for 16 years, and preceding positions internationally with Goldman Sachs and Merrill Lynch. Mr Onarheim beneficially owns 1,000,000 shares through his fully owned company AB Investment AS. Furthermore, North Energy ASA, where Mr Onarheim is the Chairman of the Board, owns 50,832,449 shares.

## Arvid Pettersen

Board member

Arvid Pettersen (1957) has been a board member of Reach since 2022 and has a background as naval officer and vessel master. He has more than 35 years of experience from the offshore and subsea business and has 15 years of experience from serving as Chief Executive Officer of subsea companies in Brazil and Norway. He is currently acting as a CCO in Whatif EV. Mr. Pettersen does not own shares in Reach Subsea ASA.

## Espen Gjerde

Board member

Espen Gjerde (1981) has been a board member of Reach sin
and holds a Master of Science degree in Naval Architecture
Technology from Norwegian University of Science and Tech
(NTNU). He is a Shipping, Offshore & Renewable Energy inv
professional with offshore operational experience. In additio
broad experience from the international equity capital, bond
bank financing markets. Background from leadership educa
Norwegian Armed Forces, as a maritime management cons
DNV, experience with shipping/offshore financing from DVB
has been responsible for investments and portfolio manage
Finance International Limited (SFL Corp). Experience within
energy sectors from insight gained through work in differe
offshore and oil & gas companies. Wilhelmsen New Energy
Mr. Gjerde is Senior Vice President, owns 52,136,656 shares

# Corporate Governance & Management


Corporate Governance (CG) in Reach Subsea ASA shall increase trust towards the company and contribute to optimal value creation over time. The objective of corporate governance is to regulate the division of roles between shareholders, the Board and executive management more comprehensively than required by legislation.

# Corporate Governance & Management

## 1. Implementation & Reporting on Corporate Governance

Implementation & Regulations

Reach Subsea ASA's ("Reach Subsea" or "the Company") Board of Directors (the "Board") has the ultimate responsibility for ensuring that the company practices good corporate governance and has thus prepared and approved the Company's policy for corporate governance. The Company, through its Board and executive management, carries out an annual review of its principles for corporate governance. Reach Subsea is a Norwegian public limited company listed on the Euronext Oslo Børs (Oslo Stock Exchange). The Norwegian Accounting Act includes provisions on corporate governance which impose a duty on the Company to issue an annual statement on its principles and practice for corporate governance. These provisions also stipulate minimum requirements for the content of this report.

The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian Code of Practice for Corporate Governance (the "Code"). Adherence to the Code is based on the "comply or explain" principle, which means that a Company must comply with the recommendations of the Code or explain why it has chosen an alternative approach to specific recommendations. The Code was last revised 14th October 2021.

The Oslo Stock Exchange's Continuous Obligations for issuers of shares, part of Euronext Oslo Rulebook II, requires publicly listed companies to publish an annual statement of their policy on corporate governance in accordance with the Code in force at the time. The Euronext Oslo Rulebook II is available on https://www.euronext.com/en/regulation/euronext-regulated-markets. Reach Subsea complies with the Norwegian Accounting Act § 3-3b and the Code, unless otherwise specifically stated. The Company provides a statement on its principles for corporate governance in its annual report, and this information is further available on the Company website, www.reachsubsea.no

## 2. Business activity

Objective

The Company's business objective is, as set out in its articles of association § 1, to provide engineering, construction and related services to the offshore energy industry, shipping and other transport operations through ownership and / or operation, participation in such activity by other companies, and related activities. The Board establishes the Group's overall goals and strategy.

The Company's stated vision is "sustainable access to ocean space", which shall be achieved through offering high quality solutions and technology to clients in need of ocean data and services.

Values, objectives and strategies

Confidence in Reach Subsea as a Company and in its business activities as a whole is essential for the Com continuing competitiveness. The Company aims to maintain high ethical standards in its business concep and relations with customers, suppliers and employee

The Company has established their own Code of Con and guidelines for Corporate Social Responsibility (CS Board of directors evaluates objectives, strategies an profiles yearly, with the goal to create value for share in a sustainable way. The Company's strategy and key related to environment, social factors, and governanc are described in the Sustainability section of this ann

# Corporate Governance & Management

## 3. Equity and dividend

Equity

The Board aims to maintain a satisfactory equity ratio and capital structure in the Company in light of the Company's goals, objective, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board regularly assesses the Company's capital requirements.

Dividend

The Company's objective is to generate a return for its shareholders through dividends and increases in the share price that is at least in line with the return available on similar investment opportunities of comparable risk. The Board has a dividend policy stating that the Company aim to distribute a dividend of around 50 % of adjusted net profit. Adjusted net profit is defined as reported net profit, adjusted for items the Board regard as transitory.

Authorizations to the Board

The Board will in the outset not propose that authorizations to increase the share capital and to buy own shares are granted for periods longer than until the next Annual General Meeting of the Company. The Board will only propose authorizations with specific purposes and each proposed purpose will be treated as a matter for the Annual General Meeting.

As per 31 March 2024, the Board had two authorization to increase the share capital, granted by the Annual General Meeting on 31 May 2023. One authorization is to increase the share capital with NOK 3,000,000, of which 2,150,000 is outstanding, and may only be used to issue shares as consideration in connection with the share option incentive scheme for employees and management. The other authorization is for a capital increase of NOK 25,544,000, of which 10,074,318 is outstanding.

The intention of this authorization is to give the Board flexibility to strengthen the Company's capital or use the shares of the Company as consideration in connection with acquisitions. Both authorizations are valid until the annual general meeting in 2024, however no later than 30 June 2024. The Board does not hold any rights to purchase own shares.

## 4. Equal treatment of shareholders & transactions with close associates

Rights

The Company has one class of shares with equal rights. Capital increases where existing shareholders' preferential rights are waived shall be justified. By waiver of rights based on authorizations, the reason for the waiver shall be stated in the press release/ announcement in connection with the capital increase. In the event that the Board is granted authorizations to buy own shares and decides to use this authorization, the transactions will be carried out in accordance wit requirements stipulated in Commission Delegated Re (EU) 2016/1052.

Transactions with related parties

Any transactions, agreements or arrangements betw the Company and its shareholders, members of the B members of the executive Management team or clos associates of any such parties shall only be entered i part of the ordinary course of business and on arm's market terms. All such transactions shall comply with procedures set out in the Norwegian Public Limited L Companies Act or similar provisions, as applicable. Th Company's financial statements shall provide further about transactions with related parties. Board membe members of the Executive Management team shall im notify the Board if they have any material direct or inc interest in any transaction entered into by the Compa

## 5. Shares & negotiability

Transfer of shares

The Shares are freely transferable and there is no lim own, trade or vote for shares in the Company. The Co Articles of Association do not contain any provisions i limitations on the ownership of the Shares and there a no limitations under Norwegian law on the rights of n residents or foreign owners to hold or vote for the Sh

# Corporate Governance & Management

## 6. The General Meeting

The annual general meeting of Reach Subsea ASA

To ensure that the AGM is an effective forum for communication between the shareholders and the Board, and encourages shareholders to participate in the meeting.

Preparations for the AGM

The Annual General Meeting is normally held before 31st May every year and at least by 30 June, which is the latest date permitted by Company law.

The notice calling the AGM is made available on the Company's website, www.reachsubsea.no, and sent to shareholders no later than 21 days prior to the meeting. The same notice period applies for extraordinary general meetings. The notices calling the general meetings shall provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting. The notice will also set out:

- The procedure for representation at the meeting through a proxy, including a form to appoint a proxy, to allow for shareholders who are unable to attend in person will be able to vote by proxy and
- The right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting.

The Company shall appoint one person that can vote for the shareholders as a proxy. The Company's articles of association stipulate that the supporting documents dealing with matters to be considered by the AGM can be made available on the Company's website rather than being sent to shareholders by post. However, shareholders are still entitled to receive the documents by post upon request if they so wish. The supporting documentation provides all the necessary information for shareholders to form a view on the matters to be considered.

The date of the next AGM is included in the Company's financial calendar, as described in "Information and communication" below.

Agenda and conduct of the AGM

The Board decides the agenda for the AGM and the agenda shall be described in the notice. The main agenda items are determined by the requirements of the Public Limited Liability Companies Act § 5-6 and Article 5 of the articles of association of Reach Subsea ASA. The Board may propose a person independent of the Company and the Board to chair the General Meetings, ensuring that the AGM has an independent chairperson in accordance with the recommendations of the Code.

Members of the Board Nomination Committee and Au attend the Annual General Meeting, but normally the Board has not participated. Matters on the agenda ha so far not created a need for this. The Chairman of th Board and the Managing Director always attend to an questions. The AGM minutes are published by issuing stock exchange announcement and are also made av on the Company's website at www.reachsubsea.no

## 7. Nomination committee

Reach Subsea has a board nomination committee co of three members elected for a period of 2 years, acc to section 3 of the Company's articles of association. following three members form the nomination commit following the election for a two-year term at the 2022

- Christian Berg (Chairman)
- Rune Lande
- Didrik Leikvang

Pursuant to section 6 of the Articles of Associations, nomination committee shall propose Board member c to the general meeting in connection with notices the

The nomination committee shall also make proposal for the remuneration of the Board.

# Corporate Governance & Management

## 8. The Board of directors - composition and independence

The composition of the Board of directors ensures that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity, and diversity. The Board of Reach Subsea is appointed by the General Meeting.

According to section 3 of the Company's articles of association, the Board shall consist of 3 to 7 members. The Board has the required competence to independently evaluate the cases presented by the management as well as the Company's operations, and function well as a body of colleagues. The members of the Board represent varied and broad experience from relevant industries and areas of technical expertise, and the members bring experience from both Norwegian and international companies. More information about the Board members' expertise and background, as well as their holdings of shares in the Company can be found on the Company's website www.reachsubsea.no.

The Board does not include any members from the Company's executive Management team and all the members are considered independent of the Company's material business contacts. All Board members are shareholder elected. 4 (57 %) of the members of the Board are considered independent of the Company's main shareholders. There has been high attendance at the Board Meetings, with almost no absenteeism.

## 9. The work of the board of directors

Responsibilities and duties

The Board plans for its work with special emphasis on the Company's objectives, strategies and risk profiles. The Board's primary responsibilities are:

- Participating in the development and approval of the Company's strategy,
- Performing necessary monitoring functions and
- Acting as an advisory body for the Executive Management Team.

Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operation of the Company is in compliance with the Company's values and ethical guidelines. The Chairman of the Board is responsible for ensuring that the Board's work is performed in an effective and correct manner. The Board shall ensure that the Company has a good management with clear internal distribution of responsibilities and duties. The CEO is responsible for the Executive Management and day-to-day operations of the Company.

Further details on the duties of the Board are include[d]
instructions to the Board. All members of the Board re[...]
information about the Company's operational and fina[...]
development on a monthly basis. The Company's stra[...]
regularly be subject to review and evaluation by the B[...]

The Board evaluates its work on an annual basis. The
of the Company has appointed an Audit Committee c[...]
of three Board members, and a Remuneration Comm[...]
consisting of three Board members. The Board may f[...]
time also appoint other sub-committees, as deemed
or appropriate.

Related parties

The Board ensures that members of the Board and ex[...]
personnel make the Company aware of any material i[...]
that may have in items to be considered by the Boar[...]

# Corporate Governance & Management

## 10. Risk management and internal control

The Board shall seek to ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The internal control and systems include the Company's value creation and guidelines for ethics and corporate governance.

The Board shall ensure that the Company's internal control comprises guidelines, processes, duties, conduct and other matters that:

- Facilitate targeted and effective operational arrangements for the Company and also make it possible to manage commercial risk, operational risk, the risk of breaching applicable legislation and regulations as well as all other forms of risk that may be material for achieving the Company's commercial objectives; and
- Contribute to ensuring the quality of internal and external reporting; and
- Contribute to ensuring that the Company operates in accordance with the relevant legislation and regulations as well as with its internal guidelines for its activities, including the Company's ethical guidelines and corporate values.

Routines

The Board shall form its own opinion on the Company's internal controls, based on the information presented to the Board. Reporting by Executive Management to the Board shall be prepared in a format that gives a balanced presentation of all risks of material significance, and of how the internal control system handles these risks.

The Board has approved routines for internal control and risk management. The objective for the Company's risk management and internal control is to manage, rather than eliminate, exposure to risks related to the successful conduct of the Company's business and to support the quality of its financial reporting. Effective risk management and good internal control contribute to securing shareholders' investment in the Company and the Company's assets. The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements and provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Audit committee

Within risk management and internal control, the Audit Committee's duties and responsibilities include monitoring the financial reporting process, focusing on the following main areas:

- ESG reporting, including methods and strategy
- Changes in accounting principles
- Critical accounting estimates or judgments
- Material adjustments to the accounts requested or suggested by the statutory auditor
- Areas where there is a difference of opinion betwe the Management and the statutory auditor
- Monitoring the effectiveness of the Company's reporting process – financial and social responsibili internal control/audit and risk management
- Monitoring the statutory audit of the annual accour
- Monitoring services provided by the auditors other
- Establishing and evaluating procedures for the corr handling and registering of complaints relating to fi reporting, accounting, internal control and statutory

# Corporate Governance & Management

## 11. Remuneration of the Board of directors

The General Meeting annually determines the Board's remuneration, based on proposal by the nomination committee. Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The compensation shall be a fixed annual amount. The Chairman of the Board may receive a higher compensation than the other members. The Board shall be informed if individual board members perform other tasks for the Company than exercising their role as board members.

Work in subcommittees may be compensated in addition to the remuneration received for board membership. This will be specified in the Annual Report. The Company's annual accounts provide information about the Board's compensation.

## 12. Remuneration of executive personnel

In accordance with §6-16a of the Norwegian Public Limited Liability Companies act, remuneration of the CEO and the Executive Management team is regulated by the Company's Executive Remuneration Policy, which was approved by the AGM on 30 May 2022. The main purpose of the Company's remuneration of executive management is to attract and retain executives, to align interests between executives and the Company's shareholders, and to encourage a strong and sustainable performance-based culture which supports the Company's overall strategic ambitions and goals over time.

The Remuneration Committee annually carries out an assessment of the salary and other remuneration for the CEO and executive management team and makes recommendations to the Board based on this assessment. Any compensation linked to the value of the Company's shares shall be approved by the General Meeting in accordance with the Norwegian Public Limited Companies Act.

The CEO's salary and bonus shall be determined based on an evaluation with emphasis on the following factors: financial results, business development, sustainability of operations, employee and customer satisfaction, and compliance with Company values and ethical standards. Any fringe benefits shall be in line with market practice and should not be substantial in relation to the CEO's basic salary.

The Company's annual accounts provide information about salary and other compensation to the CEO and the executive management team. Furthermore, the Company has prepared a separate remuneration repo for 2023, which will be put forth the AGM in 2024 and be made available on www.reachsubsea.no.

The Executive Remuneration Policy describes the ma principles for the Company's management remunerat policy. The salary levels should not be of a size that c harm the Company's reputation, or above the norm in comparable companies. The salary levels should, how ensure that the Company can attract and retain execu employees with the desired expertise and experience

## 13. Information & communication

Reach Subsea maintains a proactive dialogue with an investors and other stakeholders of the Company. Th Company strives to continuously publish relevant info to the market in a timely, effective and non-discrimina manner, and has a clear goal to attract both Norwegia and foreign investors and to promote higher stock liqu Emphasis is placed on ensuring that the shareholders receive identical and simultaneous information.

# Corporate Governance & Management

## 13. Information & communication (cont.)

All stock exchange announcements are made available on the Oslo Stock Exchange news website, www.newsweb.no as well as the Company's website, www.reachsubsea.no.

Reach Subsea publishes its preliminary annual results by the end of February and the complete annual report, including approved and final annual accounts and the Board of Directors report, is available no later than 30 April each year as required by the Securities Trading Act.

The Company's financial calendar for the coming year is published as a stock exchange announcement and made available on the Company's website no later than 31 December each year. Reach Subsea ASA intends to hold open physical or digital presentations in connection with the publication of the Company's results. At the presentations, the Executive Management review and comment on the published results, market conditions and the Company's future prospects. The Company's Management gives high priority to communication with the capital market. Individual meetings are organized for major investors, investment managers and analysts. The Company also attends investor conferences. The Board has issued guidelines for the investor relations function of the Company, including authorized spokespersons of the Company.

## 14. Take-overs

It is not considered necessary to develop explicit guidelines for how Reach Subsea will act in the event a takeover bid is presented to the Company. The Board supports the Recommendation on this issue.

## 15. Auditor

Reach Subsea is audited by PricewaterhouseCoopers in Stavanger, Norway.

As PricewaterhouseCoopers has been the Company's auditor since the accounting year 2012, the Audit Committee undertook a tender process for auditing services from and including the financial year 2022, pursuant to the Auditors Act. Based on the recommendation from the Audit Committee supported by the full Board, the Annual General Meeting 30 May 2022 resolved to re-elect PricewaterhouseCoopers (PwC) as auditor on the grounds of the need for continuity in the phase the company is in, size of fees and PwC's insight into recently acquired companies.

Each year the auditor presents to the Board a plan for the audit work and confirms that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be present at Board meetings where annual accounts are on the agenda. Whenever neces the Board shall meet with the auditor to review the auditor's view on the Company's accounting principle risk areas, internal control routines etc. At least one ti per year, the Board and the auditor shall meet withou presence of anyone from the Executive Management.

The use of the auditor as an advisor to the Company be sought limited to cases where such use of the auc does not have the ability to affect or question the auc independence and objectiveness as auditor for the C

Only the Board's Audit Committee shall have the auth to enter into agreements in respect of such counsellin assignments. The Audit Committee has delegated a li authority to the Company's CFO, where use of such li authority is monitored by the Audit Committee. At the General Meeting, the Board shall present a review of auditor's compensation as paid for auditory work requ law and remuneration associated with other assignme

In connection with the auditor's presentation to the B the annual work plan, the Board should specifically co if the auditor to a satisfactory degree also carries out control function. The Board shall arrange for the audi attend General Meetings as and where appropriate.

# Definitions

### EBIT
Earnings before interest and taxes (operating result).

### Liquidity
Cash and cash equivalents plus unutilized revolving credit facility.

### Net working capital
Receivables and inventories less non-interest-bearing current liabilities.

### Net interest-bearing debt
Interest bearing debt less cash and cash equivalents.

### Number of ROV days sold
Total number of ROV days sold in Reach Subsea AS during a defined period.

### Number of ROV days available
Total number of ROVs owned by Reach Subsea multiplied with number of days in a defined period, plus total number of ROVs hired in by Reach Subsea AS multiplied with actual number of operational days in a defined period.

