

Q1
2023

Everything within Reach

Quarterly Consolidated Report

Sustainable access to ocean space



Find out more at reachsubsea.com

-REACH
SUBSEA

1st Quarter 2023

About Reach Subsea

Reach Subsea ASA is listed on the EURONEXT Oslo Stock Exchange under the ticker REACH. The Reach Subsea Group business concept is to offer high quality solutions and technology to clients in need of ocean data and services. 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 and Singapore.

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.

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1st Quarter 2023

Highlights

1. First quarter 2023 was characterized by seasonally lower utilization, and preparations for upcoming main season.
2. EBIT for 1Q2023 was NOK -8.4 million (NOK -37.7 million), while pre-tax result was NOK 5.6 million (NOK -44.3 million).
3. Secured NOK 126.3 million in new equity in a private placement, and completed Viking Reach acquisition.
4. On track with mobilizations, equipment upgrades and preparations for the main season in 2023 and the coming years with a fleet of top spec, modern vessels, ROVs and survey spreads.
5. Strong market conditions across all sectors fuelled by high energy prices, increased focus on energy security, and structural growth in offshore renewables.
6. Order backlog increased further to record high level of NOK 815 million.

Key figures

	1Q 2023	1Q 2022	12M 2022
	UNAUDITED		AUDITED
Revenue (NOKm)	234	129	1163
EBIT (NOKm)	(8)	(38)	105
Pre-tax profit (NOKm)	6	(44)	98
Cash and cash equivalents (NOKm)	137	248	192
Net working capital (NOKm)	149	58	71
Net interest bearing debt, excl IFRS 16 leases (NOKm)	(123)	(211)	(164)
Net interest bearing debt, incl IFRS 16 leases (NOKm)	237	98	(61)
Equity (NOKm)	704	512	579
Order backlog (NOKm)	815	350	740
Outstanding tender value (NOKbn)	2.7	1.9	2.5
Number of ROV days sold	567	660	3 204
Number of ROV days available	1 046	979	4 363
Technical uptime on ROVs	99 %	99 %	99 %
Number of offshore personnel days sold	6 016	2 764	26 987
LTIs	0	0	1
Number of vessel days sold	248	218	1 246

1st Quarter 2023

CEO Letter



With a revenue growth of 81 percent in the first quarter of 2023, Reach Subsea confirms the strong trends from last year, when we made a step-change in revenue and profitability. Our rolling 12 months revenue level is now at almost NOK 1.3 billion, which implies a yearly growth of close to 80 percent. At the same time, on a rolling 12 month basis, our EBIT margin is back to double digit levels.

Behind the strong development lies steady execution on our growth strategy. We are broadening our offering to a complete suite of subsea services through acquisitions and internal development, combined with a modernization, expansion and robotization of our fleet. The ambitious strategy is laid out in anticipation of a period of solid market growth driven by rapid expansion of ocean based renewable energy production and high activity in the oil and gas market.

Late 2021 and in 2022 we added important competence through the acquisitions of Octio and iSurvey, both of which are now fully integrated into Reach Subsea, and during 2022 we took several steps in securing a long-term modern and energy efficient core fleet. We clearly see the benefits of our investments, and we exited 2022 with a record high order backlog of NOK 740 million. I am happy to report that we during the first quarter 2023 grew the backlog by another 10 percent to NOK 815 million, more than two times the level one year earlier. Among the most significant contracts so far this year are a three-year strategic frame agreement with Equinor, two large offshore wind related assignments and a decommissioning related job in the North Sea.

As usual, the first quarter is a relatively calm season for subsea activities, and we have spent the period wisely preparing our new vessel fleet for the upcoming high season. Together with our partner Eidesvik Offshore we took in

March over the ownership of the subsea support vessel Viking Reach. Combined with the chartered capacity, this completes our fleet of modern, versatile, and cost-efficient vessels ready to take on the coming growth in the market.

Our next important step will be the launch of our new unmanned support vessel Reach Remote. The construction is ongoing, and the first two vessels are expected to be ready for the main season in 2024. Reach Remote will provide great benefits in terms of cost, emissions, and safety, and we experience a lot of interest from potential clients globally.

Our financial foundation was further strengthened in the first quarter, as we raised NOK 126.3 million in new equity, with the primary purpose to finance the equity component of our ownership in Viking Reach, as well as for investments in equipment and mobilization in our new fleet.

With the rapid expansion of our group during the last two years, we are also raising the bar when it comes to organizational development and thorough systematic work on developing a strong and attractive Reach culture. During the first quarter we launched our new vision "Sustainable access to ocean space", and our three values: Learn, Teach, Reach. This reflects our commitment to be a part of the creation of a sustainable future, ambitiously pursuing new and relevant insights for the benefit of our stakeholders and build competence internally and among customers.

So, to sum up, we remain very optimistic for the future, and as certain as ever before when stating:

Everything within Reach.

Jostein Alendal

CEO, Reach Subsea ASA

1st Quarter 2023

Operations

Reach Subsea ASA Group ("Reach") currently operates seven chartered in vessels in addition to delivering survey, positioning, monitoring and ROV services onboard a number of vessels and platforms.

The number of vessel days that has passed through our P&L in 1Q23 was 248 (218), with a 88 % utilization (63 %).

Reach had per the end of the quarter 12 WROV-systems and two "Surveyor Interceptor" available for subsea operations, in addition to a pool of high quality survey and monitoring assets and equipment.

REACH had 1,046 available ROV-days in 1Q23 (979 in 1Q22), of which 567 days were sold (660) leading to a total utilization of 54 % (67 %).

REACH acquired Octio/Monviro in 4Q21 and iSurvey Group in 1Q2022, securing in-house monitoring and survey capacity. From 2023 the acquired businesses are fully merged and consolidated 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 has not had any serious incidents (LTI) during the quarter. Reach's strong statistics for LTIs is a result of our objective to ensure that we have the right procedures, well-trained personnel, and high-quality equipment in order secure operational success.

REACH has per 8 May 2023 a firm order book of NOK 815 million for projects with execution in 2Q2023 and beyond.

