



# Q2 2023

## Financial results

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23 Aug 2023

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# Consistent strong performance along strategic path

Delivering in the high season

+78%

Revenue Y/Y \*

+138%

EBIT Y/Y \*

+69%

order backlog Y/Y



Record results on the back of growth, solid execution, and improved pricing



Viking Reach mobilized and put into service – delivering on our clients' expectations



Record high tender volume of NOK 5 billion reflecting our increased global footprint and a rising market



Excellent operational performance on all offshore spreads



Continued building “one Reach” with shared vision and values, following large acquisitions in 2021 and 2022

# Complete provider of subsea services

IMR, ROV, survey, construction support and decommissioning services within the renewable and oil and gas industry



Engineering and project management



Inspection, maintenance & repair



Asset integrity / pipeline inspection



Construction support



Survey and data processing



Geophysical monitoring



Environmental monitoring

Everything within REACH.

# Deepwater gWatch campaign in Japan

Pioneering a new and innovative approach for earthquake hazard and risk reduction

- The Reach Subsea Monitoring division has successfully completed a baseline survey off the coast of Japan
- A major step towards our goal of adapting the gWatch technology(\*) to a new market within earthquake hazard and risk reduction
- Collaboration with JAMSTEC, a Japanese ocean research institute and the University of Bergen
- The campaign involved the use of the newly developed deepwater gWatch instrumentation at above 4200 m water depths
- Exemplifies the potential in combining scientific innovation and collaborative partnerships

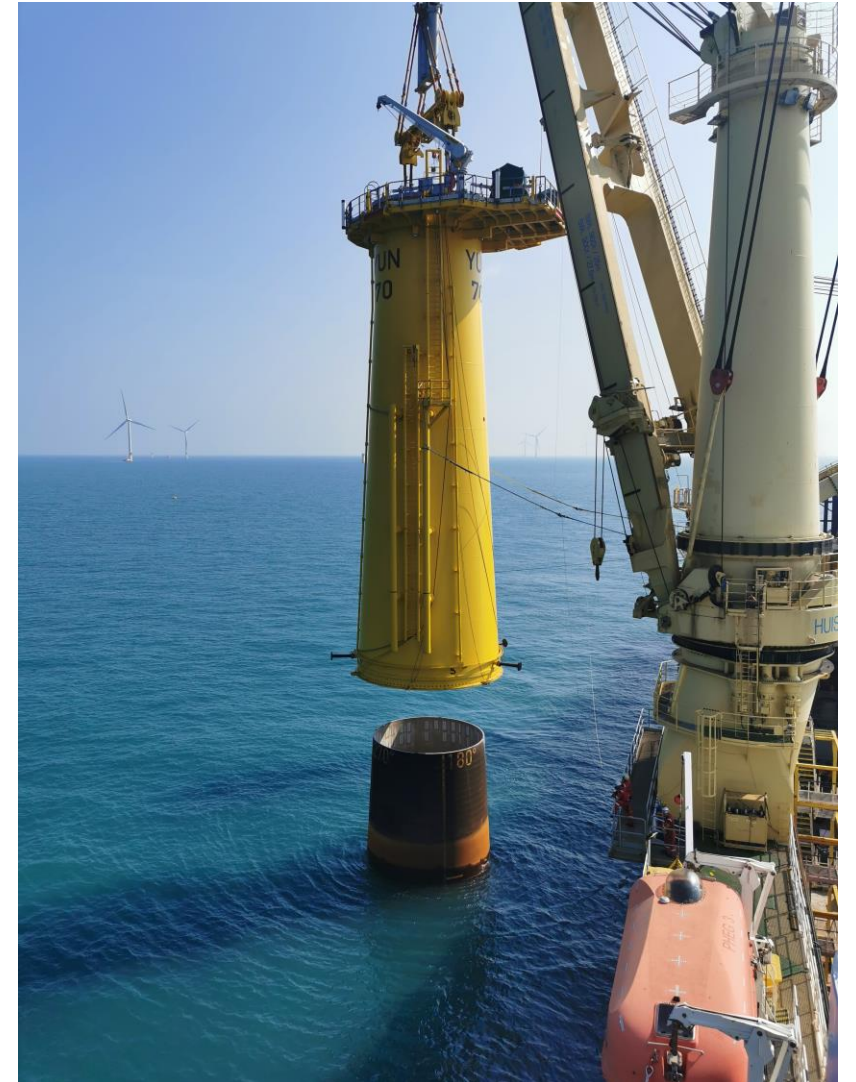
\*) high-precision time-lapse gravity and vertical seafloor deformation monitoring