### Project days
Total number of days that a subsea spread is sold to projects, including ROV, personnel and/or vessel.

### Technical uptime on ROVs
1-unpaid break down hours divided by total sold operation hours.

### LTIs
Number of loss time incidents (number of incide resulting in absence from work).

### Number of vessel days sold
Vessel days sold by Reach Subsea AS (excl. JV/ Cooperation partners) that passes through our income statement.

Featured project #1



# Spittal & Peterhead transmission connection

Reach was awarded the contract by SSEN Transmission to survey the 165km, 500m wide cable corridor route for the HVDC offshore transmission connection between Spittal and Peterhead.

This link will enable the efficient high volume power transmission from generators in the far north of Scotland to the network at Peterhead.

Reach provided nearshore and offshore geophysical surveys, with onboard data processing and analysis the Viking Reach continued seamlessly from the geophysical survey to the Benthic and Geotechnical investigations. On completion of the nearshore geophysical acquisition Reach mobilised a Multi Cat vessel to conduct the nearshore Benthic and Geotechnical scope of work.

The benthic surveys provide Identification, characterisation, and mapping of seabed habitats and associated epibenthic communities.

The Geophysical and Geotechnical data provided by Reach to SSEN Transmissions shall allow for an understanding of the seabed and ground conditions to inform routing options and nearshore approach for the purpose of the installation engineering.

Geophysical Survey Nearshore with MBES, SSS, SBP, Magnetometer & UAV Survey

Geophysical Survey Offshore with fast ROV (SROV MBES/SSS/SBP & Gradiometer)

Benthic Survey Intertidal, Nearshore and Offshore (Imagery and Grab Sampling)

Geotechnical Investigation Nearshore and Offshore (CPT & Vibrocoring)

Report Delivery with Charting and GIS Package

**Vessel**

Geophysical Survey: Nearshor shallow draft survey boat & Offshore Viking Reach

Geotechnical Investigation: Nearshore Multi Cat & Offshor Viking Reach

**Client**

Scottish & Southern Electricity Networks - SSEN Transmissio

**Location**

Spittal to Peterhead, Scotland

**Period**

November 2023 - February 20

**Water Depth**

Nearshore: 0m - 20m
Offshore: 20m - 100m

Featured project #2

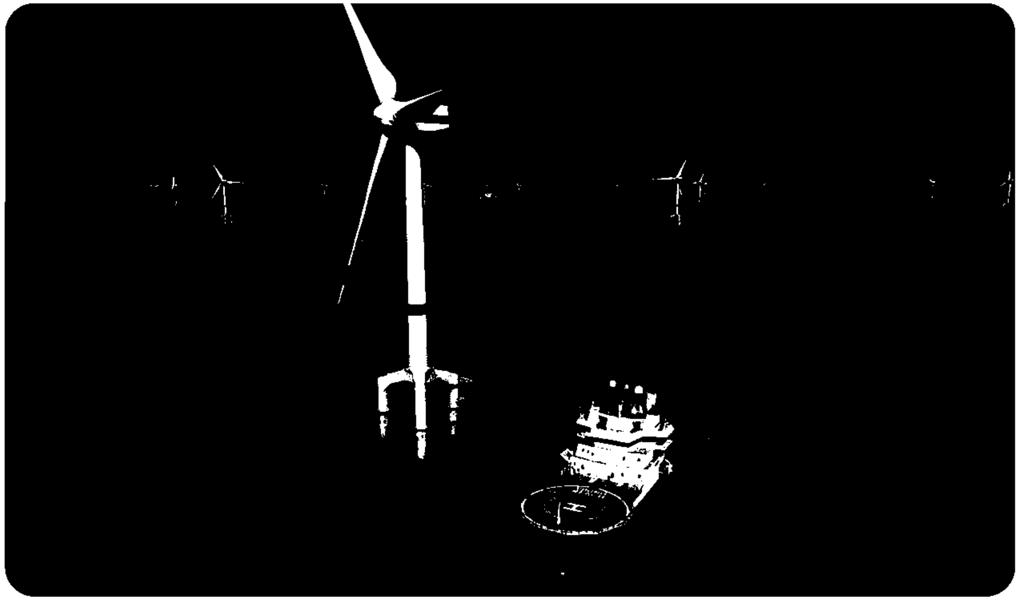
# NBOS Hollandse Kust west Beta

Optimized cable route survey through ROV integration.

The newly acquired vessel Viking Reach was mobilised in Haugesund, Norway, with two ROVs setup for high-end survey data acquisition ahead of its first project. The mobilisation was followed by full calibrations of a wide range of survey sensors and transit to Netherlands.

The scope of work included pre-lay export- and interlink cable route surveys, acquiring data by using Side Scan Sonar, Multibeam Echosounder, Gradiometer, Sub-bottom profiler, and Cable tracker.

The scope of work was successfully performed with use of both Reach's high-tech ROVs for the geophysical route survey, allowing accurate line keeping and minimum infills.



**Vessel**

Viking Reach

**Client**

NBOS

**Location**

Netherlands

**Period**

May 2023

**Water Depth**

13m - 50m

Featured project #3

# Positioning of an Offshore Wind Farm

Jumbo Offshore Installation Contractors BV / Yunneng Wind Power Co. Ltd.

Provision of Survey and Positioning services required for the installation of Transition Pieces as part of the Construction of an Offshore Wind Farm. The Clients vessel was mobilised in Singapore, in advance of transit to Taiwan.

Our survey team provides survey related measurements and guidance for the installation of Transition Pieces onto the Monopiles as part of the construction of an offshore wind farm.

**Vessel**

Jumbo Javelin

**Client**

Jumbo Offshore Installation Contractors BV / Yunneng Wi
Power Co. Ltd

**Location**

Yunlin Offshore Wind Farm, Ta

**Period**

April 2023 +7 months

**Water Depth**

7m - 35m

Featured project #4

# Wind farm support at Hollandse Kust Noord and Baltic Eagle

The Deep Cygnus has been heavily utilized in wind farm operations throughout 2023 and continues.

The vessel, equipped with a 3D compensated Ampelmann gangway system, mobilised equipment and personnel in Ijmuiden to carry out the Hollandse Kust Noord scope of work including crew transfers and equipment to wind turbines within the field.

Following the Hollandse Kust Noord project, the vessel commenced a system swap in Rotterdam and continued transit through the Kiel Canal to Mukran, Germany. The remainder of Q4 included walk-to-work operations at the Baltic Eagle wind farm, where the vessel continues to operate also in 2024.

These projects have successfully delivered operational support to complete the work at multiple wind farms from a state-of-the art OSV, SPS classed for a project team of up to 50 people excluding marine crew, with extraordinary capabilities throughout the winter season.


**Vessel**

Deep Cygnus

**Client**

Van Oord, Equans

**Location**

Netherlands and Germany

**Period**

November -December 2023

**Water Depth**

50m - 70m

# Financial Statements

Reach Subsea ASA Group

# Consolidated statement of comprehensive income

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| Revenues | 1 966 584 | 1 161 533 | 5, 25 |
| Other income/losses | 29 319 | 1 287 | 14 |
| **Operating income, in total** | **1 995 903** | **1 162 821** | |
| **Operating expenses** | | | |
| Procurement expenses | (503 760) | (272 803) | 6 |
| Depreciation | (623 005) | (353 532) | 14, 24 |
| Personnel expenses | (348 794) | (251 031) | 8 |
| Other operating expenses | (188 558) | (180 200) | 7, 8 |
| **Operating cost, in total** | **(1 664 117 )** | **(1 057 566)** | |
| **Operating results** | **331 786** | **105 255** | |
| **Financial income and financial costs** | | | |
| Interest income | 4 991 | 1 264 | 9 |
| Interest expense | (77 881) | (15 415) | 9 |
| Other financial items | 13 925 | 6 918 | 9 |
| **Finance items - net** | **(58 965)** | **(7 232)** | |
| Share of profit of investments accounted for using the equity method | 16 714 | - | 26 |
| **Profit (loss) before taxes** | **289 534** | **98 023** | |
| Taxes | (63 743) | (25 838) | 10 |
| **Profit (loss) for the year** | **225 791** | **72 185** | |

The notes on page 90 to 131 are an integral part of these financial statements.

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Other comprehensive income** | | |
| Items that may be subsequently reclassified to profit or loss | | |
| Translation differences | (1 116) | (2 503) |
| **Total comprehensive income for the year** | **224 675** | **69 682** |
| Earnings (loss) per share | 0.89 | 0.35 |
| Diluted result (loss) per share | 0.88 | 0.34 |

# Consolidated statement of financial position

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Assets - Non current assets** | | | |
| Goodwill | 109 590 | 86 723 | 15, 27 |
| Deferred tax assets | - | 24 915 | 10 |
| Intangible assets | 30 769 | 10 623 | 15,27 |
| Investment in associated companies | 113 452 | - | 26 |
| Assets under construction | 266 658 | 150 499 | 14 |
| Property, plant and equipment | 183 279 | 85 010 | 14 |
| Right-of-use assets | 1 163 222 | 90 258 | 14, 24 |
| **Non-current assets, in total** | **1 866 970** | **448 030** | |
| **Current assets** | | | |
| Bunkers | 28 418 | 9 884 | |
| Trade receivables | 314 166 | 283 778 | 16,21 |
| Other current receivables | 41 904 | 18 801 | 16 |
| Cash and cash equivalents | 436 423 | 191 591 | 17 |
| **Current assets, in total** | **820 912** | **504 055** | |
| **Total assets** | **2 687 882** | **952 085** | |

# Consolidated statement of financial position, continued

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 271 769 | 225 726 | 18 |
| Share premium | 388 273 | 267 345 | |
| Proposed dividends | 97 837 | 45 981 | |
| Other equity | 170 126 | 40 390 | |
| **Total equity** | **928 005** | **579 442** | |
| **Non-current liabilities** | | | |
| Interest-bearing debt to credit institutions | 57 418 | 4 932 | 21, 22 |
| Interest-bearing debt leases | 805 931 | 4 310 | 21, 24 |
| Deferred tax liabilities | 10 567 | - | 10 |
| **Total non-current liabilities** | **873 916** | **9 242** | |
| **Current liabilities** | | | |
| Trade payables | 205 773 | 102 430 | 21 |
| Taxes payables | 41 026 | 7 853 | 10 |
| Public duties a.o. | 36 754 | 18 831 | |
| Interest-bearing debt to credit institutions | 10 176 | 23 086 | 21,22 |
| Interest-bearing debt leases | 386 036 | 98 660 | 21, 24 |
| Other current liabilities | 206 197 | 112 541 | 20 |
| **Total current liabilities** | **885 960** | **363 401** | |
| **Total equity and liabilities** | **2 687 882** | **952 085** | |

Haugesund, 15. april 2024

**Rachid Bendriss (S)**
Chairman of the Board

**Martha Kold Monclair (S)**
Board member

**Kristine Skeie (S)**
Board member

**Espen Gjerde (S)**
Board member

**Arvid Pettersen (S)**
Board member

**Ingunn Ø. Iveland (S)**
Board member

**Anders Onarheim (S)**
Board member

**Jostein Alendal (S)**
CEO

# Consolidated statement of cash flow

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before tax | 289 534 | 98 023 | |
| Paid taxes | (8 808) | - | 10 |
| Gain sold assets | (29 843) | - | 14 |
| Depreciation and amortisation | 623 005 | 353 532 | 14, 24 |
| Interest income | (4 991) | (1 264) | 9 |
| Interest expense | 77 881 | 15 415 | 9 |
| Change in trade debtors | (12 535) | (75 581) | 16 |
| Change in trade creditors | 27 038 | 31 454 | 21 |
| Change in other provisions | 5 264 | 43 496 | |
| Investments accounted for using the equity method | (16 714) | - | 26 |
| IFRS 2 share-based payments | 2 897 | 1 235 | 19, 27 |
| **Net cash flow from operating activities (1)** | **952 728** | **466 309** | |
| | | | |
| **Cash flow from investing activities** | | | |
| Acquired cash balance from consolidation of Guardian Geomatics | 27 652 | - | 27 |
| Acquired cash balance from consolidation of iSurvey Group AS | - | 6 132 | 27 |
| Proceeds from sale of property, plant and equipment | 31 384 | - | 14 |
| Payments related to purchase of property, plant and equipment | (202 708) | (167 805) | 14 |
| Purchase of shares in subsidiary | - | (43 029) | 27 |
| Purchase of shares in associated companies | (64 721) | - | 14, 26 |
| **Net cash flow from investing activities (2)** | **(208 392)** | **(204 702)** | |

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Cash flow from financing activities** | | |
| Net interest received/paid | 2 001 | (1 061) |
| Proceeds from issuance of ordinary shares | 123 040 | 152 270 |
| Proceeds from bank loan | 27 500 | - |
| Payment of dividends | (45 981) | (40 484) |
| Repayment of borrowings | (23 300) | (13 448) |
| Repayment of leases (including interests) | (571 042) | (311 814) |
| **Net cash flow from financing activities (3)** | **(487 781)** | **(214 537)** |
| **Net cash flow for the year ( 1+2+3)** | **256 556** | **47 070** |
| | | |
| Cash and cash equivalents in the start of the period 1/1 | 191 591 | 149 035 |
| Translation differences | (11 723) | (4 514) |
| Cash and cash equivalents 31/12 | 436 423 | 191 591 |

# Consolidated statement of changes in equity

| (NOK 1000) | Share capital | Share premium | Proposed dividends | Other reserves | Retained earnings | Total |
|---|---|---|---|---|---|---|
| **Equity 1 January 2023** | **225 726** | **267 345** | **45 981** | **7 892** | **32 497** | **579 442** |
| Profit for the year | | | | | 225 791 | 225 791 |
| **Other comprehensive income for the year** | | | | | **(1 116)** | **(1 116)** |
| **Total comprehensive income for the year** | | | | | **224 675** | **224 675** |
| Proceeds from shares issued | 46 043 | 154 928 | | | | 200 971 |
| IFRS 2 adjustments Guardian acqusition | | (24 444) | | | | (24 444) |
| Other PPA adjustments Guardian | | (9 555) | | | | (9 555) |
| Dividends paid | | | (45 981) | | | (45 981) |
| Proposed dividends | | | 97 837 | | (97 837) | - |
| IFRS 2 share-based payments | | | | 2 897 | | 2 897 |
| **Equity 31 December 2023** | **271 769** | **388 273** | **97 837** | **10 791** | **159 335** | **928 005** |
| | | | | | | |
| **Equity 1 January 2022** | **144 941** | **85 927** | **40 484** | **6 657** | **8 795** | **286 806** |
| Profit for the year | | | | | 72 185 | 72 185 |
| Other comprehensive income for the year | | | | | (2 503) | (2 503) |
| **Total comprehensive income for the year** | | | | | **69 682** | **69 682** |
| Proceeds from shares issued | 79 973 | 179 939 | | | | 259 911 |
| Proceeds from shares issued, not registrered | 813 | 1 479 | | | | 2 291 |
| Dividends paid | | | (40 484) | | | (40 484) |
| Proposed dividends | | | 45 981 | | (45 981) | - |
| IFRS 2 share-based payments | | | | 1 235 | | 1 235 |
| **Equity 31 December 2022** | **225 726** | **267 345** | **45 981** | **7 892** | **32 497** | **579 442** |

# Notes

## Note 1 - General Information

Reach Subsea ASA Group offers subsea services as a subcontractor and/or directly to end clients, based out of our head office in Haugesund. Reach Subsea ASA's shares are listed on Oslo Stock Exchange (Oslo Børs) under the ticker REACH.

Reach Subsea ASA is the parent company in the Group and is domiciled in Norway, with office address Møllervegen 6, 5525 Haugesund. The Group has a Branch in Trinidad & Tobago. The company's consolidated financial statements for the 2023 financial year covers Reach Subsea ASA and its subsidiaries Reach Subsea AS, Connect Offshore AS, Reach Remote AS, Reach International AS, Reach Subsea Inc, Gravitude UK Ltd, Reach Subsea Sweden AB, Reach Subsea UK Ltd, Reach Subsea Pte Ltd, Reach Subsea Ltd, Guardian Geomatics Pty Ltd and Guardian Geomatics Pte Ltd.

## Note 2 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

The consolidated financial statements of Reach Subsea ASA have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, and in accordance with the additional requirements following the Norwegian Accounting Act.

The consolidated financial statements are prepared under the assumption of going concern and on a historical cost basis, with some exceptions as detailed under accounting policies set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### New & amended standards adopted by the Group

Certain new standards, amendments to standards, ar
annual improvements to standards and interpretation
effective for annual periods beginning after January 1
and have been applied in preparing these consolidate
financial statements. These applications did not mate
impact the Group's consolidated financial statements.

### New standards & interpretations not yet adopted

Certain new accounting standards, amendments to a
standards and interpretations have been published th
not mandatory for 31 December 2023 reporting perio
have not been early adopted by the group. These sta
amendments or interpretations are not expected to ha
a material impact on the entity in the current or future
reporting periods and on foreseeable future transacti

# Notes

## Basis of consolidation

### Subsidiaries

The consolidated financial statements incorporate the financial statements of Reach Subsea ASA, and entities controlled by Reach Subsea ASA. Control is achieved where Reach Subsea ASA is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. Companies that are acquired during the year are consolidated from the date control was obtained.

Inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

### Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

The Group's share of its associates' income or other comprehensive income is recognized on separate lines in the consolidated statement of comprehensive income or the statement of other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred obligations on behalf of the associate. In the statement of financial position associates are presented as non-current assets.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When accounting policies of associates are different from those of the group, the figures are amended to ensure consistency.

### Joint arrangements

The group has applied IFRS 11 to all joint arrangemen
as of 1 January 2012. Under IFRS 11 investments
in joint arrangements are classified as either joint
operations or joint ventures depending on the
contractual rights and obligations each investor.

Reach Subsea ASA has assessed the nature of its joi
arrangements and determined them to be joint ventu
Joint ventures are accounted for using the equity me

Under the equity method of accounting, interests in jo
ventures are initially recognized at cost and adjusted
to recognize the group's share of the post-acquisition
or losses and movements in other comprehensive inc
When the group's share of losses in a joint venture eq
or exceeds its interests in the joint ventures (which in
any long-term interests that, in substance, form part o
the group's net investment in the joint ventures), the g
does not recognize further losses, unless it has incurr
obligations or made payments on behalf of the joint v

Unrealized gains on transactions between the group
and its joint ventures are eliminated to the extent of th
group's interest in the joint ventures. Unrealized losse
are also eliminated unless the transaction provides
evidence of an impairment of the asset transferred.