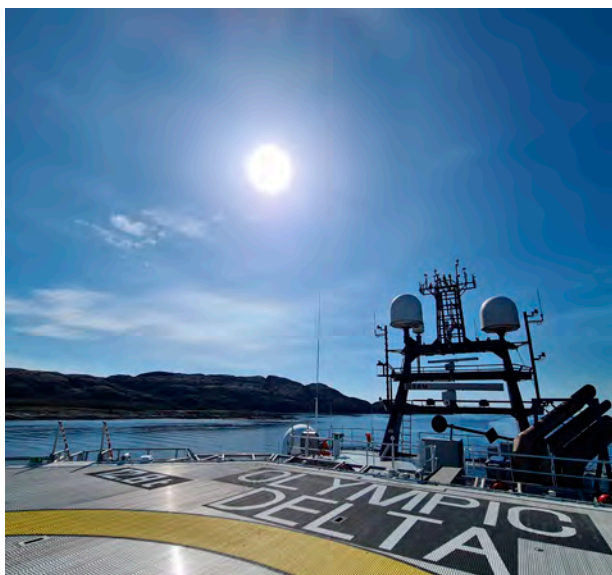
The Reach Remote project, our new and future-proof, sustainable solutions for subsea services launched early 2021, is progressing in close cooperation with our two major suppliers, Kongsberg Maritime (USV) and Kystdesign (ROV). An onshore control room is under construction and will be ready to start ROV operations on selected projects before year end. Reach Remote is on track for delivery late 2023 with expected start up of commercial projects in 2024.



1st Quarter 2023

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, ready for survey and light construction projects as from 1 May 2023. Viking Reach is currently scheduled for projects lasting into 3Q23 with options in the oil & gas sector in Northern Europe. Reach holds 49,9% of the shares in the entity owning the vessel.



Havila Subsea is chartered in by Reach for use on own projects. The vessel is equipped with two Reach owned Schilling WROVs and survey equipment. Havila Subsea had sufficient utilization in 1Q23 working on projects in Europe for large energy companies within light construction, IMR and survey. The spread is currently working on a project in Brazil expected to last about 200 days in the main season of 2023.

Deep Cygnus is chartered in by Reach for use on own projects. The vessel is currently mobilized with a gangway, working in the walk to work market on contracts expected to last throughout 3Q23. The vessel will thereafter be mobilized with one Supporter WROV and one Constructor WROV ready for subsea projects within light construction, IMR and decommissioning.



Go Electra is chartered in by Reach for use on own projects. The vessel is currently mobilized with a diver spread working on a contract in Europe expected to last throughout 3Q23. The vessel will thereafter be mobilized with one Supporter WROV and survey equipment, specialized for integrated survey projects.

Olympic Zeus is chartered in for a project in the oil & gas sector in the Ivory Coast, which commenced late 1Q23 and is expected to last 120 days.

Olympic Triton is chartered in for a 180 days' project in the renewables sector in Europe, which commenced mid 1Q23 and is expected to last for 180 days.

Olympic Delta is mobilized with two hired-in WROVs. The subsea spread was chartered in for Reach projects in the oil and gas market in the North Sea in 1Q23, whereafter the vessel will continue on a contract between owners Olympic and Technip with Reach as ROV provider only for the next 4-6 months.

Stril Explorer is a survey vessel on a charter contract from Møkster to Ocean Infinity. Reach provides ROV services consisting of one Supporter WROV and one Surveyor ROV and offshore personnel to the vessel. Projects performed by the Stril Explorer spread are to a large extent ROV/Survey work handled as a cooperation between Reach Subsea and Ocean Infinity. The Reach spread onboard had some activity in 1Q23 and is expected to have sufficient utilization throughout the main season.

1st Quarter 2023

Operational update cont.

Olympic Artemis was mobilized with one Supporter WROV chartered in by Reach 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 1 February 2023, covering the firm commitment for the vessel, whereafter she exited our marketed fleet.

Other subsea business: Reach has one WROV mobilized onboard a vessel in Brazil performing projects for large oil companies in the region. Reach offshore personnel contracting business, Connect Offshore, continued sourcing highly skilled offshore personnel during the quarter to Reach and other clients. This personnel base is highly important in peak seasons, when the number of man hours in operation normally doubles compared to Reach's own staff.



REACH Survey Division. During Q1 there was high project activity in all REACH Survey Division bases (Norway, UK and Singapore). In addition to survey support and mobilization of Survey/IT infrastructure onboard of the chartered vessel fleet, main activities were survey support for installation of communication and high voltage power cables internationally and for decommissioning work in Asia.



REACH Monitoring Division. In Q1, the REACH Monitoring Division processed and delivered best-in-class data from our OBN DepthWatch service, used to improve seismic data quality. At the same time, the team performed several field and modeling studies for new international gWatch projects. The team has worked with new developments in our methods and instrumentation while preparing our systems for work in deep waters in Japan and the upcoming busy season in the NCS, covering a minimum of four fields. The 2023 campaign in the NCS will be the first campaign where we deliver our gWatch service as an integrated solution, involving using our own full subsea spread for sensor deployment and recovery.

1st Quarter 2023

Financial results

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 from 31 March 2022 include all the acquired entities. The financial effects of the transactions are further described in the Notes. Figures for the same period last year are presented in brackets in the text. Revenue for 1Q2023 was NOK 234.0 million (NOK 129.0 million), with the increase from last year explained by (i) a higher number of project days sold, (ii) higher pricing, and (iii) revenue from the acquired business.

Operating expenses for 1Q2023 were NOK 242.4 million (NOK 166.6 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.

1Q2023 operating result (EBIT) was NOK -8.4 million (NOK -37.7 million). Last year's EBIT included NOK 7.6 million in transaction expenses related to the iSurvey acquisition. Beyond this non-recurring effect, the improved EBIT is primarily a result of higher utilization as well as contribution from the acquired business.

Net financial items for 1Q2023 were NOK 14.0 million (NOK -6.7 million). The main year-over-year differences are positive currency effects, whereof NOK 5.2 million in unrealized currency gain on debt related to charter hire. Our charter hires are in USD and NOK, while income in the quarter was in NOK, USD and EUR.

The total comprehensive income for 1Q2023 was NOK 4.0 million (NOK -35.4 million). NOK 15.8 million of the improvement is explained by financial currency effects and non-cash tax effects, as well as the before mentioned transaction expenses.

For 1 Q2023, Oil & Gas revenues constituted 66 % while Renewable/ Other constituted 34 % of total revenues. By comparison, in 1Q2022 Oil & Gas revenues were 75 % while Renewable/Other constituted 25 % of total revenues. Oil & Gas entails revenues from survey, IMR and light construction projects where the end client is an oil & gas company. Renewable/Other entails revenues from survey, IMR and light construction projects where the end client is a non- oil & gas company (typically a company in the renewables energy sector).