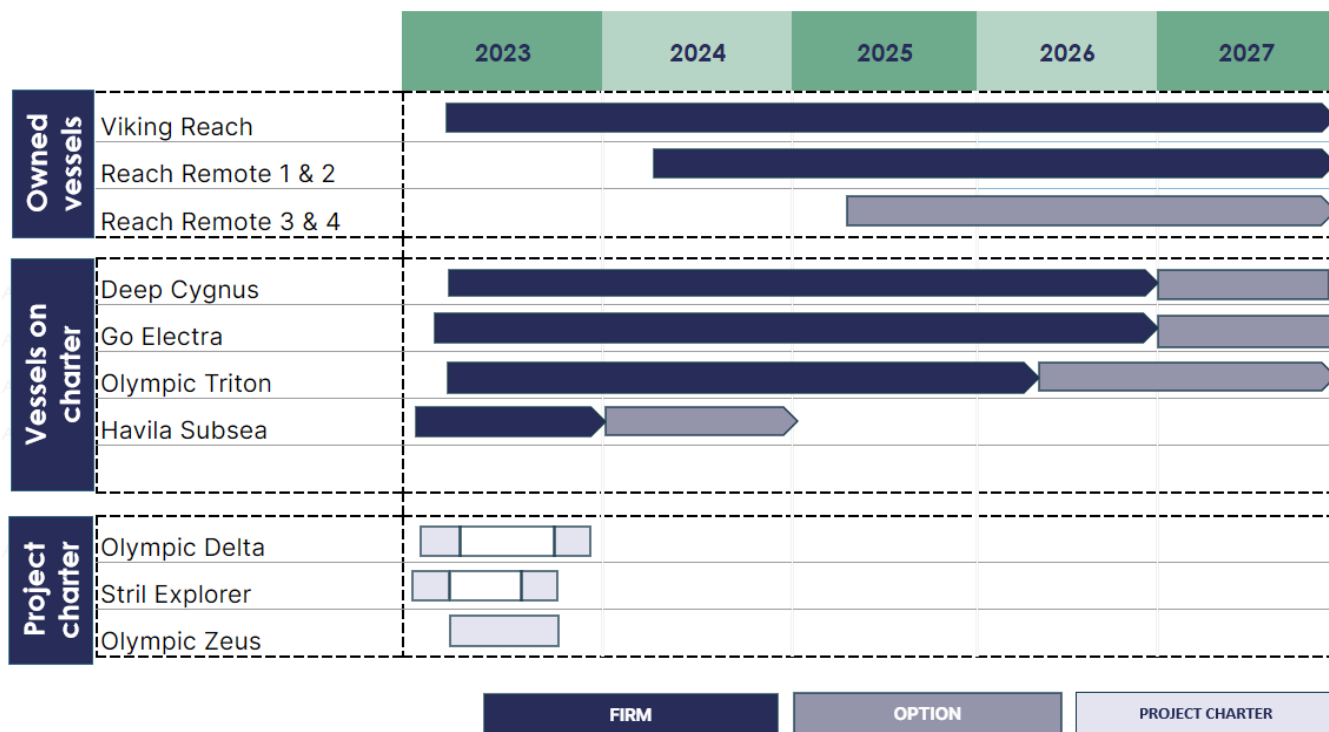
# Positioning Offshore Wind farm Taiwan

## Strengthened position in the Asian market

- Survey division serves diverse clients on various vessels and rigs, globally
- Survey and Positioning services for Taiwan Wind Farm construction
  - April 2023 + 7 months
  - Water depth 7 – 35 meters
- Mobilization in Singapore, vessel transit to Taiwan
- Survey team ensures precise Transition Piece installation
- Growing Singapore team expands in Asian market, plans to include vessels