# Notes

## Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The group has two segments. Oil & Gas and Renewable/Other, and Data and Solutions. Revenues are categorized as either Data or Solutions based on the nature of the service delivered to a client. Data represents delivery of various types of maps, models and/or reports collected through subsea survey and/or inspection projects. Solutions represents delivery of a specific client solution such as repair, modification, installation or removal of subsea equipment and infrastructure.

## Foreign currency translation

### Functional currency and presentation currency

The Group presents its financial statements in NOK. All Norwegian companies have NOK as functional currency. Reach Subsea AS' branch in Trinidad, Reach Subsea Inc and Guardian Geomatics Pte Ltd have USD as functional currency, Gravitude UK Ltd and Reach Subsea UK Ltd has GBP as functional currency, Reach Subsea Sweden AB has SEK as functional currency, Reach Subsea PTE Ltd has SGD as functional currency, Reach Subsea Ltd has EUR as functional currency and Guardian Geomatics Ply Ltd has AUD as functional currency.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income within financial income and financial costs.

## Property, plant and equipment

Property, plant, and other equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes costs related to the purchase of the item.

Subsequent costs are included in the asset's carrying
or recognized as a separate asset, as appropriate, on
it is probable that future economic benefits associate
the item will flow to the group and the cost of the iter
be measured reliably. The carrying amount of the rep
part is derecognized. All other repairs and maintenan
charged to the consolidated statement of comprehen
income during the financial period in which they are i

Upon acquisition, property, plant and equipment are
decomposed for depreciation purposes if this is mate
determination of the depreciation expense. The comp
are depreciated on a straight-line basis over expected
life to estimated residual value at the end of their use

# Notes

## Impairment of non-financial assets

### General

At each reporting date the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or where annual testing for impairment is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

### Godwill

Goodwill is measured as described in 'Business combinations' in the section below. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### Customer contracts

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

## Onerous contracts

Provisions for onerous contracts are recognized wher
Group has a contract under which the unavoidable co
of meeting the obligations under the contract exceed
economic benefits expected to be received from the

# Notes

## Leases

**Accounting as lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract includes the right to control the use of an identified asset for a period in exchange for consideration.

Short term leases (lease term 12 month or less) and assets that are leased for more than 12 months, but where the lease terms do not contain any commitments ("pay-as-you-go"), are also capitalized as right-of-use assets and depreciated. The impact is that all costs in relation to leases of vessels and ROVs are classified as depreciation and interest expense. Vessels and ROVs with a "pay-as-you-go" lease structure are treated as short term leases, where the lease expenses are classified as depreciation, and where the lease is capitalized at the balance sheet date only to the extent a commitment is incurred at the reporting date.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying value to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value.
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right of use asset is initially measured based on t amount of the lease liability adjusted for any lease pa made at or before the commencement date, plus any direct costs incurred. They are subsequently measure cost less accumulated depreciation and impairment l

The right of use assets are depreciated over the shor of lease term and useful life of the underlying asset. T depreciation starts at the commencement date of the

The Group applies IAS 36 to determine whether a right of use asset is impaired, and accounts for any identified impairment loss as described in the "Impairment of non-financial asset" section.

# Notes

**Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred.
- Liabilities incurred to the former owners of the acquired business.
- Equity interests issued by the group.
- Fair value of any asset or liability resulting from a contingent consideration arrangement, and
- Fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financia liability are subsequently remeasured to fair value, wi changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previ held equity interest in the acquiree is remeasured to f value at the acquisition date. Any gains or losses arisi from such remeasurement are recognised in profit or

# Notes

### Bunkers

Bunkers comprise fuel and lube oil inventory and are valued at the lower of cost and net realisable value.

Fuel and lube are expensed to the consolidated statement of comprehensive income based on FIFO principle (First in, first out) as they are consumed.

### Financial assets

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. Classification of financial assets is determined at initial recognition and is not reclassified subsequently unless the Group changes its business model for managing financial assets. The Groups financial assets are measured at amortized cost.

### Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

### Impairment

The Group assesses at the end of each reporting period the expected credit losses for a financial asset or a group of financial assets.

### Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

### Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in noncurrent liabilities as deferred government grants and are credited to the consolidated statement of comprehensive income on a straight- line basis over the expected lives of the related assets.

### Cash and cash equivalents

Cash equivalents are ordinary bank deposits.

### Share capital

Ordinary shares are classified as equity. Incremental c
directly attributable to the issue of new shares is show
in equity as a deduction, net of tax, from the proceed

### Trade payables

Trade payables are obligations to pay for goods or se
that have been acquired in the ordinary course of bus
from suppliers. Accounts payable are classified as cu
liabilities if payment is due within one year or less (or
in the normal operating cycle of the business if longe
If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

# Notes

### Taxes

The tax expense in the period comprises current tax and changes in deferred taxes. Tax expense is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items that are recognized in other comprehensive income, or directly in equity. In such cases the relating tax expense is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

### Share-based payments

The group has an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options are expected to vest. The total expense is recognized the vesting period, which is the period over which all the specified vesting conditions are to be satisfied.

At the end of each reporting period, the group revise its estimates of the number of options that are expec to vest based on the non-market vesting conditions.

It recognizes the impact of the revision to original est any, in the consolidated statement of comprehensive with a corresponding adjustment to equity. When the are exercised, the company issues new shares. The p received net of any directly attributable transaction c credited to share capital (nominal value) and share pr

The grant by the company of options over its equity i to the employees of subsidiary undertakings in the gr treated as a capital contribution. The fair value of emp services received, measured by reference to the gran date fair value, is recognized over the vesting period increase to investment in subsidiary undertakings, wi corresponding credit to equity in the parent entity ac

The social security contributions payable in connectio with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

# Notes

**Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an economic settlement will take place in consequence of this obligation, and a reliable estimate can be made of the amount. Provisions are based on best estimate.

## Recognition of revenue

**General**

Revenue from sale of services is recognized in accordance with IFRS 15. Revenues are shown net of value added tax and discounts.

**Sales of services**

The Group revenue comprises revenue recognized from contracts with customers for the provision of subsea services. Although scope of work varies from project to project, there are similarities in all projects, such as mobilisation and demobilisation of vessel, vessel hire, ROV crewing etc. These elements are highly related and comprise an integrated service negotiated with the customer. As such, all elements within a contract is normally considered to be one single performance obligation. Reach Subsea reviews all customer contracts to assess if there are elements that may indicate several performance obligations within one contract. Such elements may be use of several vessel spreads or project phases requiring separate mobilisation of vessels.

For sales of services under fixed rate contracts, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

For other services, revenue is recognized based on the agreed rate as the services are rendered. The transaction price for day-rate contracts is determined by the expected value approach being the number of scheduled days multiplied with dayrate. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.
For contracts with pricing elements that need to be estimated, revenue is recognised at best estimate only when it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved.

Revenue is recognized as control is passed, either ov
at a point in time. Control of an asset is defined as the
to direct the use of and obtain substantially all of the
benefits from the asset. This includes the ability to pr
others from directing the use of and obtaining the ben
the asset. The benefits related to the asset are the po
cash flows that may be obtained directly or indirectly.
Subsea has concluded that customers receive benefi
the subsea services as they are performed, and there
recognize revenue over the time the subsea service is

Incremental costs of obtaining a contract is recognize
as an asset if we expect to recover these costs. Howe
incremental costs are limited to the costs that would n
incurred if the contract had not been successfully obt

**Revenue from leases**

Revenue from time-charter leases is recognized using a straight-line basis over the term of the contract

**Cash flow statement**

The cash flow statement is prepared according to the indirect method.

# Notes

## Note 3 – Financial Risk Management

### 3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management for the Group is carried out by Management. Management identifies, evaluates, and hedges financial risks in close co-operation with the operating units within the Group. The Board approves the principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

### 3.1.1 Market Risk

**Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the NOK, USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions and recognized assets or liabilities. Potential currency fluctuations are considered during the tendering phase. Long term contracts in a foreign currency will be considered hedged to be consistent with the currency of costs.

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not an entity's functional currency. The Group aims at achieving a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, by forward contracts and similar instruments as appropriate.

The Group's risk management policy is to continuously review its exposure against foreign exchange risk and consider the need for hedging activities on transactions in each major currency.

The following table demonstrates the sensitivity to a r possible change in USD, GBP and EUR, with all other held constant. The impact on the Group's profit befor to changes in the fair value of monetary assets and lia

| | Inc/dec USD | Effect on profit before t |
|---|---|---|
| 2023 | Increase 5 % | (17 971 43 |
| | Decrease 5 % | 17 971 4 |
| 2022 | Increase 5 % | 5 703 0 |
| | Decrease 5 % | (5 703 00 |
| | **Inc/dec EUR** | **Effect on profit before t** |
| 2023 | Increase 5 % | 4 260 7 |
| | Decrease 5 % | (4 260 7 |
| 2022 | Increase 5 % | 1 509 4 |
| | Decrease 5 % | (1 509 46 |
| | **Inc/dec GBP** | **Effect on profit before t** |
| 2023 | Increase 5 % | 2 122 6 |
| | Decrease 5 % | (2 122 66 |
| 2022 | Increase 5 % | 3 754 3 |
| | Decrease 5 % | (3 754 37 |

# Notes

### 3.1.1 Market Risk - continued

**Price risk**

The Group is exposed to commodity price risk at two main levels:

- The demand for ROV units is sensitive to changes in the offshore energy industry, for example oil price developments, fluctuation in production levels, exploration results and general activity levels. Market fluctuations may affect asset utilization and earnings.
- The cost of construction of future units is sensitive to changes in market prices of the input factors.

The risks are managed by having focus on targeting moderate risk contracts, signing contracts with suppliers with the necessary financial strength and using our expertise to complete projects in accordance with agreements. The Group also monitors commodity prices, evaluate the need for hedging activities, and consider commodity prices in our tender process.

### 3.1.2 Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers. The Group has no significant concentration of credit risk towards single financial institutions and has policies that limit the amount of credit exposure to any single financial institution. Credit exposures to customers arise when entering medium- or short-term contracts and are managed by performing a financial risk evaluation in the tendering process. The level of financial risk analysis performed in each case depends on the nature of the contract (including volume). Where the financial risk is substantial, bank guarantees are requested.

### 3.1.3 Liquidity Risk

Prudent liquidity risk management implies maintainin
cash and marketable securities, the availability of fun
through an adequate amount of committed credit fac
the ability to close out market positions. The Group ai
maintain flexibility in its liquidity by keeping committe
lines available. The need for working capital is contin
being considered based on payment terms and finan
status of clients and the Group's firm expenses (inclu
instalments and interest). Refer to note 21 for maturit

The Group entered into a one-year bank overdraft
agreement in June 2023, securing access to NOK 30
in excess funds. Further extensions will be considere
based on liquidity position and needs at expiry date.

As the Group's business is capital intensive, the Grou
need to raise additional funds in the future to execute
Group's strategies. The Group's loan agreement, and
overdraft agreement include terms, conditions, and c

The Group monitors its future liquidity positions
on an ongoing basis, with monthly reports of
cash flow forecasts and covenants.

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### 3.1.4 Cash Flow and Fair Value Interest Rate Risk

The Group's interest rate risk arises from bank deposit held at floating rates, and the possible impact on the financial statement is estimated to be immaterial.

### 3.1.5 Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group has defined KPI levels for equity, liquidity and earning. The KPIs are consistent with loan covenants and are being reported on a monthly basis as well as in budgets/forecasts. The development of the KPIs is being monitored closely. Breach of covenants request a waiver from the bank (measured quarterly) to avoid a formal breach of the loan agreement.

If a breach of one or more KPI is discovered in the forecast, the Board will consider taking actions such as provision capital from existing and/or new owners.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# Annual Report 2023

## Note 4 – Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are assumed to be reasonable under current circumstances.

### 4.1 Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

### Impairment of property, plant and equipment

A review for indicators of impairment is performed at each reporting date. If there are indicators of impairment, a review for impairment is carried out by management. To determine an assets recoverable amount a value-in-use method is used, where management uses judgement in estimating future asset utilisation, cash flow and discount rate. To assess impairment of property, plant and equipment, management also use judgement to group assets at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units, "CGU's"). Management has determined that each ROV and associated ROV equipment is considered as separate GCU's. For right-of-use assets under IFRS 16, each vessel is considered as a separate CGU.

### Assessment of leases under IFRS 16

The application of IFRS 16 requires significant judgem and certain key estimations. Critical judgements requ application of IFRS 16 may include, among others, the

- Identifying whether a contract includes a lease
- Determination of whether variable payments are in substance fixed
- Determining whether there are multiple leases in an arrangement.

Key sources of estimation uncertainty in the applicati of IFRS 16 may include, among others, the following:

- Estimation of lease term
- Estimation of lease payments when the contract includes options to extent the lease period
- Determination of the appropriate rate to discount the lease payments
- Assessment of whether a right of use asset is impa

Management uses judgement in evaluating each cont At each balance sheet date management also assess if there are any impairment indicators for the right-of- use assets. For impairment see section above.

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### Income taxes

Judgment is required in determining the provision for income taxes, and the recognition of deferred tax assets. During the ordinary course of business, transactions and calculations occur for which the ultimate tax effect is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The accounting for deferred income tax asset relies upon management's judgment of the Group's ability to generate future positive taxable income in each respective jurisdiction.

### Business combinations

The acquisitions require the use of substantial judgement when assessing the fair value of net identifiable assets and liabilities in a business combination. Allocation of excess value relating to any business combinations is, amongst other, based on expected cash flows and results for certain items of the acquired assets. Refer to note 27 for further information.

### Changes in presentation

As of 2023 the group classifies accrued, not billed revenue as trade receivables in the balance sheet. Previously the group has reported it as other current receivables. Comparative figures from 2022 have been adjusted accordingly. The changes have no effect on the income statement. The following table illustrates the effect on the balance sheet items before and after the adjustments.

| NOK 1000 | **2022** (reported) | **2022** (adjusted) | **Change** |
|---|---|---|---|
| **Current assets** | | | |
| Trade receivables | 216 328 | 283 778 | 67 451 |
| Other current receivables | 86 252 | 18 801 | (67 451) |

# Notes

## Note 5 - Segment information

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Oil & Gas vs Renewables/other** | | |
| Revenue | | |
| Oil & Gas | 1 332 996 | 954 399 |
| Renewable / other | 633 588 | 208 422 |
| **Total** | **1 966 584** | **1 162 821** |
| Operating expense | | |
| Oil & Gas | (1 127 977) | (868 009 |
| Renewable / other | (536 140) | (189 556) |
| **Total** | **(1 664 117)** | **(1 057 566)** |
| Operatiting result | | |
| Oil & Gas | 205 773 | 86 289 |
| Renewable / other | 97 448 | 18 866 |
| **Total** | 302 467 | 105 255 |
| | | |
| **Data vs Soulutions** | | |
| Revenue | | |
| Data | 406 336 | 735 559 |
| Solutions | 1 560 248 | 427 262 |
| **Total** | **1 966 584** | **1 162 821** |
| Operating expense | | |
| Data | (343 840) | (668 978) |
| Solutions | (1 320 277) | (388 587) |
| **Total** | **(1 664 118)** | **(1 057 567)** |
| Operatiting result | | |
| Data | 62 496 | 66 581 |
| Solutions | 239 971 | 38 674 |
| **Total** | **302 467** | **105 255** |

Gain from sale of assets in "Other income" is not related to a segment and therefore excluded from the tables above. Refer to note 14 for further information. All assets and liabilities are used jointly in all segments.

## Note 6 - Procurement Expenses Specified

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| Project cost | 142 400 | 89 991 | |
| Fuel | 75 885 | 72 389 | |
| Victualling | 48 642 | 27 543 | |
| Rental offshore equipment | 102 277 | 47 217 | |
| Hire offshore personell | 133 389 | 31 379 | |
| Other procurements | 1 167 | 4 284 | |
| **Procurement expenses, in total** | **503 760** | **272 803** | |

## Note 7 - Other Operating Costs Specified

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| Rental cost | 16 346 | 12 021 | |
| Consultant cost | 31 583 | 72 751 | |
| Operating equipment and maintenance | 58 940 | 45 919 | |
| Administration costs | 81 689 | 49 509 | |
| **Other operating costs, in total** | **188 558** | **180 200** | |

# Notes

## Note 8 - Personel Expenses

| Wages and social costs (NOK 1000) | 2023 | 2022 |
|---|---|---|
| Salaries and wages including holiday allowance | 308 639 | 205 868 |
| Social security tax | 43 412 | 29 004 |
| Pensions | 13 160 | 12 256 |
| Other benefits | 11 292 | 7 363 |
| Option cost | 2 897 | 1 235 |
| Salaries transfered to CAPEX-projects | (30 607) | (4 696) |
| **Wages and social costs, in total** | **348 794** | **251 031** |
| Number of man-years | 333 | 253 |

The company has a defined contribution plan that complies with the requirements of the Mandatory Occupational Pension Act. Total cost during the year is as specified above. For further information related to share based compensation, see note 19.

### Compensation and benefits to Management

#### Guidelines for remuneration

The company's guideline for management compensation and benefits is to offer competitive conditions to secure continuity in the management group. Reach Subsea shall offer benefits as for comparable Norwegian companies. In accordance with Section 6-16 b. (2) of the Norwegian Public Limited Liability Companies Act and the Norwegian regulations on guidelines and report on remuneration for executives, the Group will publish a separate report on remuneration to executives for presentation at the Annual General Meeting on 31 May 2024. In addition to detailed information on paid and pending remuneration to directors for the 2023 accounting year, the report on remuneration for directors will contain an overview of performance targets that form the basis for variable remuneration. Shareholdings and allocated shares will also be included.

| Compensation to CEO, CFO, CCO, CTO and COO (NOK 1000) | Salary | Pension costs | Other comp. | Sh |
|---|---|---|---|---|
| **2023** | | | | |
| Jostein Alendal, Managing Director CEO | 2 189 | 99 | 809 | |
| Birgitte W. Johansen, CFO | 2 177 | 109 | 842 | |
| Bård Thuen Høgheim, CCO | 2 366 | 93 | 809 | |
| Audun Brandtzæg, CTO | 2 028 | 89 | 579 | |
| Inge Grutle, COO | 2 177 | 93 | 809 | |
| **Total** | **10 937** | **483** | 3 849 | |
| Audun Brandtzæg started in his position 1 February 2023. | | | | |
| **2022** | | | | |
| Jostein Alendal, Managing Director CEO | 2 039 | 94 | 616 | |
| Birgitte W. Johansen, CFO | 1 919 | 100 | 583 | |
| Bård Thuen Høgheim, CCO | 1 919 | 87 | 616 | |
| Inge Grutle, COO | 1 919 | 87 | 616 | |
| **Total** | **7 795** | **367** | **2 431** | |

Managing director has no agreement regarding early retirement. Managing director will receive NOK 3 million in if employment is terminated. CFO has no agreement regarding early retirement and no agreement on payment in termination of employment.