1st Quarter 2023

Capital structure

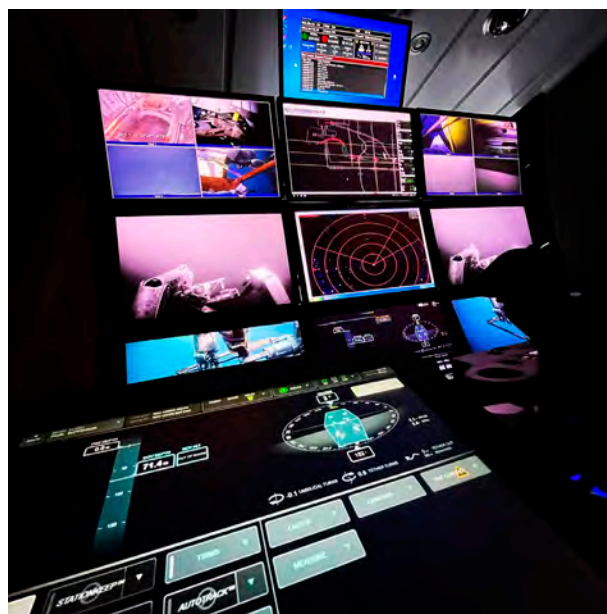
Total current assets at the end of the quarter were NOK 546.0 million (NOK 478.8 million), of which cash and cash equivalents amounted to NOK 137.3 million (NOK 248.3 million). Including the unutilized revolving credit facility, available liquidity was NOK 167.3 million (NOK 268.3 million). The decrease is mainly a result of investments in fixed assets and increase in working capital. Receivables and inventories were NOK 408.7 million (NOK 230.5 million). Total non-interestbearing current liabilities were NOK 260.1 million (NOK 172.8 million). This leaves a net working capital of NOK 148.6 million (NOK 57.7 million). The increase in working capital stems from increases in activity levels, as well as the fact that much of the activity increase is backend loaded in the quarter.

Total non-current assets at the end of the quarter were NOK 792.9 million (NOK 552.4 million). The increase is mainly a result of (i) Assets under construction of NOK 146.9 million, which is mainly related to the Reach Remote project, (ii) Investment in joint ventures (49,9% of the shares in the single purpose company owning Viking Reach) of NOK 95.6 million and (iii) increased Right of use assets (leases capitalized under IFRS 16) of net NOK 55.6 million, offset by reductions in Property, plant and equipment (depreciations) of NOK 33.0 million and Deferred tax asset of NOK 23.7 million. The 1Q23 additions to Right of use assets and liabilities include the vessels Go Electra, Olympic Triton, and Olympic Zeus. Addition of Viking Reach and Deep Cygnus will take place in 2Q23.

Net interest-bearing debt (total interest-bearing debt, including capitalized leases under IFRS 16, less cash) stood at NOK 237.0 million (NOK 98.4 million). The increase is explained by the increased charter commitment as described above combined with a lower cash position.

Net financial interest-bearing debt to credit institutions (i.e. excluding IFRS 16 leases) was NOK -123.2 million (NOK -211.0 million), i.e. cash positive. The year over year change is mainly a result of the lower cash position.

The Group's equity as of 31 March 2023 was NOK 704.5 million (NOK 511.8 million), which represents 52.6 % of the total balance sheet (49.6 %). The increased equity is explained by generated comprehensive income over the last 12 months, the private placement in 1Q23, and partly offset by dividends paid in 2Q22.



Net cash flow from operating activities for 1Q2023 was NOK -5.2 million (50.3 million), with NOK 90.9 million of the year-over-year deviation explained by working capital movements. Cash flow from investing activities in the first quarter was NOK -90.8 million (NOK -32.7).

Net cash flow from financing activities was NOK 39.8 million (NOK 82.9 million) in the first quarter and includes vessel charter hire classified as "Repayment of borrowings and leases" according to IFRS 16, as well as the new equity of NOK 119.6 million raised in the first quarter. 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 1Q23 was NOK -56.1 million (NOK 100.5 million). Reach has per 31 March 2023 no major debt maturities to credit institutions.

1st Quarter 2023

Capital structure cont.

The Reach Remote project represents a total investment of approximately NOK 400 million, of which NOK 200 million is covered by credit facilities. As of 31 March Reach has capitalized NOK 120 million as Asset under construction. In addition, two eROVs are under construction, financed by a build lease facility. Off balance sheet, not recognized, cost related to the eROVs amounts to NOK 21 million. Hence, remaining investments are NOK 259 million, of which NOK 179 million is covered by external financing.

Besides the Reach Remote project, Reach has taken multiple steps to secure vessel capacity at competitive terms. Investments in 2023 associated with these vessels and other minor capex projects are expected to amount to approximately NOK 130 million, and encompass equipment, upgrades and mobilization activities for three vessels (Viking Reach, Deep Cygnus, and Go Electra). Remaining investments after quarter end are estimated to NOK 110 million. Reach has secured bank and lease financing of NOK 70 million to partly fund these investments.

The Share

Reach Subsea ASA is listed on the Oslo Stock Exchange (Euronext). The Company has per 31 March 2023 issued 255,136,928 shares, of which the majority is owned by Norwegian shareholders. The increased number of shares compared with 31 March 2022 is related to (i) a share increase of 812,500 new shares from the share incentive program for employees exercised in December 2022, and (ii) a private placement of NOK 125.0 million, resulting in 29,411,000 new shares, followed by (iii) a subsequent offering of NOK 1.3 million resulting in 312,635 new shares. The shares from the subsequent offering were officially registered 3 April 23, hence after quarter end.

Investor relations

Reach essentially follows the recommendation for reporting of IR-information issued by the Oslo Stock Exchange and publishes all its news releases on www.newsweb.no, a service provided by the Oslo Stock Exchange.

Reach aims for a high level of quality on the content, and high frequency of information, provided to its investors. Our quarterly financial reports include financial details to increase the transparency of our business. Financial reports, General Meeting Minutes, share price information, Corporate Governance, Operational figures and presentation of the Board and Management can be found on the company's web page, as well as the full Sustainability Report covering initiatives and measures on Corporate Social Responsibility.

Reach Subsea ASA has a dividend policy stating that the company aims 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 regards as transitory.

News after quarter end

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

Our schedule indicates good utilization for all our subsea spreads in the main season 2023. We now have an order book of approximately NOK 815 million, with projects for execution in 2Q2023 and beyond.