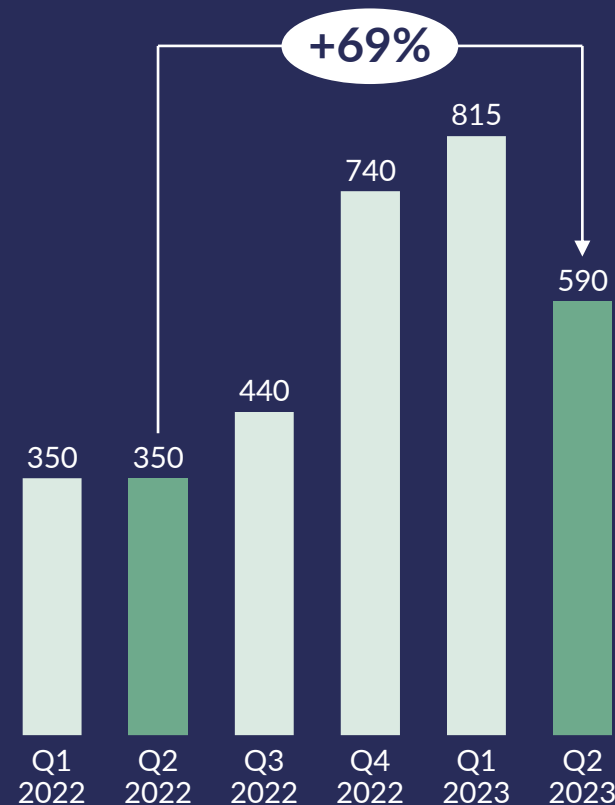


# Vessel capacity for long-term growth



Larger tenders with longer visibility  
Tender volume increased from 2 to 5bNOK

Strong growth in order backlog as per Q2 2023



We are taking a leading position in marine robotics and are ready for global expansion



Reach Remote will be a catalyst for international roll-out

## Reach Remote – a strong business case is getting even stronger

### The next steps in subsea operations

Technology is enabling a radical redesign of how ROV operations are performed: shifting from a capital- and personnel-intensive setup operated from larger, energy-intensive offshore vessels towards a lean remote and autonomous platform, with certified personnel located onshore.

**65%**

Lower  
CAPEX

**65%**

Lower  
Daily OPEX

**90%**

Lower  
emissions

First two Reach Remote vessels expected to be ready for commercial projects in the 2024 main season



# REACH REMOTE VIDEO – MP4 FILE

[Click here to watch the video on our website](#)



# Reach Remote vessels ready for operation 2024

Steelwork finished – Vessels on their way to Norway



Delivery of EROV's later this year



**2023**

USV building period, Onshore control centers, EROV delivery

Subsystems testing in manned operations

**Q1 2024**

Full-scale testing, certification and client verification

**Q2 2024**

Reach Remote Operational

# Financials

# Financials

## Q2 2023 Highlights

- Rolling 12 months revenue at close to NOK 1.6 billion
- Improved vessel utilization to 95% in a strong quarter
- Order backlog increased 69% to NOK 590 million



### Revenue

NOK 636 million (NOK 341 million), +87%



### EBIT

NOK 148 million (NOK 50 million), incl. NOK 30 million gain on sale of an ROV



### Pre-tax profit

NOK 110 million (NOK 56 million)



### Cash and cash equivalents

NOK 129 million (NOK 140 million)



### Cash positive position; net interest-bearing debt, excl IFRS 16 leases

Negative NOK 120 million (negative NOK 106 million)