# Notes

## Note 8 - Personel Expenses - continued

| **The Boards Remuneration** (NOK 1000) | **Posistion** | **2023** | **2022** |
|---|---|---|---|
| Rachid Bendriss | Chairman of the Board | 503 | 458 |
| Kåre Johannes Lie | Vice-Chairman of the Board (until June 2022) | - | 118 |
| Anders Onarheim | Board member | 255 | 231 |
| Martha Kold Monclair | Board member | 255 | 231 |
| Arvid Ståle Pettersen | Board member (from June 2022) | 255 | 113 |
| Espen Gjerde | Board member (from June 2022) | 255 | 113 |
| Sverre B. Mikkelsen | Board member (until February 2022) | - | 61 |
| Kristine Skeie | Board member | 306 | 256 |
| Ingunn Ø. Iveland | Board member | 332 | 287 |

| **Auditors Remuneration** (NOK 1000) | **2023** | **2022** |
|---|---|---|
| Auditing | 1 716 | 1 794 |
| Attestation services | 229 | 22 |
| Tax advice* | 2 016 | 397 |
| Other assistance* | 1 724 | 3 025 |
| **Total** | **5 685** | **5 239** |

All amounts are exclusive of value added tax.

*Included in tax advice and other assistance are services from Advokatfirmaet PricewaterhouseCoopers AS with the amount of NOK 0.95 million (2022: NOK 0.78 million). The majority of other assistance is related to Due Diligence services and support related to GRI Gap analysis.

# Notes

## Note 8 - Personel Expenses - continued

**Shares owned by members of the Board and by the management at year-end, including shares owned by immediate family members and/or controlled companies are as follows:**

| | | Numbers of shares 31.12.2023 | Ownership 31.12.2023 |
|---|---|---|---|
| NORTH ENERGY ASA | Partly owned by Rachid Bendriss (COB) and Anders Onarheim (Board member) | 50 832 449 | 18.7 % |
| JT INVEST AS | Partly owned by Jostein Alendal (CEO) | 5 739 539 | 2.1 % |
| INVICTA INVEST AS | Partly owned by Inge Grutle (Management) | 1 209 179 | 0.4 % |
| AB INVESTMENT AS | Owned by Anders Onarheim (Board member) | 1 000 000 | 0.4 % |
| KOLD INVEST AS | Owned by Martha Kold Monclair (Board member) | 949 534 | 0.4 % |
| BÅRD THUEN HØGHEIM | Management | 780 000 | 0.3 % |
| VEST-NORSK HANDELSKOMPANI AS | Owned by Kristine Skeie (Board member) | 505 588 | 0.2 % |
| BIRGITTE WENDELBO JOHANSEN | Management | 299 050 | 0.1 % |
| AUDUN BRANDTZÆG | Management | 200 000 | 0.1 % |
| JOSTEIN ALENDAL | CEO | 150 000 | 0.1 % |
| I ØVERENG AS | Owned by Ingunn Øvereng Iveland (Board member) | 30 588 | 0.0 % |
| INGUNN ØVERENG IVELAND | Board Member | 30 000 | 0 % |
| INGE GRUTLE | Management | 10 000 | 0 % |
| KRISTINE SKEIE | Board Member | 5 | 0 % |
| **Total** | | **61 735 932** | **22.7 %** |

# Notes

## Note 9 - Finance income and Expenses

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| Interest income on short term bank deposits | 4 991 | 1 264 |
| **Total interest income** | **4 991** | **1 264** |
| Interest expense on bank borrowings | (2 617) | (2 309) |
| IFRS 16 interest expense | (74 892) | (13 090) |
| Other interest expense | (373) | (16) |
| **Total interest expense** | **(77 881 )** | **(15 415)** |
| Net foreign exchange expense/income | 1 819 | 7 131 |
| Currency adjustment related to IFRS 16 | 12 685 | (55) |
| Other finance costs | (580) | (158) |
| **Total other financial items** | **13 925** | **6 918** |
| **Finance items - net** | **(58 965)** | **(7 232)** |

## Note 10 - Taxes

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Taxes** | | |
| Taxes payable | 42 261 | 9 344 |
| Changes in deferred taxes | 21 482 | 16 490 |
| **Taxes in total** | **63 743** | **25 838** |
| **Deferred taxes/ (Deferred tax assets) -** Temporary differences | | |
| Other fixed assets | (3 135) | (31 709) |
| Financial leases | 17 415 | 1 509 |
| Fixed-price contracts | - | |
| Inventories | (934) | (934) |
| Accruals | (18 376) | (4 025) |
| Right-of-use assets | (29 172) | (12 657) |
| Intangible assets | 74 775 | 25 750 |
| Tax loss carried forward Norway | - | (91 184) |
| Tax loss carried forward outside of Norway | (64 338) | (65 452) |
| **Temporary differences, in total** | **(23 765)** | **(178 703)** |
| Deferred tax assets | (799) | (36 401) |
| Not recognized deferred tax assets | (11 366) | (11 486) |
| **Deferred tax (assets) in balance sheet** | **10 567** | **(24 915)** |

# Notes

## Note 10 - Taxes - continued

In November 2023 Reach Subsea acquired Guardian Geomatics. The transaction was completed in November 2023. Deferred tax assets incorporated at closing was NOK 0 million while deferred tax related to excess values was estimated to NOK 14.0 million. Net deferred tax related to the acquisition is NOK 14.0 million and is recognized in the balance sheet as per end December 2023. Refer to note 27 for further details.

Deferred tax assets are recognized in the balance sheet based on expected utilization of tax losses carried forward and temporary differences. The carrying amount of deferred income tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

| **Reconciliation from nominal to actual tax rate** | **31.12.2023** | **31.12.2022** |
|---|---|---|
| Profit & loss before taxes | 289 534 | 98 023 |
| Nominal tax rate | 22 % | 22 % |
| **Anticipated income tax due to nominal tax rate** | **63 698** | **21 565** |
| Actual tax cost | 63 743 | 25 838 |
| Deviation | 46 | 4 272 |
| | | |
| **Tax effects of** | | |
| Permanent differences | 104 | (126) |
| Effect of tax rates outside Norway different from 22 % | (270) | (2 852) |
| Changes in deferred tax assets, not recognized | 120 | (1 294) |
| **Explanation** | **(46)** | **(4 272)** |
| Effective tax rate | 22 % | 26 % |
| | | |
| **Payable taxes in the balance sheet** | | |
| Payable taxes in the tax charge | (37 138) | (9 344) |
| Advances paid on tax charge | 1 056 | 1 491 |
| Tax payable previous years | - | |
| Tax payable from business combinations (note 27) | (4 944) | |
| **Payable taxes in the balance sheet** | **(41 025)** | **(7 853)** |

# Notes

## Note 11 - Earnings per share

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| Profit (loss) - attributable to the owners | 225 791 | 72 185 |
| Basic profit (loss) per share | 0.89 | 0.35 |
| Diluted profit (loss) per share | 0.88 | 0.34 |
| Average numbers of shares | 252 610 567 | 206 966 734 |
| Average diluted number of shares for EPS | 256 131 566 | 209 835 227 |
| Number of shares 1/1 | 225 725 928 | 144 940 708 |
| Number of shares 31/12 | 271 769 245 | 225 725 928 |

## Note 12 - Shares in Subsidiaries

| Company | Business office | Voti |
|---|---|---|
| Reach Subsea AS | Haugesund | |
| Connect Offshore AS (100 % owned by Reach Subsea AS) | Haugesund | |
| Reach Remote AS (100 % owned by Reach Subsea AS) | Haugesund | |
| Reach Subsea International AS (100 % owned by Reach Subsea AS) | Haugesund | |
| Reach Subsea UK Ltd (100 % owned by Reach Subsea International AS | Scotland, UK | |
| Reach Subsea Pte. Ltd (100 % owned by Reach Subsea International AS) | Singapore | |
| Reach Subsea Ltd (100 % owned by Reach Subsea International AS) | Limassol, Cyprus | |
| Reach Subsea Inc (100 % owned by Reach Subsea International AS) | Delaware, USA | |
| Gravitude UK Ltd (100 % owned by Reach Subsea International AS) | Scotland, UK | |
| Reach Subsea Sweden AB (100 % owned by Reach Subsea International AS) | Gothenburg, Sweden | |
| Guardian Geomatics Pty Ltd (100 % owned by Reach Subsea International AS) | Perth, Australia | |
| Guardian Geomatics Pte Ltd (100 % owned by Guardian Geomatics Pty Ltd) | Perth, Australia | |

# Notes

## Note 13 - Climate Risk

Climate-related risks to Reach Subsea include market effects from changing demand for oil and gas (implying lower demand for our services in this segment), evolving laws and regulations, stricter climate policies, disruptive technology, as well as physical effects of climate change and reputational effects.

Reach Subsea assesses climate transition risks into two major categories: (1) risks related to the transition to a low-carbon economy and (2) risks related to the physical impacts of climate change.

**Risks related to the transition to a low-carbon economy**

**Demand**

Demand for our services within the Oil & Gas segment in the long-term is uncertain due to the global clean energy transition. The groups assessment is that risk of reduced demand for services within Oil & Gas is partly mitigated by correspondingly increased demand for our services within the renewable segment. The groups primary revenue stream is owning, leasing and operating vessels and ROVs.

Based on the 2023-levels of revenue and distribution between different segments, the estimated effect of decrease in demand for services within Oil & Gas are as follows:

| Decline in demand for services related to Oil & Gas | Decrease in total revenue (NOK 1000) | Decrease in operating result (NOK 1000) |
|---|---|---|
| 10 % | 133 300 | 20 502 |
| 20 % | 266 599 | 41 004 |
| 30 % | 399 899 | 61 506 |

**Impairment/stranded assets**

Reduced demand for services within the Oil&Gas segment in the long term could prompt the groups assets (both own assets and the Right-of-use assets) to become stranded. An assessment has been made as to whether the Group has assets that are exposed to significant environmental risk or climate risk ('stranded assets'). The Group has not identified any stranded assets at 31 December 2023. The company's assets are depreciated over a lifetime of maximum 8 years, and the groups assessment is that the risk of assets being stranded or subject to material impairments within its initial lifetime due to climate risk is low.

A sensitivity analysis have been made stand alone for the assets and that there is no alternativ use for the assets if there was a decrease in the demand. The possible impact on impairment charges as a result of a decrease in demand for our services within Oil & Gas would have this impairment-effect: been made stand alone for the assets and that there is no alternativ use for the assets if there was a decrease in the demand. The possible impact on impairment charges as a result of a decrease in demand for our services within Oil & Gas would have this impairment-effect.

| Decline in demand for services related to Oil & Gas | Inpairment charge (NOK 1000) |
|---|---|
| 10 % | - |
| 20 % | 3 957 |
| 30 % | 58 667 |

**Financing and capital**
Reach Subseas future developmen investments depend on multiple so including operational cash flow, cap and borrowings. Increased concern climate change could lead to increa of capital. To mitigate such risk, the works closely with financial institut investors and continuously evaluate investment strategy
to optimize a strong balance sheet.

**Risks related to the physical impacts of climate change**

Reach Subsea is exposed to changin conditions caused by climate change result of its operation activities offsh Impact of severe climate change cou damage to assets, disrupt operation and result in significant costs increas company maintain insurance to prote physical assets and also manage the revenue due to weather conditions t contracts with customers.

# Notes

## Note 14 - Property, plant & equipment

| Asset category | Assets under construction | Property, plant and equipment | Property, plant and equipment | Property, plant and equipment | Right-of-use assets | |
|---|---|---|---|---|---|---|
| **Assets under construction** (NOK1000) | **Assets under construction** | **ROV and ROV equipment** | **Right of use asset ROV, leased from financial institutions** | **Equipment and office mashinery** | **Right of use asset Vessels and other equipment*** | **Total** |
| **Year ended 31 December 2023** | | | | | | |
| Opening net book amount | 150 499 | 28 530 | 7 945 | 48 535 | 90 258 | 325 768 |
| Additions | 144 400 | 28 460 | 11 250 | 63 266 | 1 656 194 | 1 903 570 |
| Additions from business combination (note 27) | | | | 36 857 | 517 | 37 374 |
| Disposals | - | - | - | (1 541) | - | (1 541) |
| Adjustment of commitment | - | - | - | - | (2 094) | (2 094) |
| Other reclassification | (28 241) | - | - | (968) | - | (29 209) |
| Depreciation | - | (12 709) | (2 877) | (23 421) | (581 645) | (620 652) |
| Impairment | - | - | - | - | - | - |
| **Closing net book value** | **266 658** | **44 233** | **16 319** | **122 727** | **1 163 222** | **1 613 159** |
| | | | | | | |
| **At 31. December 2023** | | | | | | |
| Cost 1.1.23 | 150 499 | 158 521 | 113 844 | 78 947 | 385 800 | 887 651 |
| Additions | 144 400 | 28 460 | 11 250 | 100 123 | 1 654 617 | 1 903 570 |
| Other reclassification | (28 241) | - | - | (968) | - | (29 209) |
| Disposals at cost | - | - | - | (22 244) | - | (22 244) |
| Adjustment fully depreciated items | - | - | - | - | (433 144) | (433 144) |
| **Cost 31.12.23** | **266 658** | **186 981** | **125 134** | **155 858** | **1 607 273** | **2 341 904** |

# Notes

## Note 14 - Property, plant & equipment - continued

| Asset category | Assets under construction | Property, plant and equipment | Property, plant and equipment | Property, plant and equipment | Right-of-use assets | |
|---|---|---|---|---|---|---|
| **Assets under construction** (NOK1000) | **Assets under construction** | **ROV and ROV equipment** | **Right of use asset ROV, leased from financial institutions** | **Equipment and office mashinery** | **Right of use asset Vessels and other equipment*** | **Total** |
| **At 31. December 2023** | | | | | | |
| Accumulated depreciation 1.1.23 | - | (130 027) | (105 939) | (30 412) | (295 542) | (561 920) |
| Depreciation | - | (12 709) | (2 877) | (23 421) | (581 645) | (620 652) |
| Depreciation disposed assets | - | - | - | 20 703 | - | 20 703 |
| Adjustment fully depreciated items | - | - | - | - | 433 144 | 433 144 |
| **Accumulated depreciation 31.12.23** | **-** | **(142 735)** | **(108 816)** | **(33 130)** | **(444 043)** | **(728 725)** |
| Accumulated impairment 1.1.23 | - | - | | - | - | - |
| Impairment | - | - | - | - | - | - |
| Adjustment fully depreciated items | - | - | - | - | - | - |
| **Accumulated impairment 31.12.23** | - | - | - | - | - | - |
| **Book value** | **266 658** | **44 233** | **16 319** | **122 727** | **1 163 222** | **1 613 159** |
| Depreciation plan/useful life | | 3 - 8 years | 3 - 8 years | 3 years | 1-6 years | |
| Depreciation method | | linear | linear | linear | linear | |

During 2023 the group has sold various assets resulting in a gain of approximately 29.8 million. The gain is presented as other income in the financial statement. Reclassifications is explained by reclassification of the prepayments related to the acquisition of Viking Reach (former Edda Sun) of NOK 29.2 million made in 2022. The prepyment was used to partly fund the investment in the associated company Eidesvik Reach AS in 2023, and is classified as "Investment in associated companies" in the balance sheet as of December 31 2023. 'See note 24 for further information for Right of use asset Vessels and other equipments and note 22 for Right of use asset ROV, leased from financial institutions 'Refer to note 27 for equipment acquired in the Guardian Geomatics transaction, and note 24 for Right-of-use assets.

**Assets under construction can be divided into the following categories:**

Reach Remote

Tax deduction scheme
Reach Remote-project (SkatteFUNN)

Minor capex-projects and mobilizations

**Net book value 31.12.23**

# Notes

## Note 14 - Property, plant & equipment - continued

| Asset category | Assets under construction | Property, plant and equipment | Property, plant and equipment | Property, plant and equipment | Right-of-use assets | |
|---|---|---|---|---|---|---|
| **Assets under construction** (NOK1000) | **Assets under construction** | **ROV and ROV equipment** | **Right of use asset ROV, leased from financial institutions** | **Equipment and office mashinery** | **Right of use asset Vessels and other equipment*** | **Total** |
| **Year ended 31 December 2022** | | | | | | |
| Opening net book amount | - | 46 709 | 13 340 | 13 720 | 277 212 | 350 974 |
| Additions | 150 499 | 3 453 | - | 13 437 | 126 717 | 294 106 |
| Additions from business combination (note 27) | - | | | 39 837 | 10 327 | 50 163 |
| Disposals | - | - | - | - | - | - |
| Adjustment of commitment | - | - | - | - | (17 203) | (17 203) |
| Other reclassification | - | - | | - | - | - |
| Depreciation | - | (21 640) | (5 394) | (18 459) | (306 795) | (352 288) |
| Impairment | - | - | - | - | - | - |
| **Closing net book value** | 150 499 | **28 530** | **7 945** | **48 535** | **90 258** | **325 768** |
| | | | | | | |
| **At 31. December 2022** | | | | | | |
| Cost 1.1.22 | - | 155 068 | 113 844 | 25673 | 601 143 | 895 768 |
| Additions | 150 499 | 3 453 | - | 53 274 | 119 841 | 327 066 |
| Other reclassification | - | - | - | - | - | - |
| Disposals at cost | - | - | - | - | - | - |
| Adjustment fully depreciated items | - | - | - | - | (335 183) | (335 183) |
| **Cost 31.12.22** | **150 499** | **158 521** | **113 884** | **78 947** | **385 800** | **887 651** |

# Notes

## Note 14 - Property, plant & equipment - continued

| Asset category | Assets under construction | Property, plant and equipment | Property, plant and equipment | Property, plant and equipment | Right-of-use assets | |
|---|---|---|---|---|---|---|
| **Assets under construction** (NOK1000) | **Assets under construction** | **ROV and ROV equipment** | **ROV, leased from financial institutions** | **Equipment and office mashinery** | **Right of use asset Vessels and other equipment*** | **Total** |
| **At 31. December 2022** | | | | | | |
| Accumulated depreciation 1.1.22 | - | (108 387) | (100 544) | (11 953) | (316 426) | (537 310) |
| Depreciation | - | (21 640) | (5 394) | (18 459) | (306 795) | (352 288) |
| Depreciation disposed assets | - | - | - | - | - | - |
| Adjustment fully depreciated items | - | - | - | - | 327 678 | 327 678 |
| **Accumulated depreciation 31.12.22** | **-** | **(130 027)** | **(105 939)** | **(30 412)** | **(295 542)** | **(561 920)** |
| Accumulated impairment 1.1.23 | - | - | - | - | (7 505) | (7 505) |
| Impairment | - | - | - | - | - | - |
| Adjustment fully depreciated items | - | - | - | - | 7 505 | 7 505 |
| **Accumulated impairment 31.12.22** | - | - | - | - | - | - |
| | | | | | | |
| **Book value** | **150 499** | **28 530** | **7 945** | **48 535** | **90 258** | **325 768** |
| | | | | | | |
| Depreciation plan/useful life | | 3-8 years | 3-8 years | 3 years | 1-3 years | |
| Depreciation method | | linear | linear | linear | linear | |

Bank borrowings are secured on fixed assets. Refer to note 22 Borrowings for further information

# Notes

## Note 14 - Property, plant & equipment - continued

### Impairment

**Summary**
Impairment testing has been performed in accordance with IAS 36. The impairment testing for 2023 did not result in any impairment.