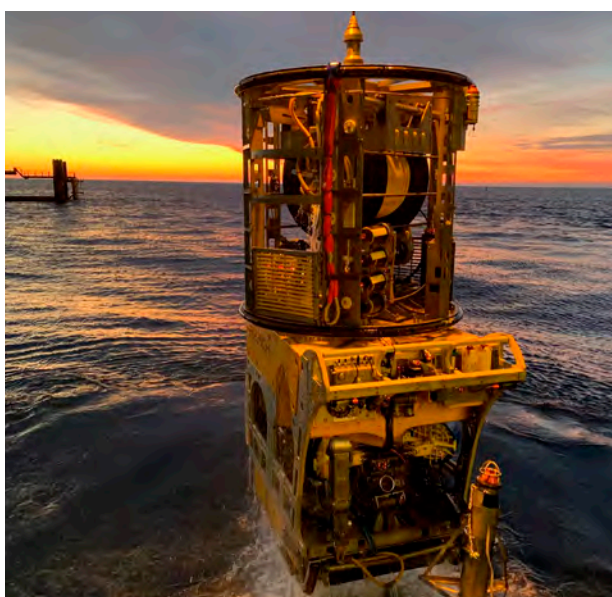
These contracts cover a wide spectrum of project types and are across both oil & gas and renewables projects. These figures do not include options and expected call-off extensions under frame agreements, which from experience can constitute significant additional work.

Current tender volume for the Group is NOK 2.7 billion. See further details under «Operational Update» and «Outlook».

1st Quarter 2023

Definitions

EBIT	Earnings before interest and taxes (operating result)
Liquidity	Cash and cash equivalents
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 (ROV days)	Total number of ROV days sold in Reach Subsea AS (incl. Surveyor AS from 1 April 2021) during a defined period
Number of ROV days available	Total number of ROVs owned by Reach Subsea AS (incl. Surveyor AS from 1.4.2021) multiplied with number of days in a defined period, plus total number of ROVs hired in (pay as use) 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
Number of offshore personnel days sold	Total offshore man-hours (offshore pool) sold to projects, including own and hired in resources
LTIs	Number of loss time incidents (number of incidents 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



1st Quarter 2023

Outlook

REACH currently markets and operates eight subsea spreads (vessel, ROVs, and personnel, alone or together with partners), which have a competitive cost structure. These subsea spreads are tailored to our target markets and are well suited to the scope of services that are at the core of our business. We are continuously monitoring the market for opportunities to complement and strengthen our business, while at the same time progressing Reach Remote towards delivery in 2023.

Looking ahead we see that the dramatic changes in global energy markets create a business environment with both challenges and opportunities. The challenges are evident as subsea services provided to the oil & gas sector will have lower activity levels in the long run. However, in the short to medium term we are witnessing the resurgence of oil & gas activity, driving increased utilization across the industry.

The opportunities are that our core subsea service competence is being deployed in the growing offshore wind sector as well as new emerging sectors such as offshore fish farming, carbon storage monitoring and subsea mining. We have already in place frame agreements for subsea inspection services on Equinor's existing offshore wind farms, where we have successfully executed remote services on parts of the scope. Our ambition is to build on this success and increase our footprint within IMR services to the offshore wind sector.

Going into 2023 we have taken multiple steps to ensure that we can continue to grow our business profitably. In a market where access to qualified people and the right assets is becoming increasingly difficult, we have to ensure we have the right capabilities to deploy against the demands of our clients.

Thus, we have over the past year secured several vessels through new longer term charter agreements and through the part acquisition of "Viking Reach", as well as investing in upgrades of our equipment pool across all our business lines. We are also happy to observe that people are eager to join the Reach team, which has allowed us to strengthen our organization and management through several key recruitments.

The Reach Remote project is progressing well, with expected delivery late 2023. We will during first half enter the critical assembly phase and will continue to monitor progress closely. Other aspects of the project such as work towards clients and regulators continues with full force. Furthermore, we see that 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 strategic position going into 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 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 are therefore pleased to see that some of the new projects we have won in 2023 incorporate the integrated use of capabilities across the Group.

Haugesund, 8 May 2023

Rachid Bendriss (S)

Chairman of the Board

Martha Kold Bakkevig (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)

Managing Director

Contact: Jostein Alendal, CEO, Birgitte Wendelbo Johansen, CFO

Sustainability

Environment



Key Performance Indicators

Increase activity within non-O&G segment



Q1 34% (Q1-22 25%,
2022 – 18%)

Maintain technical uptime above 99%



Q1=99,5%

Reduce fuel emission of CO2 compared to activity levels



Our total CO2 emissions per sold vessel day was per Q1 39,11 ton of CO2 equivalents (2022 -30,21). The increase in average emission levels is due to unusually high transit activity compared to other operational activities in the quarter.

Zero major spills of hazardous materials to the sea



0 major spills year
to date in 2023.

Scheduled activities

Q1	Q2	Q3	Q4
Successfully bring two first USVs to market in 2023/2024			

Sustainability

Social



Key Performance Indicators



Scheduled activities

Q1	Q2	Q3	Q4
	Conduct 15 supplier audits with focus on Social Responsibility and the Transparency act		
	Establish program for employee development		

Sustainability

Governance



Scheduled activities

Q1	Q2	Q3	Q4
	80% completion of cyber security training courses		
80% completion of Code of Conduct and Anti Bribery course			
		Establish renewed sustainability governance structure	
		Implement Taxonomy Reporting System	

The Vessel Fleet



Olympic Delta

Multi-purpose ROV support vessel, designed specially to serve the subsea inspection, maintenance and repair (IMR) market.

- 80t AHC Crane
- Helideck
- 900 m² deck
- Moonpool
- Dual WROV hangar
- 2 x Schilling WROV
- Permanent full survey suite



Stril Explorer

Multi-purpose support vessel, designed to be a cost-effective, flexible platform for subsea & offshore.

- 60t offshore crane
- Large office and accommodation facilities 70 berths
- 450 m² deck
- 1x Kystdesign supporter WROV and 1x Surveyor Interceptor in ROV hangar



Havila Subsea

Cost effective IMR, survey and light construction vessel with long track record in the business.

- 150T AHC Main Crane
- Moonpool in hangar for module handling
- 650 m² deck
- Helideck 26 m diameter
- 2x Schilling WROVs in hangar

The Vessel Fleet



Deep Cygnus

Multi-purpose ROV support vessel, designed specially to serve the subsea inspection, maintenance and repair (IMR) market.

- 150t AHC Crane
- 1400m² deck
- 1xKystdesign Constructor ROV
- 1xKystdesign Supporter ROV
- 92 PAX accommodation



Olympic Triton

Multi-purpose support vessel, designed to be a cost-effective, flexible platform for subsea & offshore.

- 150t AHC Crane
- 940m² deck
- Dual WROV hangar
- 100 PAX accommodation



Viking Reach

Light Construction / ROV Support Vessel designed with focus on good sea keeping abilities and excellent station keeping performances.

- 70t AHC Crane
- 940m² deck
- 1xKystdesign Supporter ROV
- 1xKystdesign Surveyor Interceptor ROV
- 72 PAX accommodation

The Vessel Fleet



Go Electra

Light Construction / ROV Support Vessel designed with focus on good sea keeping abilities and excellent station keeping performances.

25t AHC Crane
500m² deck
Dual WROV Hangar
OBSROV system
66 PAX accommodation



Olympic Zeus

Multi-purpose support vessel, designed to be a cost-effective, flexible platform for subsea & offshore.

250t AHC Crane, 500t SWL AHC Winch
Aux Crane 20t
800m² deck
1x WROV in WROV Hangar
68 PAX accommodation

Featured Project #1



Mooring line installation and rise hook-up

Vessel

Olympic Zeus

Client

Saipem

Location

Ivory Coast

Period

Q1/Q2 2023

Water Depth

1000m



Mooring line installation and rise hook-up

Reach is currently offshore in Ivory Coast with Olympic Zeus performing construction scope for Saipem. Estimated completion in July with a total duration of 70-100 days. The work is part of Eni's Baleine Phase 1 Project. Reach will perform FPSO Mooring Line Pre lay, Mooring Line Hookup, Flexible and Umbilical Hookup and some IMR work. The work will be performed with work class ROVs for most of the duration of the project.

Featured Project #2



GE Renewable Energy, Olympic Triton W2W

Vessel

Olympic Triton

Client

GE Renewable Energy

Location

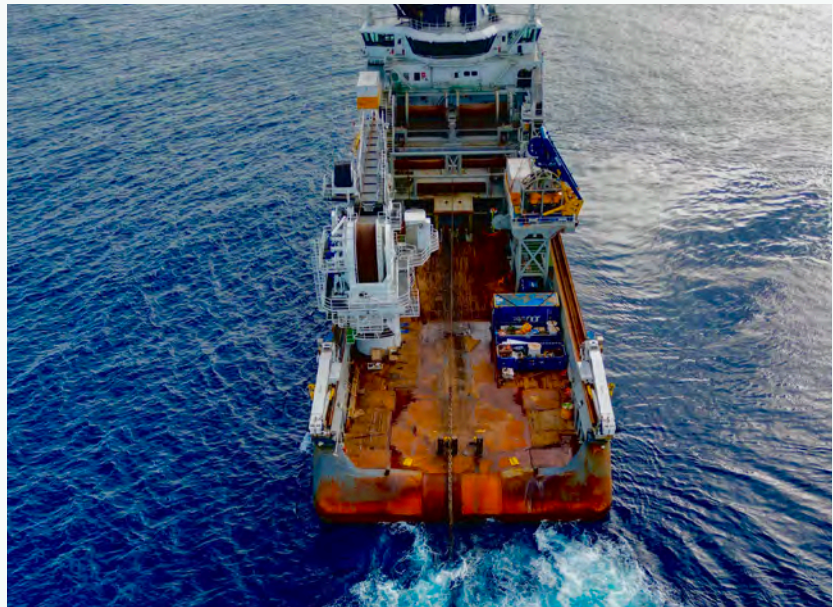
St Nazaire/ Loire-Atlantique, France

Period

Feb 2023 +6 months

Water Depth

Various



GE Renewable Energy, Olympic Triton W2W

From 23 February Vessel Olympic Triton was mobilized with the SMST Gangway for a 6 months W2W operation for GE Renewable.

Mobilisation was done in Harlignen Netherland, before transit to St Nazaire for continuous W2W operation.

Performing W2W at the Offshore Wind Farm of Saint-Nazaire.

Featured Project #3



AF Decom

Vessel

Olympic Delta

Client

AF Decom

Location

Netherlands

Period

Feb 2023

Water Depth

Various



Geophysical pre-lay survey of the specific cable routes

The Vessel Olympic Delta was mobilized with project equipment before transit to site of the coast of Netherland.

Dredging, cutting and seabed Survey of subsea assets performed.

Income statement

UNAUDITED



Statement of profit or loss (NOK 1000)	Q1 2023	Q1 2022	12M 2022	Notes
Operating revenue	234 003	128 869	1 161 533	9
Other income/losses	15	118	1 287	
Revenue	234 018	128 987	1 162 821	
Procurement expenses	(76 114)	(16 982)	(272 803)	
Personnel expenses	(62 461)	(38 198)	(251 031)	
Other operating expenses	(38 675)	(34 589)	(180 200)	
EBITDA	56 768	39 218	458 787	
Depreciation and impairment	(65 140)	(76 878)	(353 532)	3, 10
Operating result (EBIT)	(8 372)	(37 660)	105 255	
Interest income	495	41	1 264	11
Interest expenses	(3 355)	(4 716)	(15 415)	10, 11
Other net financial items	16 872	(2 002)	6 918	11
Result from associated companies	-	-	-	
Profit (loss) before taxes	5 641	(44 337)	98 023	
Taxes	(1 735)	8 895	(25 838)	8
Profit (loss)	3 905	(35 442)	72 185	
Comprehensive income				
Translation differences	116	21	(2 503)	
Comprehensive income items	116	21	(2 503)	
Total comprehensive income	4 021	(35 421)	69 682	
Earnings per share	0.02	(0.23)	0.35	
Diluted earnings per share	0.01	(0.23)	0.34	

Balance Sheet

UNAUDITED



Statement of financial position (NOK 1000)	31.03.2023	31.03.2022	31.12.2022	Notes
Non-current assets				
Goodwill	86 723	86 723	86 723	4
Deferred tax assets	26 561	50 301	24 915	8
Intangible assets	10 207	11 125	10 623	4
Investment in joint ventures	95 632	-	-	
Assets under construction	146 935	-	150 499	3
Property plant and equipment	74 901	107 949	85 010	3
Right-of-use assets	351 891	296 331	90 258	3, 10
Total non-current assets	792 850	552 430	448 030	
Current assets				
Bunkers	7 915	8 659	9 884	
Trade receivables	249 274	163 181	216 328	
Other receivables	151 529	58 680	86 252	
Cash and cash equivalents	137 274	248 319	191 591	
Total current assets	545 992	478 840	504 055	
Total assets	1 338 842	1 031 269	952 085	
Equity				
Share capital	255 450	224 913	225 726	6
Share premium	358 406	265 867	267 345	
Proposed dividends	45 981	40 484	45 981	
Other equity	44 649	(19 514)	40 390	7
Total equity	704 485	511 751	579 442	
Non-current liabilities				
Interest-bearing debt to credit institutions	3 449	14 605	4 932	5, 10
Interest-bearing debt leases	145 835	71 053	4 310	5, 10
Total non-current liabilities	149 284	85 657	9 242	
Current liabilities				
Interest-bearing debt to credit institutions short term	10 585	22 723	23 086	5, 10
Interest-bearing debt leases	214 394	238 303	98 660	5, 10
Tax payable	11 136	-	7 853	8
Trade payables	118 947	93 999	102 430	
Other current liabilities	130 011	78 835	131 372	
Total current liabilities	485 073	433 860	363 401	
Total liabilities	634 357	519 518	372 643	
Total equity and liabilities	1 338 842	1 031 269	952 085	