**Discount rate**
The discount rate is based on the Weighted Cost of Capital (WACC) pre tax for the Group. The discount rate is 11.0 %.

**Revenue assumptions**
The revenue assumption in the cash flow forecast is based on a combination of utilisation for assets and selling price. Utilisation is based on firm contractual days on a short to medium term and estimated future selling on a medium to longer term. Forecasted utilisation on a longer term is based on historical data, as well as managements expectations of market development. Forecasted selling rates are based on historical data.

No inflation adjustments have been made to revenue assumptions. Future change in how the world will react in light of the goals set in the Paris-agreement could, depending on the characteristics of the change, have a negative effect on the demand for the company's services.

**Right-of use-assets - vessels:**
The right-of-use assets at 31 December 2023 represents the remaining committed vessel days on charter agreements with vessel owners. The impairment testing demonstrated that the recoverable amount is larger than book value, and as such no impairment charge is required. The recoverable amount is sensitive to estimated utilisation and selling rate assumptions. Sensitivity analysis show that a 20 % drop in estimated future revenue would result in an impairment charge of NOK 4.6 million. An increase in WACC of 2 percentage points will not result in any additional impairment due to the short remaining lifetime of the assets.

Se note 24 for further information on Right-of-use assets.

**ROV and ROV equipment:**
Impairment testing has been performed on each ROVs CGU, i.e. both owned and leased ROVs. Other assets, such as activated mobilisation costs and other ROV equipment is not included in the impairment test as these assets do not have impairment indicators. The recoverable amount is based on estimated future cash flows, which is based on estimated selling price, budgeted maintenance cost and utilisation.

The impairment testing demonstrated that the assets recoverable amount is larger than book value, and as such no impairment charge is required. The recoverable amount is sensitive to utilisation and selling rate assumptions. Sensitivity analysis show that a 20 % drop in revenue for all ROV CGU's would result in no impairment. An increase in WACC of 2 percentage points will not result in any impairment.

**Sensitivity on total fixed assets**

| Drop in estimated revenue | Impairment ch on fixed assets (NOK 1000) |
|---|---|
| 10 % | - |
| 20 % | 4 580 |
| 30 % | 73 702 |

# Notes

## Note 15 - Intangible assets

| Asset category | Intangible assets | Intangible assets | Goodwill | |
|---|---|---|---|---|
| **Assets description** (NOK1000) | **Research & development** | **Customer relationship** | **Goodwill** | **Total** |
| **Year ended 31. December 2023** | | | | |
| Opening net book amount | 1 873 | 8 750 | 86 723 | 97 347 |
| Additions | - | - | - | - |
| Addition from business combination (note 27) | - | 22 000 | 22 866 | 44 866 |
| Depreciation | (228) | (2 125) | - | (2 353) |
| Disposals/adjustments | 499 | - | - | 499 |
| **Closing net book value** | **2 144** | **28 625** | **109 590** | **140 359** |
| | | | | |
| **At 31 december 2023** | | | | |
| Cost 1.1.23 | 1 873 | 10 000 | 86 723 | 98 597 |
| Additions | - | - | - | - |
| Addition from business combination (note 27) | - | 22 000 | 22 866 | 44 866 |
| Disposals/adjustments | 499 | - | - | 499 |
| **Cost 31.12.23** | **2 372** | **32 000** | **109 590** | **143 962** |

# Notes

## Note 15 - Intangible assets - continued

| Asset category | Intangible assets | Intangible assets | Goodwill | |
|---|---|---|---|---|
| **Assets description** (NOK1000) | **Research & development** | **Customer relationship** | **Goodwill** | **Total** |
| **At 31. December 2023** | | | | |
| Accumulated depreciation 1.1.2 | - | (1 250) | - | (1 250) |
| Depreciation | (228) | (2 125) | - | (2 353) |
| **Accumulated depreciation 31.12.2** | **(228)** | **(3 375)** | **-** | **(3 603)** |
| Accumulated impairment 1.1.23 | - | - | - | - |
| Impairment | - | - | - | - |
| **Accumulated impairment 31.12.23** | **-** | **-** | **-** | **-** |
| **Book value** | **2 144** | **29 875** | **109 590** | **140 359** |
| Depreciation plan/useful life | 3 - 5 years | 6 years | Indefinite | |
| Depreciation method | linear | linear | | |

Customer relationships and goodwill is related to the acquisition of iSurvey Group in March 2022 and Guardian Geomatics in November 2023. Refer to note 27 for further information.

Research and development are related to development of software/equipment related to the company's ASUMO project. As of December 31 2023 the group has net book values for R&D totaling NOK 2.1 million. Hours spent have been capitalized for personell as well as other external consultants related to the development of equipment and software.

Impairment
The residual goodwill is tested for impairment on corporate level. The starting point for the test is the difference between market value and book value of equity. At year end 2023 the value exceeds the carrying amount of equity, and no impairment indicators have been iden

# Notes

## Note 16 - Trade receivables and other current receivables

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| Invoiced receivables | 149 209 | 216 328 |
| Revenue recognised, not billed | 164 958 | 67 451 |
| Less: provision for impairment of trade receivables | - | - |
| **Current portion trade receivables** | **314 166** | **283 778** |
| Prepayments | 15 370 | 5 782 |
| Other receivable | 26 535 | 13 019 |
| **Current portion other receivables** | **41 904** | **18 801** |
| Non-current positions | - | - |
| **The fair values of trade receivables are as follows:** | | |
| Invoiced receivables | 149 209 | 216 328 |
| Revenue recognised, not billed | 164 958 | 67 451 |
| Receivables from related parties | - | - |
| Loans to related parties | - | - |
| **Total trade receivables** | **314 166** | **283 778** |

Transactions with subsidiaries have been eliminated in the Group's financial statements and do not represent related party transactions. Changes in allocation for losses of account receivables There has been no losses or provisions for impairment of recievables in 2022 and 2023 As of 31.12., the Group had the following trade receivables which was due, but not been paid:

| | Total | Not due | <30 d | 30-90 d | 91-360 d | >361 d |
|---|---|---|---|---|---|---|
| 2023 | 149 209 | 83 559 | 32 855 | 23 061 | 9 733 | - |
| 2022 | 216 328 | 158,342 | 48 893 | 7 958 | 1 134 | - |

Based on previous experience with customers and assessment of intial credit risk and expected credit losses as at 31 December 2023, there is no allowance for bad debt on receivables in 2023. The main portion of overdue receivables has been paid after balance sheet date.

| Trade receivables - Counterparty without external credit rating | 2023 | 2022 |
|---|---|---|
| Group 1 | 11 073 | 95 791 |
| Group 2 | 138 136 | 120 537 |
| Group 3 | - | - |
| **Total trade receivables** | **149 209** | **216 328** |

Group 1 - New customers (less than 6 months customer relationship)

Group 2 - Existing customers (more than 6 months customer relationship) with no defaults in the past

Group 3 - Existing customers (more than 6 months customer relationship) with some defaults in the past

| The carrying amounts of the group's trade receivables are denominated in the following currencies: | | |
|---|---|---|
| NOK | 45 043 | 74 323 |
| EUR | 18 331 | 2 477 |
| USD | 62 679 | 83 556 |
| GBP | 22 490 | 54 714 |
| SGD | - | 148 |
| DKK | - | 1 110 |
| AUD | 666 | - |
| **Total trade receivables** | **149 209** | **216 328** |

# Notes

## Note 17 - Cash and cash equivalents

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents in NOK | 99 698 | 99 497 |
| Cash and cash equivalents in USD | 210 112 | 53 615 |
| Cash and cash equivalents in EUR | 74 977 | 15 382 |
| Cash and cash equivalents in GBP | 42 358 | 23 097 |
| Cash and cash equivalents in AUD | 7 652 | - |
| Cash and cash equivalents in SGD | 1 624 | - |
| Cash and cash equivalents in SEK | 1 | - |
| Restricted cash equivalence hereof | - | - |
| **Cash and cash equivalents, in total** | **436 423** | **191 591** |

The company also has restricted cash related to withheld tax of NOK 14.6 million in 2023 (2022: NOK 10.3 million). The Group has a bank overdraft agreement. As at 31.12.23 the Group had NOK 30 million in unused drawing rights.

| Rating on banks for cashcredit rating | 2023 | 2022 |
|---|---|---|
| AA+ | 16 | 56 |
| A+ | 14 030 | 11 209 |
| A- | 422 365 | 180 310 |
| BBB- | 12 | 16 |
| **Total cash and cash equivalents** | **436 423** | **191 591** |

# Notes

## Note 18 - Share capital and information about shareholders

| The 20 largest shareholders as of 31/12-2023 | | Number of shares | Ownership in per cent |
|---|---|---|---|
| 1. | WILHELMSEN NEW ENERGY AS | 52 136 636 | 19.2 % |
| 2. | NORTH INDUSTRIES 1 AS | 50 832 449 | 18.7 % |
| 3. | SURVEY HOLDING AS | 29 116 897 | 10.7 % |
| 4. | Citibank, N.A. | 11 602 262 | 4.3 % |
| 5. | SOBER AS | 10 963 446 | 4.0 % |
| 6. | HOLME HOLDING AS | 6 644 000 | 2.4 % |
| 7. | JT INVEST AS | 5 739 539 | 2.1 % |
| 8. | NORMAND DRIFT AS | 5 000 000 | 1.8 % |
| 9. | Pershing LLC | 4 100 389 | 1.5 % |
| 10. | LION INVEST AS | 3 769 928 | 1.4 % |
| 11. | Danske Invest Norge Vekst | 3 187 815 | 1.2 % |
| 12. | ALTEA AS | 2 973 658 | 1.1 % |
| 13. | CORUNA AS | 2 725 000 | 1.0 % |
| 14. | NÆRINGSLIVETS HOVEDORGANISASJON | 2 499 799 | 0.9 % |
| 15. | STAVA INVEST AS | 2 267 141 | 0.8 % |
| 16. | Avanza Bank AB | 2 216 000 | 0.8 % |
| 17. | BARRUS CAPITAL AS | 2 110 090 | 0.8 % |
| 18. | RMS INVEST AS | 2 000 000 | 0.7 % |
| 19. | JAKOB HATTELAND HOLDING AS | 2 000 000 | 0.7 % |
| 20. | A-Å INVEST AS | 1 938 725 | 0.7 % |
| **Sum** | **20 largest** | **203 823 774** | **75.0 %** |
| | The rest of shareholders | 67 945 471 | 25.0 % |
| | **Total number of shares** | **271 769 245** | **100.0 %** |

Reach Subsea's share capital amounts to NOK 271,769,245 divided into 271,769,245 shares, each with a nominal v

17 February 2022, Wilhelmsen New Energy AS, a wholly owned subsidiary of Wilh. Wilhelmsen Holding ASA, agree subscribe for, and be allocated, 46,126,567 new shares in Reach Subsea ASA at a subscription price of NOK 3.25 p share. The agreement also included the issuance of warrants, whereby Wilhelmsen New Energy AS received the r subscribe for and be allocated an additional 44,766,864 new shares in Reach Subsea ASA at a subscription price 4.00 per share. The warrants have a duration of three years and can be exercised at any time. The private placem issuance of the warrants was approved on an extraordinary general meeting in Reach Subsea ASA, held on 15 Ma As of 31 December 2023 Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,903,

On February 15 2023 Reach Subsea announced and successfully executed a private placement. A total of 29,411,0 shares was allocated by the Board of Directors. In addition the company also announced that the Board has resolv undertake a subsequent offering of up to 3,000,000 new shares. The subscription period for the subsequent offer ended on 27 March 2023 and resulted in a total subscription of 312,635 new shares. The shares from the subsequ offering was registered 3 April 2023. On October 6 2023 Reach Subsea announced the acqusition of 100 % of the in the Australian marine survey company Guardian Geomatics Pty. Ltd. The transaction was settled through the is of 15,469,682 shares in Reach, valued at NOK 5.02 per share in the transaction, and AUD 5.86 million in cash to be one year after the closing date. The transaction was completed on November 15 2023. Refer to note 27 for further

# Notes

## Note 19 - Share based payments

In 2021 the Board of directors of Reach Subsea ASA approved a stock option scheme to further align the interests of the participating employees in Reach Subsea with those of the shareholders. The stock option scheme was finalised with a signed agreement between the company and Management and certain key employees 15.12.2021. Management and certain key employees of the Reach Subsea-group is granted the right to acquire up to a certain maximum number of shares in the Company at a fixed strike price ("the Option"). The strike price was set equal to the volume weighted average share price of the Company´s stock traded on the Oslo Stock Exchange 10 days prior to the finalization of the option scheme.

The options are vested with 1/3 each year, over a period of three years until 31.12.2024. The options are non-tradable and conditional upon the participant being employed by the Reach Subsea-group at the vesting date. The stock option plan constitued a maximum of 3,000,000 options equivalent to a similar number of Reach Subsea ASA shares. The fair value at grant date was determined using a Black Scholes Model. The most significant inputs and assumptions in determining fair value at grant date was:

**Excercise price:** NOK 3.0
**Share price at grant date:** NOK 3.0
**Expected volatility:** NOK 56.14 %
**Risk free interest rate:** NOK 1.092 %
**Term of options:** 3 years

Movements in the number of share options and their related weighted average exercise prices were as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| At 1 January | 2.82 | 2 000 000 | 3.00 | 3 000 000 |
| Granted | - | - | - | - |
| Forfeited | - | - | - | - |
| Exercised* | 2.64 | 850 000 | 2.82 | 812 500 |
| Expired | - | 175 000 | - | 187 500 |
| At 31 December | 2.64 | 975 000 | 2.82 | 2 000 000 |

*The initial exercise price of 3.0 were adjusted for dividends paid in 2022 and in 2023, making the actual exercise price 2.82 in 2022 and 2.64 in 2023. The group has recognised NOK 0.8 million (including social security tax) in cost related to the options in 2023 (2022: NOK 1.6 million). The group has no legal or constructive obligation to repurchase or settle the options in cash.

## Note 20 - Other current liabilities

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| Other current liabilities | 8 601 | 1 631 |
| Accruals | 141 175 | 75 308 |
| Accrued salaries and benefits | 50 549 | 31 009 |
| Witholding taxes | 631 | 367 |
| Other taxes payable | 5 227 | 4 082 |
| Accrued interests | 15 | 145 |
| **Other current liabilities, in total** | **206 197** | **112 541** |

Other current liabilities consist mainly of incurred operational expenses and performed planned periodic maintenance not yet invoiced at year end.

# Notes

## Note 21 - Classification of financial assets and liabilities

| 2023 (NOK1000) | Financial instruments measured at amortised cost | Financial instruments at fair value through profit or loss | Financial instruments measured at fair value through other comprehensive incom | Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Trade receivables | 314 166 | - | - | 314 166 |
| Other receivables | 26 534 | - | - | 26 534 |
| Cash and cash equivalents | 436 423 | - | - | 436 423 |
| **Assets, in total** | **777 124** | **-** | **-** | **777 124** |
| **Financial liabilites** | | | | |
| Borrowings (long & short term interest bearing debt) | 1 259 561 | - | - | 1 259 561 |
| Trade payables | 205 773 | - | - | 205 773 |
| Other current liabilities | 206 197 | - | - | 206 197 |
| **Liabilites, in total** | **1 671 531** | **-** | **-** | **1 671 531** |

# Notes

## Note 21 - Classification of financial assets and liabilities - continued

| 2022 (NOK1000) | Financial instruments measured at amortised cost | Financial instruments at fair value through profit or loss | Financial instruments measured at fair value through other comprehensive incom | Fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Trade receivables | 283 778 | - | - | 283 778 |
| Other receivables | 13 019 | - | - | 13 019 |
| Cash and cash equivalents | 191 591 | - | - | 191 591 |
| **Assets, in total** | **488 389** | **-** | **-** | **488 389** |
| **Financial liabilites** | | | | |
| Borrowings (long & short term interest bearing debt) | 130 988 | - | - | 130988 |
| Trade payables | 102 430 | - | - | 102 430 |
| Other current liabilities | 112 541 | - | - | 112 541 |
| **Liabilites, in total** | **345 959** | **-** | **-** | **345 959** |

The following of the Group's financial instruments are measured at amortised cost: cash and cash equivalents, trade receivables, other current receivables, trade payables, other current liabilities and all interest bearing debt. The carrying amount of cash and cash equivalens is approximately similar to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables trade payables and other receivables/liabilities is approximately equal to fair value since they are entered into at standard terms and conditions. The fair value of the interest-bearing debt is the disclosed face value of the loans.

# Notes

## Note 21 - Classification of financial assets and liabilities - continued

The tables below provides an analysis of the maturity of financial liabilities.