Cashflow

UNAUDITED



Statement of cash flow (NOK 1000)	1Q 2023	1Q 2022	12M 2022	Notes
Cash flow from operating activities				
Profit before tax	5 641	(44 337)	98 023	
Depreciation and amortisation	65 140	76 878	353 532	
Interest income	(495)	(41)	(1 264)	
Interest expense	3 355	4 716	15 415	
Change in trade debtors	(32 947)	13 269	(39 877)	
Change in trade creditors	16 517	23 023	31 454	
Change in other provisions	(62 607)	(23 628)	7 792	
Share option cost employees	237	455	1 235	
Net cash flow from operating activities	(5 160)	50 335	466 309	
Cash flow from investing activities				
Acquired cash balance from consolidation of iSurvey Group AS	-	6 132	6 132	12
Purchase of fixed assets	(26 050)	(2 867)	(167 805)	
Purchase of shares in associated companies	(64 721)	-	-	
Purchase of shares in subsidiary	-	(35 994)	(43 029)	
Net cash flow from investing activities	(90 771)	(32 730)	(204 702)	
Cash flow from financing activities				
Net interest paid	547	(302)	(1 061)	
Proceeds from issuance of ordinary shares	119 559	150 114	152 270	
Payment of dividends	-	-	(40 484)	
Repayment of borrowings	(13 984)	(4 138)	(13 448)	
Repayment of leases (including interests)	(66 331)	(62 766)	(311 813)	
Net cash flow from financing activities	39 792	82 908	(214 537)	
Net change in cash and cash equivalents	(56 139)	100 513	47 070	
Cash and cash equivalents in the start of the period	191 591	149 035	149 035	
Translation differences	1 822	(1 229)	(4 514)	
Cash and cash equivalents in the end of the period	137 274	248 319	191 591	

Equity

UNAUDITED



(NOK 1000)	Share capital	Share premium	Proposed dividends	Other reserves	Retained earnings	Total
Equity 01.01.2023	225 726	267 345	45 981	7 892	32 498	579 442
Profit for the year					3 905	3 905
Other comprehensive income for the year					116	116
Total comprehensive income for the year					4 021	4 021
Proceeds from shares issued	29 724	91 061				120 785
Dividends paid			-			-
Proposed dividends						-
Employee share options				237		237
Equity 31.12.2022	255 450	358 406	45 981	8 129	36 520	704 485

Notes



Note 1 - Basis for preparation

These consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim financial statements are unaudited, and do not include all of the information required for the full financial statements, and should be read in conjunction with the consolidated yearly financial statement. The yearly financial statement are audited. Consolidated interims- and yearly financial statements are available on the news services from Oslo Stock Exchange (www.newsweb.no) or the company's webpage (www.reachsubsea.com).

Note 2 - Significant accounting principles, estimates and judgements

The accounting principles used in the preparation of these financial statements are consistent with those used in the annual financial statements. These consolidated condensed financial statements should be read in conjunction with the annual financial statements, which include a full description of the Group's accounting principles.

The preparation of the interim accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2022.

Notes



Note 3 - Fixed assets

Asset category	Assets under construction	Property plant and equipment	Property plant and equipment	Property plant and equipment	Right-of-use assets	
	Assets under construction	ROV and ROV equipment	Right of use asset ROV, leased from financial institutions	Equipment and office machinery	Right of use asset Vessel and other equipment	Total
Fixed assets (NOK 1000)						
Purchase cost 01.01.23	150 499	158 521	113 884	78 947	385 800	887 651
Additions	25 323	253	-	475	327 491	353 542
Reclassifications*	(28 887)		-	(968)		(29 855)
Disposals/adjusted commitment		-	-		(2 094)	(2 094)
Purchase cost 31.03.23	146 935	158 774	113 884	78 454	711 197	1 209 243
Accumulated depreciation 31.03.23	-	(133 380)	(107 288)	(35 596)	(359 306)	(635 570)
Accumulated impairment 31.03.23	-	-	-	-	-	-
Net book value 31.03.23	146 935	25 393	6 596	42 912	351 891	573 727
Depreciation in 2023	-	(3 353)	(1 349)	(5 184)	(63 764)	(73 650)
Depreciation recognised as contract asset in 2023					8 927	8 927
Impairment in 2023	-	-	-	-	-	-
Expected useful life (years)		3-8	3-8	3-5	1-3	
Depreciation plan	Ongoing projects	Linear	Linear	Linear	Linear	

* Reclassifications is mainly explained by reclassification of the prepayments related to the acquisition of Viking Reach (former Edda Sun) of NOK 29.2 million. The prepayment was used to partly fund the investment in the associated company Eidesvik Reach AS in Q1 2023, and is classified as "Investment in joint venture" in the balance sheet as of 31 March 2023.

1st Quarter 2023



Note 3 - Fixed assets

Assets under construction can be divided into the following categories:

Reach Remote	119 756
Minor capex-projects and mobilizations	27 179
Prepayments	-
Net book value 31.03.23	146 935

Summary

Impairment testing has been performed in accordance with IAS 36.

Discount rate

The discount rate is based on the Weighted Cost of Capital (WACC) pre tax for the Group. The discount rate is 9,0 %.

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.

Right-of use-assets - vessels:

The right-of-use assets at 31 March 2023 represents the remaining committed vessel days on charter agreements with vessel owners and lease agreements for offices. 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.

Se note 10 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. The recoverable amount is based on estimated future cash flows, which is based on estimated selling price, budgeted maintenance cost and utilization. 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 based on estimated future cash flow for the CGU, and is sensitive to estimated utilisation and selling rate assumptions.