**Financial liabilities 2023**

| **Remaining contractual maturities** | **0-180 days** | **180 d-1 year** | **1-3 years** | **> 3 years** | **Total** |
|---|---|---|---|---|---|
| Trade payables | 205 773 | - | - | - | **205 773** |
| Other current liabilities | 206 197 | - | - | - | **206 197** |
| Interest-bearing debt to credit institutions | 5 220 | 4 984 | 16 967 | 40 422 | **67 594** |
| Interest-bearing debt, leases | 180 523 | 205 497 | 719 649 | 86 299 | **1 191 967** |
| Interest on interest-bearing debt to credit institutions | 2 848 | 2 640 | 8 261 | 7 878 | **21 627** |
| Interest on interest-bearing debt, leases | 42 338 | 35 005 | 85 211 | 4 642 | **167 196** |
| **Financial liabilities, in total** | **642 899** | **248 127** | **830 088** | **139 241** | **1 860 353** |

**Financial liabilities 2022**

| **Remaining contractual maturities** | **0-180 days** | **180 d-1 year** | **1-3 years** | **> 3 years** | **Total** |
|---|---|---|---|---|---|
| Trade payables | 102 430 | - | - | - | **102 430** |
| Other current liabilities | 112 541 | - | - | - | **112 541** |
| Interest-bearing debt to credit institutions | 19 506 | 3 580 | 4 932 | - | **28 018** |
| Interest-bearing debt, leases | 52 871 | 45 800 | 4 179 | 120 | **102 970** |
| Interest on interest-bearing debt to credit institutions | 753 | 317 | 183 | - | **1 252** |
| Interest on interest-bearing debt, leases | 2 213 | 943 | 166 | - | **3 322** |
| **Financial liabilities, in total** | **290 313** | **50 639** | **9 460** | **121** | **350 533** |

# Notes

## Note 21 - Classification of financial assets and liabilities - continued

| Changes in interest-bearing debt: | 2023 Interest bearing debt, leases | 2023 Interest bearing debt to credit instituations | 2022 Interest bearing debt, leases | 2022 Interest bearing debt to credit institutions |
|---|---|---|---|---|
| Opening balance | 102 970 | 28 018 | 281 798 | 30 757 |
| Repayment incl interest | (627 846) | (23 300) | (311 814) | (13 448) |
| Interest-bearing debt from acquisition of iSurvey Group AS (note 27) | - | - | - | 10 709 |
| Interest-bearing debt from acquisition of Guardian Geomatics (note 27) | - | 219 | - | - |
| Proceeds from bank loan | - | 27 500 | - | - |
| **Non-cash changes:** | | | | |
| Reclassified costs related to financing of Reach Remote | - | (2 877) | - | - |
| Additions of fixed assets financed through leasing from credit institutions | - | 38 034 | - | - |
| Interest-bearing debt from acquisition of Guardian Geomatics (note 27) | 545 | - | - | - |
| Interest-bearing debt from acquisition of iSurvey Group AS (note 27) | - | - | 10 327 | - |
| Addition IFRS 16 lease liability throughout the year | 1 656 186 | - | 126 717 | - |
| Adjustment IFRS 16 lease liability | (2 094) | - | (17 203) | - |
| Currency adjustment | (12 685) | - | 55 | - |
| Accrued interests | 74 892 | - | 13 090 | - |
| **Closing balance** | **1 191 967** | **67 594** | **102 970** | **28 018** |

| Distribution non-current and current debt | 2023 |
|---|---|
| Non-current interest-bearing debt to credit institutions | 57 418 |
| Non-current interest-bearing debt, leases | 805 931 |
| Current interest-bearing debt to credit institutions | 10 176 |
| Current interest-bearing debt, leases | 386 036 |
| **Closing balance** | **259 561** |

# Notes

## Note 22 - Borrowings

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Non current** | | |
| Bank borrowings | 24 623 | 4 854 |
| Lease liabilities to credit institutions (IFRS 16) | 32 795 | 78 |
| Other lease liabilities ( IFRS 16) | 805 931 | 4 310 |
| **Total** | **863 350** | **9 242** |
| | | |
| **Current** | | |
| Bank borrowings | 5 817 | 20 746 |
| Lease liabilities to credit institutions (IFRS 16) | 4 358 | 2 339 |
| Other lease liabilities ( IFRS 16) | 386 036 | 98 661 |
| **Total** | **396 211** | **121 746** |
| **Total borrowings** | **1 259 561** | **130 988** |

Bank borrowings mature in the range of 2024-2033 and bear average coupons of 8.5 % annually. The bank borrowings are subject to industry relevant covenants. Due to changes in equity and the financing of ongoing capex-projects the existing covenants have been updated in 2023.

**The financial covenants are as follows:**

- Minimum liquidity: Cash and cash equivalents, including any undrawn and available part of the overdraft facility with SR-Bank, shall at all times to be minimum NOK 40 million.
- Debt service Coverage Ratio: The ratio of last 12 months' (LTM) EBITDA to the next 12 months' total estimated interest and instalments on Interest Bearing Debt (excl IFRS16 installments/ incl. lease liabilities to credit institutions) shall at all times be minimum 2.00.
- Booked Equity shall be minimum NOK 500 million and Booked Equity Ratio shall be minimum 25 %.

As of 31 December 2023 the liquidity position (including overdraft facility) is 466.4 million, the Debt service Coverage Ratio is 5.7, and Booked equity NOK 928 million/34 %. All financial covenants are well within the thresholds mentioned above. Please note that some of the financial covenants in the groups debt facilities exclude the effects from IFRS 16, and therefore can not be directly derived from the groups financial statements.

Total borrowings to bank and financial institutions includes secured liabilities (bank and collateralised borrowings) NOK 30.4 million (2022: NOK 26.7 million). Bank borrowings are secured by equipment and receivables of the gro

# Notes

## Note 22 - Borrowings - continued

The carrying amounts and fair value of the interest-bearing debts are as follows:

| | Carrying amount | | Fair value | |
|---|---|---|---|---|
| (NOK 1000) | **2023** | **2022** | **2023** | **2022** |
| Bank borrowings | 30 440 | 25 600 | 30 440 | 25 600 |
| Lease liabilities to credit institutions (IFRS 16) | 37 153 | 2 418 | 37 153 | 2 418 |
| Other lease liabilities ( IFRS 16) | 1 191 967 | 102 970 | 1 191 967 | 102 970 |
| **Total** | **1 259 560** | **130 988** | **1 259 560** | **130 988** |

The fair value of Bank borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 8.5 % and are within level 3 of the fair value hierarchy. The carrying amounts of the group's borrowings are all denominated in Norwegian kroner.

**Lease liabilities to credit institutions**

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

| (NOK 1000) | **2023** | **2022** |
|---|---|---|
| Gross lease liabilities - minimum lease payments | | |
| No later than 1 year | 4 358 | 2 339 |
| Later than 1 year and no later than 5 years | 32 795 | 78 |
| Later than 5 years | - | - |
| **Total instalments on lease liabilities** | **37 153** | **2,418** |
| Future finance charges on finance lease liabilities | 10 751 | 103 |
| **Total instalments and finance charges on lease liabilities** | 47 904 | 2 520 |

Refer to note 14 Property, plant and equiptment for secured assets. For other lease liabilities under IFRS 16 see note 24.

## Note 23 - Commitments

**Short term leases**

Costs relating to operational leases recognized in the income statement for 2023 is NOK 6.2 million, whereof NOK 0.5 million in real estate rental. The real estate rental is short term with 3 months termination notice.

**CAPEX and vessel capacity**

The Reach Remote project is expected to amount to approximately NOK 400 million. As o
December 31 the company has capitalized NOK 208.1 million as Asset under constructio
In addition, the company has financed two eROVs through leasing. As of December 31 th
ROVs are under construction, and costs not recognised related to the ROVs amounts to N
37.3 million. The ROVs will be recognised in the balance sheet at commencement date.

Besides the Reach Remote project, Reach has taken further steps to secure vessel capac
at competitive terms as well as technology development and equipment upgrades. After
year end Reach has entered into chartering agreements for the vessels Olympic Taurus
and Northern Maria. Investments in the coming six months associated with these vessels
and other capex projects is expected to amount to approximately NOK 170 million.
Reach has secured bank and lease financing to partly fund these investments.

Charter commitments for the vessels Olympic Taurus and Northern Maria will increase interest-bearing debt with an estimated amount of NOK 506 million.

# Notes

## Note 24 - Leases (Group as a lessee)

Long and short term leases (commited lease term 12 months or less) of vessels and ROV's are capitalized as right- of use assets and depreciated under IFRS 16. The impact is that all cost in relation to leases of vessels/ROV's are presented as depreciation and interest expenses. No other short term leases, except for vessels and ROV's, are capitalized as right- of use assets and depreciated.

As of December 31 2023, Right of use assets in the balance sheet consist of contractual commitments for vessels and offices. Short term leases with no contractual commitment (pay as you go contracts), are not capitalized. At inception of a contract the lease liability and the corresponding Right-of-use assets is measured at the present value of the estimated lease payments.

Short term hired in vessels and ROV's are treated as short term leases under IFRS 16 and are also recognized as depreciations. The calculated lease liability is calculated with a discount rate of 7.5 %. For leases towards credit institutions please see note 22.

The following tables are related to leases, except for leases towards credit institutions.

| **Movement schedule for right of use assets and lease liabilities** (NOK 1000) | **Right of use asset** | **Interest-bearing debt, non-current** | **Inte** |
|---|---|---|---|
| Opening balance 01.01.2023 | 90 258 | 4 310 | |
| Additions | 1 656 186 | - | |
| Additions from business combination (note 27) | 517 | - | |
| Disposals | - | - | |
| Adjusted commitment | (2 094) | (2 094) | |
| Depreciation | (581 645) | - | |
| Impairment | - | - | |
| Interests | - | | |
| Reclassed from short to long term | - | 803 7[illegible] | |
| Currency adjustments | - | | |
| Payments | - | | |
| **Ending balance 31.12.2023** | **1 163 222** | **805 9[illegible]** | |

# Notes

## Note 24 - Leases (Group as a lessee) - continued

| Movement schedule for right of use assets and lease liabilities (NOK 1000) | Right of use asset | Interest-bearing debt, non-current | Interest-bearing debt, current |
|---|---|---|---|
| Opening balance 01.01.2022 | 277 212 | 105 171 | 176 627 |
| Additions | 126 717 | - | 126 717 |
| Additions from business combination (note 27) | 10 327 | 5 337 | 4 990 |
| Disposals | - | - | - |
| Adjusted commitment | (17 203) | (17 203) | - |
| Depreciation | (306 795) | - | - |
| Impairment | - | - | - |
| Interests | - | - | 13 090 |
| Reclassed from short to long term | - | (88 995) | 88 995 |
| Currency adjustments | - | - | 55 |
| Payments | - | - | (311 814) |
| **Ending balance 31.12.2022** | **90 258** | **4 310** | **98 660** |

**Lease liabilities**
Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default

| Lease liabilities | 2023 |
|---|---|
| Amounts due for settlement within 12 months (shown under current liabilities) | 386 036 |
| Amounts due for settlement after 12 months (present value) | 805 931 |
| **Total** | **1 191 967** |
| **Maturity analysis** | |
| Not later than 1 year | 386 036 |
| Later than 1 year and not later than 5 years | 788 312 |
| Later than 5 years | 17 619 |
| **Total instalments** | **1 191 967** |
| Future finance charges | 167 796 |
| **Total instalments and finance charges** | **1 359 763** |

| Reconciliation of depreciation | 2023 |
|---|---|
| Depreciations of long term right- of use assets | 429 015 |
| Depreciations of short term right- of use assets (Pay as you go contracts) | 152 830 |
| Depreciations of other assets (Note 14) | 41 760 |
| **Total depreciations** | **623 605** |

**Other Information related to leases:**
For information related to leases to credit institutions, see note 22.
For information related to cost of short term leases (except for Vessels and ROV's), see note 7
For information related to righ-of-use assets, see note 14

# Notes

## Note 25 - Contract with customers

The Groups revenue comprises of revenue recognized from contract with customers for the provision of subsea services. Reach Subsea has assessed its contracts with customers and concluded that these fall under the definition of customer contracts in IFRS 15, with one exeption. Revenue derived from services provided to projects that fall under the cooperation agreement with Ocean Infinity Sweden AB (OI) does not constitute as revenue from a customer contract. As such, this revenue is recognised on a monthly basis in line with rendering of services to OI.

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| **Contract with customers:** | **Oil and gas** | **Renewable/ other** | **Total** | **Oil and gas** | **Renewable/ other** | **Total** |
| Revenue from contracts with customers | 1 248 277 | 633 588 | 1 881 865 | 831 413 | 186 715 | 1 018 127 |
| Revenue from other contracts* | 84 719 | - | 84 719 | 122 986 | 21 707 | 144 693 |
| **Segment revenue** | **1 332 996** | **633 588** | **1 966 584** | **954 399** | **208 422** | **1 162 821** |
| Timing of revenue recognition | | | | | | |
| At a point in time | - | - | - | - | - | - |
| Over time | 1 332 996 | 633 588 | 1 966 584 | 954 399 | 208 422 | 1 162 821 |
| **Sum** | **1 332 996** | **633 588** | **1 966 584** | **954 399** | **208 422** | **1 162 821** |

* Revenue that fall under cooperation agreement with Ocean Infinity Sweden AB.

| **Revenue by region** (NOK 100) | **2023** |
|---|---|
| Ivory Coast | 440 748 |
| Norway | 412 117 |
| Netherlands | 309 070 |
| Brazil | 244 141 |
| UK | 225 181 |
| France | 127 595 |
| Singapore | 53 890 |
| US | 33 636 |
| Egypt | 31 483 |
| Australia | 29 002 |
| Germany | 27 744 |
| Finland | 22 030 |
| Greece | 5 342 |
| Sweden | 3 446 |
| Denmark | 1 001 |
| Trinidad og Tobago | 95 |
| Saudi Arabia | 56 |
| Malta | - |
| Morocco | - |
| Spain | - |
| Israel | - |
| Philippines | - |
| **Total** | **1 966 584** |

# Notes

## Note 25 - Contract with customers - continued

**Assets and liabilities related to contracts with customers**

The group has recognized the following assets and liabilities related to contracts with customers:

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Current contract assets | 164 958 | 67 451 |
| Loss allowance | 3 000 | - |
| **Total contract assets** | **167 958** | **67 451** |
| Contract liabilities | - | - |
| **Total current contract liabilities** | **-** | **-** |
| Revenue recognised that was included in contract liability balance at beginning of period | - | - |
| Revenue recognised from performance obligations satisfied in previous periods | - | - |

The group has not recognised any assets from costs incurred to fulfil a contract at 31 December 2023 (2022: 0).

| **Fixed-price contracts** | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Revenue recognised from fixed-price contract | 72 500 | - |
| Cost recognised for fixed-price contract | 77 700 | - |
| **Net** | **(5 200)** | **-** |

# Notes

## Note 26 - Investment in associated companies

Investment in associated companies comprises shares in the entities Eidesvik Reach AS and Guardian Geomatics Arabia Limited. Reach Subsea holds a 49.9 % ownership in Eidesvik Reach AS, and a 40 % ownership in Guardian Geomatics Arabia Limited. Eidesvik Reach AS owns and operates the vessel Viking Reach. Guardian Geomatics Arabia Limited is a Saudi Arabia registered company, and was acquired through the purchase of 100 % of the shares in Guardian Geomatics in November 2023. Refer to note 27 for further information.

**The investments are accounted for using the equity method:**

| Reconciliation and specification of carrying amount of investments in associates (NOK 1000) | 2023 |
|---|---|
| Opening balance carrying amount of investments in associates | - |
| Acquisition cost shares acquired, Eidesvik Reach AS | 95 632 |
| Acquisition cost shares acquired through business combination (note 27), Guardian Geomatics Arabia Limited | 1 129 |
| Translation differences Guardian Geomatics Arabia Limited | (23) |
| Share of net result in investment, Eidesvik Reach AS | 16 714 |
| Share of net result in investment, Guardian Geomatics Arabia Limited | - |
| **Total carrying amount of investments in associates at balance date** | **113 452** |

| Specification of net result from investment in associates recognised in the income statement (NOK 1000) | 2023 |
|---|---|
| Share of net result in investment, Eidesvik Reach AS | 16 714 |
| Share of net result in investment, Guardian Geomatics Arabia Limited | - |
| **Net result from investments in associates** | 16 714 |

### Significant associates

| Financial figures for the associated company Eidesvik Reach AS (unaudited) (NOK 1000) | 20 |
|---|---|
| Revenues | 100 |
| Operating result | 41 |
| Pre-tax profit | 33 |
| Liquidity | 29 |
| Net working capital | 14 |
| Equity | 225 |

Eidesvik Reach AS is an associated company where Reach controls 49.9 % of the shares and voting rights. The associate is accounted for using the equity method. Eidesvik Reach AS owns and operates the vessel Viking Reac with headoffice in Bømlo, Norway. The vessel is on contract with Reach Subsea AS until april 2029. The group has identified impairment indicators related to the investment in Eidesvik Reach AS.

# Notes

## Note 27 - Business combinations

**Acquisition of Guardian Geomatics**

In November 2023 Reach Subsea acquired Guardian Geomatics Ply Ltd including its subsidiary Guardian Geomatics Pte Ltd, "Guardian Geomatics". The agreement was finalized 15.11.2023 with the effect that the balance sheet for Guardian Geomatics is consolidated into our Group accounts as per November 15 2023. The transaction was closed November 2023.

A preliminary purchase price allocation (PPA) has been performed and all identified assets and liabilities have been measured at their acquisition date fair values in accordance with the requirements of IFRS 3. The agreed purchase price is NOK 116.3 million. Adjusted for interim period adjustments and working capital, the total consideration is estimated to NOK 119.4 million. At this stage, the purchase priceallocation is preliminary. As a result, the final PPA and the impact on the financial statements from the transaction may differ. The final PPA will be completed within 12 months of the acquisition at the latest. The PPA presented below is based on the PPA on the acquisition date. No updates to the initial PPA have been made.

The fair values of the identifiable assets and liabilities in the transaction as at the date of the acquision have been estimated as follows:

| Adjustments on the purchase price (NOK 1000) | |
|---|---|
| Agreed purchase price before adjustments | |
| 1) Agreed bad leaver clause (IFRS 2 treatment) | ( |
| 2) Discounted cash consideration due in November 2024 | |
| 3) Valuation consideration shares at closing date, 15.11.2023 | |
| **Adjusted total consideration** | |

1. The agreement with the sellers includes a bad leaver clause for certain key personell within Guardian Geomatic
   The clause is related to the consideration shares and is threated as share-based payments according to IFRS 2
   adjustment is based on 8.5 million shares at share price on closing, NOK 4.42, and with a discount on lockup p
   35 % (5 years).
2. The cash payment of AUD 5.8 million is due on November 15 2024 and is discounted with an interest rate of 7.5
3. The consideration shares are valued at NOK 5.02 per share in the transaction, while the market price per share
   closing was NOK 4.42.

# Notes

## Note 27 - Business combinations - continued

| Purchase price allocation (NOK 1000) | |
|---|---|
| Investment in assoiciated companies | 1 129 |
| Property, plant and equipment | 2 857 |
| Fair value adjustments property, plant and equipment | 34 000 |
| Right of use assets | 517 |
| Trade receivables | 17 853 |
| Fair value adjustments customer relationships | 22 000 |
| Other receivables | 11 901 |
| Cash and cash equivalents | 27 652 |
| **Total assets** | **117 909** |
| | |
| Deferred tax | 14 000 |
| Interest-bearing debt to credit institutions | 219 |
| Interest-bearing debt, leases | 545 |
| Tax payable | 4 944 |
| Trade payables | 19 500 |
| Other current liabilities | 19 038 |
| **Total liabilities** | **58 246** |
| | |
| Total identifiable net assets at fair value | 59 664 |
| Total consideration | 82 530 |
| **Goodwill** | **22 866** |

**Summary**

A goodwill of 22.9 million were recognized as a result of the transaction.

**Acquired receivables**

The fair value of the aquired trade recievables equals the book value of recievables in the acquired company.

**Revenue and profit contribution**

The acquired business contributed with revenues of NOK 28.8 million and net profit of NOK 3.5 million to the group for the period from 15 November to 31 December 2023.

If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the year ended 31 December 2023 would have been NOK 2,115 million (increase NOK 119 million) and NOK 227 million (increase NOK 2 million) respectively. In the estimated increase in result of NOK 2 million, NOK 16,1 million of estimated costs related to IFRS 2 share based payments (bad leaver clause) are included.

These amounts have been calculated using the subsidiary's results and adjusting them fo

- differences in the accounting policies between the group and the subsidiary, and
- costs related to IFRS 2, and
- the additional depreciation and amortisation that would have been charged assuming value adjustments to property, plant and equipment and intangible assets had applied 1 January 2023, together with the consequential tax effects.

# Notes

## Note 27 - Business combinations - continued

### 2022

**Acquisition of iSurvey Group AS**
In March 2022 Reach Subsea aquired iSurvey Group AS including its subsidiaries iSurvey AS, iSurvey Assets AS, iSurvey Ltd, iSurvey Pte Ltd and iSurvey Offshore Ltd, "iSurvey Group". The agreement was finalized 22.03.2022 with the effect that the balance sheet for iSurvey Group is consolidated into our Group accounts as per end March 2022. The transaction was closed in March 2022.

A purchase price allocation (PPA) has been performed and all identified assets and liabilities have been measured at their acquisition date fair values in accordance with the requirements of IFRS 3. The agreed purchase price was NOK 135 million. Adjusted for interim period adjustments and working capital, the total cash consideration was NOK 138.4 million. The fair values of the identifiable assets and liabilities in the transaction as at the date of the acquision have been estimated as follows:

| Purchase price allocation (NOK 1000) | |
|---|---|
| Deferred tax assets | 1 |
| Property, plant and equipment | 19 |
| Fair value adjustments property, plant and equipment | 20 |
| Right of use assets | 10 |
| Trade receivables | 27 |
| Fair value adjustments customer relationships | 10 |
| Other receivables | 12 |
| Cash and cash equivalents | 6 |
| **Total assets** | 108 |
| Interest-bearing debt to credit institutions (non-current) | 2 |
| Interest-bearing debt, leases (non-current) | 5 |
| Other long-term debt | |
| Interest-bearing debt to credit institutions (current) | 7 |
| Interest-bearing debt, leases (current) | 4 |
| Public duties a.o | 5 |
| Tax payable | |
| Trade payables | 8 |
| Other current liabilities | 18 |
| Provisions | 2 |
| **Total liabilities** | **56** |
| Total identifiable net assets at fair value | 51 |
| Total consideration | 138 |
| **Goodwill** | **86** |

# Notes

## Note 27 - Business combinations - continued

**Summary**
A goodwill of 86.7 million were recognized as a result of the transaction.

**Acquired receivables**
The fair value of the aquired trade recievebles equals the book value of recievables in the acquired company.

**Revenue and profit contribution**
The acquired business contributed with revenues of NOK 178.3 million and net profit of NOK 11.8 million to the group for the period from 1 April to 31 December 2022. If the acquisition had occurred on 1 January 2022, consolidated pro-forma revenue and profit for the year ended 31 December 2022 would have been NOK 1,199 million and NOK 85.7 million respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2022, together with the consequential tax effects.

No changes have been made on the preliminary purchase price allocation in 2023, and the allocation is considered final.

## Note 28 - Subsequent events

**New commitments**

During the first quarter of 2024 Reach has been awarded several contracts and call-offs under frame agreements, involving inspection, survey and construction support projects across Europe, the Americas and in Asia Pacific. Clients represent major operators and ti 1 contractors in both the oil & gas and renewable sectors.

Reach also has expanded its capacity by securing charters for both the vessels Northern Maria and Olympic Taurus. For the Northern Maria, the charter arrangement includes 3 years firm period and 6+6 months options. For the Olympic Taurus, a project charter commenced in January 2024 for a duration of 100 days. In March 2024 Reach extended the charter for Olympic Taurus for an additional 2 years with the potential for extension u to an additional 1+1 years. Charter commitments for vessels mobilized in 1Q24 will increa interest bearing debt (leases) with an estimated amount of NOK 506 million. Refer to pres releases sent via Newsweb for further information.

**Proposed dividends**

The Board proposed a dividend of NOK 0.36 per share, in accordance with the company dividend policy, to be resolved on the AGM on 31 May 2024.

| | 2023 | 2022 |
|---|---|---|
| Dividend per share (NOK) | 0.36 | 0.18 |
| Total number of shares | 271 769 245 | 255 449 563 |
| **Dividends in total (NOK million)** | **97 837** | **45 981** |

# Financial Statements

Reach Subsea ASA Parent Company

# Income statement Reach Subsea ASA

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Operating income and costs** | | | |
| Revenue | 21 157 | 18 369 | 1, 2 |
| **Total operating income** | **21 157** | **18 369** | |
| Payroll expenses | 20 780 | 13 690 | 3, 4 |
| Other operating expenses | 6 514 | 9 667 | 1, 2, 4 |
| **Operating expenses** | **27 294** | **23 357** | |
| **Operating profit** | **(6 138)** | **(4 988)** | |
| Financial income and costs | | | |
| Other interest income | 21 | 24 | |
| Interest income from group companies | 18 869 | 6 424 | |
| Other financial income | 12 487 | 63 637 | 5 |
| **Financial income** | **31 377** | **70 086** | |
| Other Interest expenses | - | - | |
| Other financial expenses | 41 | 9 | |
| **Financial cost** | **41** | **9** | |
| **Profit (loss) before tax** | **25 198** | **65 088** | |
| Taxes | (4 615) | (14 323) | 6 |
| **Profit (loss) for the year** | **20 582** | **50 766** | |
| Brought forward | | | |
| Proposed dividend | 97 837 | 45 981 | |
| To/(from) other equity | (77 255) | 4 785 | |
| **Total brought forward** | **20 582** | **50 766** | |

# Balance sheet Reach Subsea ASA

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Non current assets** | | | |
| Deferred tax assets | 10 | 4 624 | 6 |
| | **10** | **4 624** | |
| **Financial fixed assets** | | | |
| Investments in subsidiaries | 341 328 | 341 502 | 7 |
| **Total financial fixed assets** | **341 328** | **341 502** | |
| **Total non-current assets** | **341 338** | **346 126** | |
| **Current assets** | | | |
| Accounts receivables | - | - | |
| Receivables from group companies | 435 991 | 238 550 | 8, 9 |
| Other receivables | 486 | 487 | |
| **Total debtors** | **436 477** | **239 037** | |
| Cash and bank deposits | 352 935 | 16 198 | 10 |
| **Total current assets** | **789 412** | **255 235** | |
| **Total assets** | **1 130 750** | **601 361** | |

# Balance sheet Reach Subsea ASA, continued

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Equity** | | | |
| **Restricted equity** | | | |
| Share capital | 271 769 | 225 726 | 11, 12 |
| Share premium | 399 338 | 245 396 | 11 |
| **Total restricted equity** | **671 107** | **471 123** | |
| Other equity | - | 75 389 | 11 |
| **Total retained earnings** | **-** | **75 389** | |
| **Total equity** | **671 107** | **546 511** | |
| **Short term liabilities** | | | |
| Accounts payable | 3 853 | 3 267 | 9 |
| Public duties payable | 3 947 | 2 461 | |
| Proposed dividend | 97 837 | 45 981 | |
| Payables to group companies | 347 677 | - | 9 |
| Other short term liabilities | 6 327 | 3 142 | |
| **Total short term liabilities** | **459 641** | **54 851** | |
| **Total liabilities** | **459 641** | **54 851** | |
| **Total equity and liabilities** | **1 130 750** | **601 361** | |

Haugesund, 15. April 2024

**Rachid Bendriss (S)**
Chairman of the Board

**Martha Kold Monclair (S)**
Board member

**Kristine Skeie (S)**
Board member

**Espen Gjerde (S)**
Board member

**Arvid Pettersen (S)**
Board member

**Ingunn Ø. Iveland (S)**
Board member

**Anders Onarheim (S)**
Board member

**Jostein Alendal (S)**
CEO

# Cash Flow Reach Subsea ASA

| (NOK 1000) | 2023 | 2022 | Notes |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit (loss) before taxes | 25 198 | 65 088 | |
| Paid taxes | - | - | |
| Interest income | (18 890) | (6 449) | |
| Group contribution | (12 001) | (63 621) | |
| Change in accounts payables | 586 | 3 076 | |
| Change in accounts receivables | - | - | |
| Change in other provisions | 2 900 | 2 319 | |
| **Net cash flow from operations** | **(2 206)** | **414** | |
| **Cash flow from investments** | | | |
| Loan to/from subsidiaries | (55 772) | (65 545) | |
| Investment in subsidiaries | 174 | (35 462) | |
| **Net cash flow from investments** | **(55 598)** | **(101 007)** | |
| Financing | | | |
| Loans | - | - | |
| Repayment of loan | - | - | |
| Paid dividend | (45 981) | (40 484) | |
| Net proceeds from share issues | 123 040 | 152 203 | |
| **Net cash flow from financing activities** | **77 059** | **111 718** | |
| **Net cash flow for the year** | **19 255** | **11 124** | |
| Profit (loss) due to exchange rate fluctuations on cash | - | - | |
| **Cash and cash equivalent 1/1** | **16 198** | **5 074** | |
| Cash and cash equivalent at the time of establishment of group cash pool accounts | 317 483 | - | |
| **Cash and cash equivalent 31/12** | **352 935** | **16 198** | |

# Notes Reach Subsea ASA

## Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

### Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

### Revenues

Income from sale of services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Historical data is applied to estimate and recognise provisions for quantity rebates and returns at the sales date. Provisions for expected guarantee work are recognised as expenses and provisions for liabilities. Services are recognised in proportion to the work performed.

### Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

### Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

### Investments in other companies

Except for short term investments in listed shares, the method is applied to investments in other companies. cost price is increased when funds are added through capital increases or when group contributions are mad subsidiaries. Dividends received are initially taken to in Dividends exceeding the portion of retained equity aft the purchase are reflected as a reduction in purchase Dividend/group contribution from subsidiaries are refle in the same year as the subsidiary makes a provision f the amount. Dividend from other companies are reflec as financial income when it has been approved.

### Asset impairments

Impairment tests are carried out if there is indication carrying amount of an asset exceeds the estimated r amount. The test is performed on the lowest level of assets at which independent cashflows can be identi the carrying amount is higher than both the fair value to sell and recoverable amount (net present value of use/ownership), the asset is written down to the high fair value less cost to sell and the recoverable amoun

Previous impairment charges, except write down of goodwill, are reversed in later periods if the condition causing the write-down are no longer prese

# Notes Reach Subsea ASA

### Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses.

### Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and cost of goods sold.

### Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

### Pensions

The company has defined contribution plans. With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

### Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

### Cash flow statement

The cash flow statement has been prepared accordin the indirect method. Cash and cash equivalents inclu cash, bank deposits, and other short term investment which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

### Options

The Company has established an option program. Th option cost are based on a Black & Scholes model, an the cost are amortized over the vesting periode.

# Notes Reach Subsea ASA

## Note 1 - Related-party transactions

The company has undertaken various transactions with related parties consisting of brokerage of management fee. All transactions are carried out as part of the normal course of business. Transactions with the management and the Board (salaries) can be found in note 4.

## Note 2 - Revenues

In 2023 the Company's turnover was NOK 21.2 million (NOK 18.4 million in 2022). Both in 2023 and in 2022 activity has been limited to management fees to the Group companies.

## Note 3 - Options

In 2021 the Board of directors of Reach Subsea ASA approved a stock option scheme to further align the interests of the participating employees in Reach Subsea with those of the shareholders. The stock option scheme was finalised with a signed agreement between the company and Management and certain key employees 15.12.2021.

Management and certain key employees of the Reach Subsea-group is granted the right to acquire up to a certain maximum number of shares in the Company at a fixed strike price («the Option»). The strike price is set equal to the volume weighted average share price of the Company´s stock traded on the Oslo Stock Exchange 10 days prior to the finalization of the option scheme.

The options are vested with 1/3 each year, over a period of three years until 31.12.2024. The options are non-tradable and conditional upon the participant being employed by the Reach Subsea-group at the vesting date. The stock option plan constitued a maximum of 3.000.000 options equivalent to a similar number of Reach Subsea ASA shares.

The fair value at grant date was determined using a Black Scholes Model. The most significant inputs and assumptions in determining fair value at grant date was:

| | |
|---|---|
| Excercise price: | NOK 3.0 |
| Share price at grant date: | NOK 3.0 |
| Expected volatility: | NOK 56.14 % |
| Risk free interest rate: | NOK 1.092 % |
| Term of options: | 3 years |

Movements in the number of share options and their related weighted average exercise prices were as follows:

| | 2023 | | 2022 |
|---|---|---|---|
| (NOK 1000) | Average exercise price per share option | Number of options | Average exercise price per share option |
| At 1 January | 2.82 | 2 000 000 | 3.00 |
| Granted | - | - | |
| Forfeited | - | - | |
| Exercised | 2.64 | 850 000 | 2.82 |
| Expired | - | 175 000 | |
| **At 31 December** | **2.64** | **975 000** | **2.82** |

*The initial exercise price of 3.0 were adjusted for dividends paid in 2022 and in 2023, making the actual exercise in 2022 and 2.64 in 2023. The company has recognized NOK 0.8 million in cost related to the options in 2023 (2022 million). The company has no legal or constructive obligation to repurchase or settle the options in cash

# Notes Reach Subsea ASA

## Note 4 - Payroll expenses, number of employees, remunerations, loans to employees, etc.

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Payroll expenses** | | |
| Salaries and wages including holiday allowance | 13 136 | 8 883 |
| Social security fees | 3 309 | 1 783 |
| Pension expenses | 499 | 386 |
| Other remuneration | 3 835 | 2 638 |
| **Total** | **20 780** | **13 690** |
| | | |
| Number of man-year | 5 | 4 |

The company has a defined contribution pension scheem which cover all employees. The company's pension schemes met the requirements of the law on compulsory occupational pension.

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Remuneration to executives** | **General manager** | **Board** |
| Salaries/board fee | 2 189 | 2 161 |
| Pension expenses | 99 | - |
| Other remuneration | 809 | - |
| Share options to be vested | 150 | - |
| | | |
| **Expensed audit fee** | **2023** | **2022** |
| Statutory audit (incl. technical assistance with financial statements) | 1 166 | 1 050 |
| Other assurance services | 119 | - |
| Tax advisory fee (incl. technical assistance with tax return) | 463 | 6 |
| Other assistance | 1 484 | 2 373 |
| Advisory fee booked to equity | | - |
| **Total audit fees** | **3 232** | **3 429** |

VAT is not included in the audit fee.

For details of remuneration to executive management and board of directors, see note 8 in the consolidated financial statements on page 105.

# Notes Reach Subsea ASA

## Note 5 - Other financial income

| (NOK 1000) | 2023 | 2022 |
|---|---|---|
| Foreign exchange income | 486 | 16 |
| Group contribution from Reach Subsea AS | 12 001 | 63 621 |
| **Other financial income** | **12 487** | **63 637** |

## Note 6 - Taxes

| **Calculation of deferred tax/deferred tax benefit** (NOK 1000) | 2023 | 2022 |
|---|---|---|
| **Temporary differences** | | |
| Non-current assets | (37) | (47) |
| Other temporary differences | - | - |
| Net temporary differences | (37) | (47) |
| Tax losses carried forward | 0 | (20 970) |
| **Basis for deferred tax** | **(37)** | **(21 017)** |
| | | |
| Deferred tax asset | (8) | (4 624) |
| Deferred tax asset not shown in the balance sheet | - | - |
| **Deferred tax in the balance sheet** | **(8)** | **(4 624)** |

Deferred tax assets are recognized in the balance sheet based on expected utilization of tax losses carried forward and temporary differences. The carrying amount of deferred income tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

## Note 6 - Taxes - continued

| **Basis for income tax expense, changes in deferred tax and tax payable** (NOK 1000) | 2023 |
|---|---|
| Result before taxes | 25 198 |
| Group contribution recognised | - |
| **Basis for the tax expense for the year** | **25 198** |
| Change in temporary differences | (9) |
| Permanent differences | (4 375) |
| **Basis for payable taxes in the income statement** | **20 813** |
| +/- Group contributions received/given | - |
| Use of tax losses carried forward | (20 813) |
| **Taxable income (basis for payable taxes in the balance sheet)** | - |
| | |
| **Components of the income tax expense** | |
| Payable tax on this year's result | - |
| Adjustment in respect of priors | - |
| **Total payable tax** | - |
| Change in deferred tax | 4 615 |
| **Tax expense** | 4 615 |
| | |
| **Payable taxes in the balance sheet** | |
| Payable tax in the tax charge | - |
| Tax effect of group contribution | - |
| **Payable tax in the balance sheet** | - |

# Notes Reach Subsea ASA

## Note 7 - Subsidiaries, associated companies and joint venture

| Subsidiaries | Location | Ownership/ voting right | Equity (100 %) | Result (100 %) | Balance sheet value |
|---|---|---|---|---|---|
| Reach Subsea AS | Haugesund | 100 % | 431 463 | 268 274 | 341 328 |

Investment in subsidiary is accounted for under the historic cost method.