A sensitivity analysis show the following sensitivity in the impairment testing, including both Right-of-use assets, ROV and ROV equipment:

Drop in estimated revenue	Impairment charge (NOK 1000)
10 %	-
20 %	4 252
30 %	25 380

An increase of the WACC of 2 percentage points will not result in any impairment charge.

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Note 4 - Intangible assets and goodwill

Intangible assets (NOK 1000)	Research and development	Customer relationships	Total
Purchase cost 01.01.23	1 873	10 000	11 873
Additions	-	-	-
Disposals/adjustments	-	-	-
Purchase cost 31.03.23	1 873	10 000	11 873
Accumulated depreciation 31.03.23	-	(1 667)	(1 667)
Net book value 31.03.23	1 873	8 333	10 207
Depreciation in 2023	-	(417)	(417)
Depreciation plan		Linear	
Estimated useful life	Ongoing project	6 years	

Goodwill (NOK 1000)	Goodwill
Purchase cost 01.01.23	86 723
Additions	-
Disposals/adjustments	-
Purchase cost 31.03.23	86 723
Accumulated amortization 31.03.23	-
Net book value 31.03.23	86 723
Amortization in 2023	-
Amortization method	
Estimated useful life	Indefinite

Research and development are related to development of software/equipment related to the company's ASUMO project. As of 31 March 2022 the company has net book values for R&D totaling NOK 1.87 million. Hours spent have been capitalized for personell as well as other external consultants related to the development of equipment and software.

Customer relationships and goodwill is related to the acquisition of iSurvey Group in March 2022. Refer to the 2022 annual report for further information.

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Note 5 - Borrowings

(NOK 1000)	31.03.2023	31.12.2022
Non-current liabilities		
Bank borrowings	3 449	4 932
Lease liabilities to credit institutions	-	-
Other non-current lease liabilities (IFRS 16)	145 835	4 310
Total non-current borrowings	149 284	9 242
Current borrowings		
Bank borrowings	9 099	21,811
Lease liabilities to credit institutions	1 486	1 275
Other current lease liabilities (IFRS 16)	214 394	98 660
Total current interest-bearing debts	224 980	121 746
Carrying amount		
Bank borrowings	12 548	26 743
Lease liabilities	361 715	104 245
Total carrying amount	374 263	130 988
Fair value		
Bank borrowings	12 548	26 743
Lease liabilities	361 715	104 245
Total fair value	374 263	130 988

At 31 March 2023 bank borrowings are secured on fixed assets for the value of NOK 50.8 million (31.12.22: 58.0 million)

1st Quarter 2023



Note 6 - Shareholders

20 largest shareholders as per 31 March 2023

	Shares	Stake
WILHELMSSEN NEW ENERGY AS	52,136,636	20.4 %
NORTH INDUSTRIES 1 AS	50,832,449	19.9 %
SURVEY HOLDING AS	29,116,897	11.4 %
SOBER AS	10,963,446	4.3 %
JOSO INVEST AS	7,267,928	2.8 %
HOLME HOLDING AS	6,620,000	2.6 %
JT INVEST AS	5,739,539	2.2 %
NORMAND DRIFT AS	5,000,000	2.0 %
DANSKE INVEST NORGE VEKST	3,187,815	1.2 %
CORUNA AS	2,725,000	1.1 %
LION INVEST AS	2,657,141	1.0 %
STAVA INVEST AS	2,267,141	0.9 %
NÆRINGSLIVETS HOVEDORGANISASJON	2,199,799	0.9 %
BARRUS CAPITAL AS	2,110,090	0.8 %
ALTEA AS	2,037,550	0.8 %
RMS INVEST AS	2,000,000	0.8 %
JACOB HATTELAND HOLDING AS	2,000,000	0.8 %
TEOMAR AS	2,000,000	0.8 %
A-Å INVEST AS	1,938,725	0.8 %
VICAMA AS	1,282,744	0.5 %
Total 20 largest	194,082,900	76.0 %
Others	61,366,663	24.0 %
Total	255,449,563	100.0 %

Reach Subsea's share capital amounts to NOK 255,449,563 divided into 255,449,563 shares, each with a nominal value of NOK 1. This includes 312,365 shares not registered as of 31 March 2023. Shares not registered is related to the private placement as described in the section below.

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, corresponding to 20% of the shares in Reach Subsea ASA after the abovementioned issue of shares to iSurvey Holding AS. 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. After the approval by the extraordinary general meeting, Wilhelmsen New Energy AS have a combined holding of shares and warrants of 90,893,431.

On 15 February 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 announced that the Board has resolved to undertake a subsequent offering of up to 3,000,000 new shares. The subscription period for the subsequent offering ended on 27 March 2023 and resulted in a total subscription of 312,635 new shares. The shares from the subsequent offering was registered 3 April 2023. After the completion of the private placement and the subsequent offering, the new share capital of the company is NOK 255,449,563 divided into the equivalent number of shares, each with a nominal value of NOK 1.00

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Note 7 - Share-based remuneration

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 December 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 December 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 constituted 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:

Exercise 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

As of 1Q2023 the Company has recognized NOK 0.2 million in cost related to the options.

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Note 8 - Tax

The Group has, based on contracts and budgets for 2022 and 2023, assumed that the tax loss carried forward can be recognised. Per 31 March 2023 NOK 26.6 million is recognised.

(NOK 1000)	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022	01.01.2022 - 31.12.2022
Taxes payable	3 381	-	9 344
Changes in deferred taxes	(1 646)	(8 895)	16 490
Taxes, in total	1 735	(8 895)	25 838
Deferred taxes / (Deferred tax assets)			
Temporary differences			
Other fixed assets	(38 581)	(25 057)	(31 709)
Financial leases	793	2 836	1 509
Fixed-price contracts	-	-	-
Inventories	(934)	(4 790)	(934)
Accruals	(4 878)	(4 105)	(4 025)
Right-of-use assets	644	(12 969)	(12 657)
Intangible assets	24 333	30 000	25 750
Tax loss carried forward	(102 109)	(214 555)	(91 184)
Temporary differences, in total	(120 733)	(228 639)	(113 251)
Deferred tax assets	(26 561)	(50 301)	(24 915)
Not recognized deferred tax assets	-	-	-
Deferred tax assets in balance sheet	26 561	50 301	24 915

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.

1st Quarter 2023



Note 8 - Tax continued

(NOK 1000)	31.03.2023	31.03.2022	31.12.2022
Reconciliation from nominal to actual tax rate			
Profit & loss before taxes	5 641	(44 337)	98 023
Nominal tax rate	22 %	22 %	22 %
Anticipated income tax due to nominal tax rate	1 241	(9 754)	21 565
Actual tax cost	1 735	(8 895)	25 837
Deviation	494	859	4 272
Tax effects of:			
Permanent differences	761	(859)	(1 421)
Effect of tax rates outside Norway different from 22 %	(1 256)	-	(2 852)
Changes in deferred tax assets, previously not recognized	-	-	-
Explanation	(494)	(859)	(4 272)
Effective tax rate	31 %	20 %	26 %

(NOK 1000)	31.03.2023	31.03.2022	31.12.2022
Payable taxes in the balance sheet			
Payable taxes in the tax charge	(3 381)	-	(9 344)
Advances paid on tax charge	1 590	-	1 491
Tax payable previous years	(9 344)	-	-
Payable taxes in the balance sheet	(11 136)	-	(7 853)

1st Quarter 2023



Note 9 - Segments

(NOK 1000)	2023 01.01.-31.03	2022 01.01.-31.03.	2022 01.01.-31.12.
Operating revenue			
Oil & Gas	153 369	97 001	954 399
Renewable / other	80 649	31 986	208 422
Total	234 018	128 987	1 162 821

(NOK 1000)	2023 01.01.-31.03	2022 01.01.-31.03.	2022 01.01.-31.12.
Revenue by region			
Norway	31 514	53 597	369 418
Europe	115 402	41 213	434 874
Americas	23 209	34 176	212 173
Other	63 892	-	146 355
Total	234 018	128 987	1 162 821

(NOK 1000)	2023 01.01.-31.03	2022 01.01.-31.03.	2022 01.01.-31.12.
Revenue by type of service			
Data	53 506	64 592	735 559
Solutions	180 512	64 394	427 262
Total	234 018	128 987	1 162 821

Revenues are categorised 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.

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Note 10 - Leasing

Long and short term leases (committed 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 31 March 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%.

The following have been recongized in 2023:

Right-of-use assets	31.03.2023	31.12.2022
Property, plant and equipment	351 891	90 258
Total	351 891	90 258

Lease liabilities	31.03.2023	31.12.2022
Current	214 394	98 660
Non current	145 835	4 310
Total	360 229	102 970

See note 5 for further information on the Company's borrowings.

	Q1 2023	Q1 2022	12M 2022
Depreciation charge of right-of use assets	63 764	68 031	306 795
Depreciation recognised as contract asset	(8 927)	-	-
Impairment charge of right-of-use assets	-	-	-
Interest expense	3 407	4 374	13 090
Total charges to the P&L	58 244	72 405	319 885

The total cash outflow for leases in 1Q2023 was NOK 66.3 million (1Q2022: 62.8 million)

1st Quarter 2023



Note 10 - Leasing continued

Reconciliation of leases on committed days recognised in 2023:	Right-of use assets	Lease liability, non-current	Lease liability, current
Opening balance 01.01.2023	90 258	4 310	98 660
Additions	327 491	-	327 491
Disposals	-	-	-
Depreciation in income statement	(54 838)	-	-
Depreciation recognised as contract asset	(8 927)	-	-
Impairment	-	-	-
Interests	-	-	3 407
Reclassification from long to short term	-	143 619	(143 619)
Adjusted commitment	(2 094)	(2 094)	-
Currency adjustment	-	-	(5 214)
Payments	-	-	(66 331)
Ending balance 31.03.2023	351 891	145 835	214 394

The right-of-use assets are calculated based on a discounted estimated commitment on vessels (Havila Subsea, Olympic Triton, Olympic Zeus, Go Electra, 2xROVs) and offices.

Other short term hired in vessels are treated as short term leases under IFRS 16 and are also recognised as depreciations.

Reconciliation of depreciation	Q1 2023	Q1 2022	12M 2022
Depreciation of long term right-of-use assets	58 922	65 710	254 580
Depreciation of short term right-of-use assets	4 842	2 322	52 215
Depreciation recognised as contract asset	(8 927)	-	-
Depreciation of other assets	10 302	8 847	46 737
Total depreciation	65 140	76 878	353 532

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Note 11 - Financial items

Finance income and expenses	Q1 2023	Q1 2022	12M 2022
Interest income on short term bank deposits	495	41	1 264
Total interest income	495	41	1 264
Interest expense on bank borrowings	53	(342)	(2 309)
IFRS 16 interest expense	(3 407)	(4 374)	(13 090)
Other interest expense	-	-	(16)
Total interest expense	(3 555)	(4 716)	(15 415)
Net foreign exchange expense/income	11 841	(1 938)	7 131
Currency adjustment related to IFRS 16	5 214	-	(55)
Other finance costs	(183)	(64)	(158)
Total other net financial items	16 872	(2 002)	6 918
Net financial items	14 012	(6 677)	(7 232)

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Note 12 - Commitments

The Reach Remote project is expected to amount to approximately NOK 400 million. As of 31 March the company has capitalized NOK 119.8 million as Asset under construction. In addition, the company has financed two eROVs through leasing. As of 31 March the ROVs are under construction, and costs not recognised related to the ROVs amounts to NOK 20.8 million. The ROVs will be recognised in the balance sheet at commencement date.

Besides the Reach Remote project, Reach has taken multiple steps to secure vessel capacity at competitive terms. The 1Q23 additions to Right of use assets and liabilities include the vessels Go Electra, Olympic Triton, and Olympic Zeus. Addition of Viking Reach and Deep Cygnus will take place in 2Q23 and will increase interest bearing debt (leases) with an estimated amount of NOK 690 million.

Investments in 2023 associated with these vessels and other minor capex projects is expected to amount to approximately NOK 130 million, and encompass equipment, upgrades and mobilization activities for three vessels (Viking Reach, Deep Cygnus, and Go Electra). As of March 31 2023 remaining investments related to these investments is estimated to NOK 110 million. Reach has secured bank and lease financing of NOK 70 million to partly fund these investments.

Note 13 - Events after quarter end

On 3 April 2023 Reach announced the completion of the subsequent offering and the registration of new shares. The subsequent offering consisted of 312,635 new shares in the company. New share capital is NOK 255,449,563.00 divided into the equivalent number of shares, each with a nominal value of NOK 1. Refer to press releases sent via Newsweb for further information.

On 2 May 2023 Reach announced the award of a five months plus options contract with a major renewable energy company for delivery of offshore wind related services. The subsea vessel Deep Cygnus will be utilized on the project, which will commence project in early May 2023. Refer to press release sent via Newsweb for further information.

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