## Note 8 - Debtors and liabilities

| Receivables | 2023 |
|---|---|
| Trade debtors at nominal value from external parties | - |
| Receivables at nominal value from group companies | 435 991 |
| Bad debts provision | - |
| **Receivables in the balance sheet** | **435 991** |
| | |
| **Debtors which fall due later than one year** | |
| Loans to employees | - |
| Other non current assets | - |
| **Total** | - |
| | |
| **Long term liabilities which fall due later than 5 years** | |
| Liabilities to credit institution | - |
| Other long term liabilities (specify) | - |
| **Total** | - |
| | |
| **Guarantees** | |
| Mortgage loan guarantees | - |

# Notes Reach Subsea ASA

## Note 9 - Balance with group companies, etc.

| | Current assets | | Non-current assets | |
|---|---|---|---|---|
| (NOK 1000) | 2023 | 2022 | 2023 | 2022 |
| Group companies | 435 991 | 238 550 | - | |
| Associated companies | - | - | - | - |
| Joint ventures | - | - | - | - |
| **Total** | **435 991** | **238 550** | **-** | **-** |

The balances as of 31.12.23 includes group contributions of NOK 12.0 million (2022: 63.6 million).

| | Current liabilities | | Non-current liabilities | |
|---|---|---|---|---|
| (NOK 1000) | 2023 | 2022 | 2023 | 2022 |
| Group companies | 347 677 | 125 | - | - |
| Associated companies | - | - | - | - |
| Joint ventures | - | - | - | - |
| **Total** | **347 677** | **125** | **-** | **-** |

Current liability to group companies in 2023 are related to debt within the group cash pool accounts which was established during 2023.

## Note 10 - Restricted bank deposits, overdraft facilities

| **Restricted bank deposits** (NOK 1000) | 2023 |
|---|---|
| Withheld employee taxes | 2 474 |

## Note 11 - Shareholder's equity

| **Equity changes in the year** (NOK 1000) | Share capital | Share premium | Other equity |
|---|---|---|---|
| Equity 01.01. | 225 726 | 245 396 | 75 389 |
| Profit for the year | - | - | 20 582 |
| Share issue | 46 043 | 154 928 | - |
| Share issue, not registrered | - | - | - |
| Proposed dividend | - | (1 866) | (95 971) |
| Employee share-based payment cost | - | 880 | - |
| **Equity 31.12.** | **271 769** | **399 338** | **-** |

# Notes Reach Subsea ASA

## Note 12 - Share capital and shareholder information

| List of (20) major shareholders at 31.12. | Number of shares | Ownership |
|---|---|---|
| Wilhelmsen New Energy AS | 52 136 636 | 19.2 % |
| North Industries 1 AS | 50 832 449 | 18.7 % |
| Survey Holding AS | 29 116 897 | 10.7 % |
| Citibank, N.A. | 11 602 262 | 4.3 % |
| Sober AS | 10 963 446 | 4.0 % |
| Holme Holding AS | 6 644 000 | 2.4 % |
| JT Invest AS | 5 739 539 | 2.1 % |
| Normand Drift AS | 5 000 000 | 1.8 % |
| Pershing LLC | 4 100 389 | 1.5 % |
| Lion Invest AS | 3 769 928 | 1.4 % |
| Danske Invest Norge Vekst | 3 187 815 | 1.2 % |
| Altea AS | 2 973 658 | 1.1 % |
| Coruna AS | 2 725 000 | 1.0 % |
| Næringslivets Hovedorganisasjon | 2 499 799 | 0.9 % |
| Stava Invest AS | 2 267 141 | 0.8 % |
| Avanza Bank AB | 2 216 000 | 0.8 % |
| Barrus Capital AS | 2 110 090 | 0.8 % |
| Rms Invest AS | 2 000 000 | 0.7 % |
| Jakob Hatteland Holding AS | 2 000 000 | 0.7 % |
| A-Å Invest AS | 1 938 725 | 0.7 % |
| **20 largest** | **203 823 774** | **75.0 %** |
| The rest of shareholders | 67 945 471 | 25.0 % |
| **Total number of shares** | **271 769 245** | **100.0 %** |

Reach Subsea's share capital amounts to NOK 271,769,245 divided into 271,769,245 shares, each with a nominal value of NOK 1.

On 17 February 2022, Wilhelmsen New Energy AS, a wholly owned subsidiary of Wilh. Wilhelmsen Holding ASA, agreed to subscribe for, and be allocated, 46,126,567 new shares in Reach Subsea ASA at a subscription price of NOK 3.25 per share. The agreement also included the issuance of warrants, whereby Wilhelmsen New Energy AS have received the right to subscribe for and be allocated an additional 44,766,864 new shares in Reach Subsea ASA at a subscription price of NOK 4.00 per share. The warrants have a duration of three years and can be exercised at any time. The private placement and the issuance of the warrants was approved on an extraordinary general meeting in Reach Subsea ASA, held on 15 March 2022. Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,903,500.

On February 15 2023 Reach Subsea announced and successfully executed a private placement. A total of 29,411,000 new shares was allocated by the Board of Directors.

In addition the company also annou that the Board has resolved to unde a subsequent offering of up to 3,00 new shares. The subscription perio subsequent offering ended on 27 M and resulted in a total subscription new shares. The shares from the su offering was registered 3 April 2023

On October 6 2023 Reach Subsea a the acqusition of 100 % of the share Australian marine survey company Geomatics Ply. Ltd. The transaction settled through the issuance of 15,4 shares in Reach, valued at NOK 5.0 and AUD 5.86 million in cash to be p year after the closing date. The tran was completed on November 15 20

On December 8 2023 Reach Subsea announced the exercises of the sha incentives program. Based on the a received, the Board of Directors of t Company allocated a total of 850,00 shares to the participants in the ince program. The subscription price for shares was NOK 2.64 per share. The was registered December 2023.

# Notes Reach Subsea ASA

## Note 13 - Profit (loss) per share

Profit (loss) per share is calculated on the profit (loss) divided by the average number of shares issued.

| | 2023 | 2022 |
|---|---|---|
| Profit (loss) | 20 582 | 50 766 |
| Profit (loss) per share (NOK) | 0.08 | 0.25 |
| Diluted profit (loss) per share (NOK) | 0.08 | 0.24 |
| Average number of shares | 252 610 567 | 206 966 734 |
| Average diluted number of shares | 256 131 566 | 209 835 227 |
| Number of shares 1/1 | 225 725 928 | 144 940 708 |
| Number of shares 31/12 | 271 769 245 | 225 725 928 |

## Note 14 - Subsequent events

The Board proposed a dividend of NOK 0.36 per share, in accordance with the company's dividend policy, to be resolved on the AGM on 31 May 2024.

| Proposed dividends | 2023 | 2022 |
|---|---|---|
| Dividend per share (NOK) | 0.36 | 0.18 |
| Total number of shares | 271 769 245 | 255 449 563 |
| **Dividends in total (NOK million)** | **97 837** | **45 981** |

# Auditors report

To the General Meeting of Reach Subsea ASA

Independent Auditor's Report

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Reach Subsea ASA, which comprise:

- the financial statements of the parent company Reach Subsea ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Reach Subsea ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial perfomance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 12 years from the election by the general meeting of the shareholders on 18 December 2012 for the accounting year 2012. We were re-elected on 30 May 2022.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

*Accounting for leases and impairment of right-of-use assets* has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

| Key Audit Matters | How our audit addressed the Key Audit Matter |
| --- | --- |
| Accounting for leases and impairment of right-of-use assets | |
| The high activity level during 2023 has resulted in an increased need for vessels and ROVs, which management has secured through leasing.<br><br>Management uses both short- and long-term leases, depending on the current needs of the operations. In line with the Group's accounting policies for leases, long and short-term leases of vessels and ROV's are capitalised as right-of-use assets and depreciated under IFRS 16.<br><br>The high level of leasing requires management to prepare accurate and, to a degree, complex calculations to recognise assets and liabilities. This implies an inherent risk of material errors in the financial statements. Further, the use of IFRS 16, requires application of management judgement in evaluating indicators of impairment, and in performing impairment tests if such indicators are present.<br><br>We focused on this area due to the importance the resulting figures have on several line items in the financial statements, and the level of complexity and use of judgement necessary to arrive at reasonable numbers.<br><br>In 2023, the effects on the profit and loss statement are a total of NOK 581 645 thousand in depreciation of right-of-use-assets, NOK 74 892 thousand in interest cost and NOK 12 685 thousand in currency adjustments. The statement of financial position showed a total carrying value of right-of-use assets of NOK 1 163 222 thousand and a total lease liability of NOK 1 191 967 thousand at 31 December 2023.<br><br>Refer to notes 14 and 24 to the consolidated financial statement for further details on management's accounting for leases and impairment of right-of-use assets. | We assessed management's accounting policy for leases and found it to be in line with IFRS requirements.<br><br>We inquired with management about how they identify which lease contracts should be capitalised and which lease contracts should be expensed. We obtained management's schedule and reconciliation of expenses related to leases of vessels and ROVs. We tested the details in the schedule and reconciliation towards supporting documentation to inspect whether contracts were correctly identified and classified as either short- or long-term leases.<br><br>Next, we obtained management's lease calculation models. We assessed whether the models contained the elements we expect from such models. To check whether all contracts were correctly identified and recorded in the model, we reconciled the model against the above-mentioned schedule. We assessed the key inputs in the lease calculation by testing the details towards the individual contracts and actual lease payments. Further we tested the logic and mathematical accuracy of the model itself, and whether it perfomed calculations of asset values, lease liabilities, depreciation, interest cost and currency effects as expected.<br><br>No material errors were identified as a result of our audit procedures.<br><br>We evaluated management's impairment memo and found that we were able to agree with management's assessment that no indicators of impairment were present at 31 December 2023.<br><br>We evaluated the appropriateness of the related notes and found that they satisfied IFRS requirements. |

**Other Information**

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

2 / 5

In connection with our audit of the financial statements, our responsibility is to read the Board of D
report and the other information accompanying the financial statements. The purpose is to consi
is material inconsistency between the Board of Directors' report and the other information accomp
the financial statements and the financial statements or our knowledge obtained in the audit, or w
Board of Directors' report and the other information accompanying the financial statements other
appears to be materially misstated. We are required to report if there is a material misstatement i
Board of Directors' report or the other information accompanying the financial statements. We hav
to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corpo
Governance and Corporate Social Responsibility.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements of the Company that give a
fair view in accordance with the Norwegian Accounting Act and accounting standards and practic
generally accepted in Norway, and for the preparation of the consolidated financial statements of
that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the E
Management is responsible for such internal control as management determines is necessary to
preparation of financial statements that are free from material misstatement, whether due to frau

In preparing the financial statements, management is responsible for assessing the Company's a
Group's ability to continue as a going concern, disclosing, as applicable, matters related to going
The financial statements of the Company use the going concern basis of accounting insofar as it
that the enterprise will cease operations. The consolidated financial statements of the Group use
concern basis of accounting unless management either intends to liquidate the Group or to cease
operations, or has 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 w
free from material misstatement, whether due to fraud or error, and to issue an auditor's report th
our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an au
conducted in accordance with ISAs will always detect a material misstatement when it exists.
Misstatements can arise from fraud or error and are considered material if, individually or in aggre
could reasonably be expected to influence the economic decisions of users taken on the basis of
financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain pro
scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, wheth
fraud or error. We design and perform audit procedures responsive to those risks, and o
evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of r
detecting a material misstatement resulting from fraud is higher than for one resulting fro
fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the ov
internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit p
that are appropriate in the circumstances, but not for the purpose of expressing an opini
effectiveness of the Company's and the Group's internal control.

# Auditors report - continued

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

**Report on Compliance with Requirement on European Single Electronic Format (ESEF)**

*Opinion*
As part of the audit of the financial statements of Reach Subsea ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name REACH-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.



*Management's Responsibilities*
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

*Auditor's Responsibilities*
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 15 April 2024
**PricewaterhouseCoopers AS**

Arne Birkeland
State Authorised Public Accountant

# Appendix

(GRI Index)

Reach Subsea AS has reported in accordance with the GRI Standards for the period 01.01.2023 – 31.12.2023.

GRI 1: Foundation 2021

GRI 11: Oil and Gas Sector 2021

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Omission: Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 2-10 | A green cell indicates that reasons for omissio permitted for the disclosure or that a GRI Sector reference number is not available. | | |
| | 2-2 Entities included in the organization's sustainability reporting | 7 | | | |
| | 2-3 Reporting period, frequency and contact point | 53, 146, 157 | | | |
| | 2-4 Restatements of information | 29 | | | |
| | 2-5 External assurance | Reach's sustainability reporting has not been externally assured beyond the board. | | | |
| | 2-6 Activities, value chain and other business relationships | 5-7, 15, 18, 52, and in Code of conduct p. 10 | | | |
| | 2-7 Employees | 31, 32, 48-49 | | | |
| | 2-8 Workers who are not employees | 48 | | | |
| | 2-9 Governance structure and composition | 7, 15, 18, 28-29, 71-78 | | | |
| | 2-10 Nomination and selection of the highest governance body | 8, 69-78 | | | |
| | 2-11 Chair of the highest governance body | 69-70 | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 28-29 | | | |
| | 2-13 Delegation of responsibility for managing impacts | 28-29 | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | 28, 29, 71-78 | | | |
| | 2-15 Conflicts of interest | 28 | | | |
| | 2-16 Communication of critical concerns | Code of conduct p. 8 | | | |
| | 2-17 Collective knowledge of the highest governance body | 28-29 | | | |
| | 2-18 Evaluation of the performance of the highest governance body | 28-29 | | | |
| | 2-19 Remuneration policies | 71-78 | | | |
| | 2-20 Process to determine remuneration | 71-78 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Omission: Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio | 102 | | | |
| | 2-22 Statement on sustainable development strategy | 3, 27 | | | |
| | 2-23 Policy commitments | 39, 41, 45-46, 49, 52, 55 | | | |
| | 2-24 Embedding policy commitments | 47, 55 | | | |
| | 2-25 Processes to remediate negative impacts | 41, 57 | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 55 | | | |
| | 2-27 Compliance with laws and regulations | 53, 55 | | | |
| | 2-28 Membership associations | Reach Subsea has memberships in IMCA and Rederiforbundet | | | |
| | 2-29 Approach to stakeholder engagement | 30-32 | | | |
| | 2-30 Collective bargaining agreements | 48 | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 30-32 | A green cell indicates that reasons for omissio permitted for the disclosure or that a GRI Sector reference number is not available. | | |
| | 3-2 List of material topics | 33 | | | |
| **Transition to renewable energy production** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 35, 33, 38 | | | |
| **Risk related to climate change** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 38 | | | |
| GRI 201: Economic Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | 38 | | | |
| GRI 305: Emissions 2016 | 305-5 Reduction of GHG emissions | 34-35 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Requirement(s) omitted | Omission Reason | Omission Explanation |
|---|---|---|---|---|---|
| **Reducing our emissions** | | | | | |
| GRI 3: General Disclosures 2021 | 3-3 Management of material topics | 39-40 | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 39-40 | | | |
| | 302-2 Energy consumption outside of the organization | 39 | | | |
| | 302-3 Energy intensity | | | Information incomplete | Working with i towards the report for 2024 2025 |
| | 302-4 Reduction of energy consumption | 34, 40 | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 39 | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 34 | | Information incomplete | Working with i towards the report for 2024 2025 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 34 | | Information incomplete | Working with i towards the report for 2024 20 |
| | 305-4 GHG emissions intensity | 34 | | | |
| | 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | 37 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| **Reducing our impact on the sea** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 41 | | | |
| GRI 306: Waste 2020 | 3-3 Management of material topics | 41 | | | |
| | 306-1 Waste generation and significant waste-related impacts | 40 | | | |
| | 306-2 Management of significant waste-related impacts | 41 | | | |
| | 306-3 Waste generated | 41 | | | |
| | 306-4 Waste diverted from disposal | 42 | | Information incomplete | Working with it towards the report for 2024 20 |
| GRI 306: Effluents and Waste 2016 | 306-3 Significant spills | 41 | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 39, 40 | | | |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 56, 38, 36 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| **The safety of our people** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 45-46 | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 29, 45-46 | | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 45 | | | |
| | 403-3 Occupational health services | 23, 29, 44 | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 47 | | | |
| | 403-5 Worker training on occupational health and safety | 45 | | | |
| | 403-6 Promotion of work-er health | 45-46 | | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 45-46 and in code of conduct p. 10- 11 | | | |
| | 403-8 Workers covered by an occupational health and safety management system | 46 | | | |
| | 403-9 Work-related injuries | 45, 49, 51 | | | |
| | 403-10 Work-related ill health | 47 | | | |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | | | Information incomplete | Not documente in 2023. CSR Policy |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Omission: Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 47 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turn-over | 45, 47 | | | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 48 | | | |
| | 401-3 Parental leave | 48 | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 49 | | | |
| GRI 402: Labor/ Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | 47 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 47 | | | |
| | 404-2 Programs for up-grading employee skills and transition assistance programs | 47 | | | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 47 | | | |
| | 414-2 Negative social impacts in the supply chain and actions taken | 49 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 48-49 | | | |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | 48 | | | |
| | 202-2 Proportion of senior management hired from the local community | | | Information incomplete | The proportion top manageme employed from the local community has not been calculated in 2023 |
| GRI 401: Employment 2016 | 401-3 Parental leave | 48 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | | | Information unavailable | The exact number of hou of training per employee has been calculate in 2023 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 49 | | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | 48 | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 48 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 53 | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 53 | | | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure in-vestments and services supported | 65 | | | |
| | 203-2 Significant indirect economic impacts | 62 | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 19, 31 | | | |
| [redacted] | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 54 | | | |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 54 | | | |
| [redacted] | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 55 | | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 55 | | | |
| | 205-2 Communication and training about anti-corruption policies and procedures | 55 | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | Code of conduct p. 8 | | | |

# Appendix (GRI Index)

| GRI standard / Other source | Disclosure | Location | Omission: Requirement(s) omitted | Omission: Reason | Omission: Explanation |
|---|---|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 56 | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 56 | | | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 56, 57 | | | |
| | 414-2 Negative social impacts in the supply chain and actions taken | 57 | | | |

# Appendix (GRI Index)

| Topics in the applicable GRI Sector Standards determined as not material | |
|---|---|
| GRI 11: Oil and Gas Sector 2021 | |
| Topic 11.4: Biodiversity 2016 | Determined as not material for reporting based on the materiality assessment |
| Topic 11.6: GRI 303: Water and Effluents 2018 | Determined as not material for reporting based on the materiality assessment |
| Topic 11.7 Closure and rehabilitation | Determined as not material for reporting based on the materiality assessment |
| Topic 11.13 Freedom of association and collective bargaining | Determined as not material for reporting based on the materiality assessment |
| Topic 11.15 Local communities | Determined as not material for reporting based on the materiality assessment |
| Topic 11.16 Land and resource rights | Determined as not material for reporting based on the materiality assessment |
| Topic 11.17: Rights of indigenous peoples | Determined as not material for reporting based on the materiality assessment |
| Topic 11.19 Anti-competitive behaviour | Determined as not material for reporting based on Reach are following the Norwegians laws |
| Topic 11.21 Payments to governments | Determined as not material for reporting based on Reach are following the Norwegians laws |
| Topic 11.22 Public policy | Determined as not material for reporting based on the materiality assessment |

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