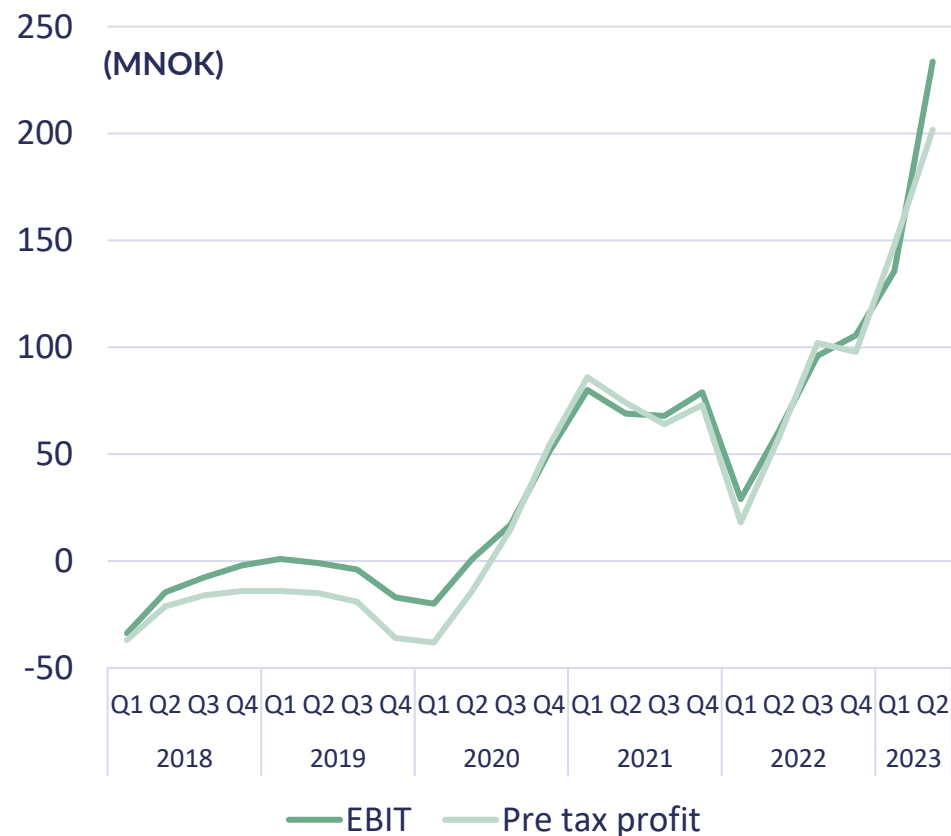
# Revenue and profits raised to record levels

Revenue increased 159 percent\* last 24 months

Last 12 months Revenue (MNOK)



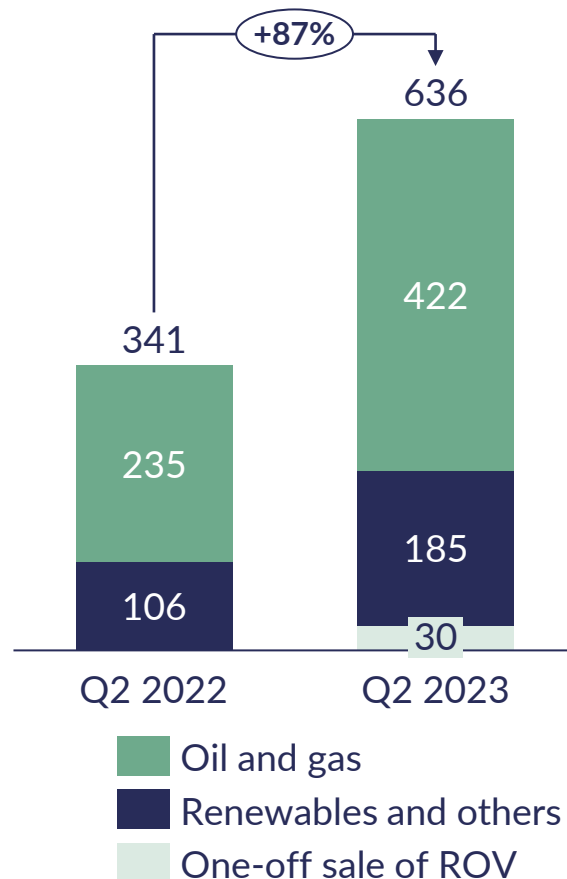
Last 12 months EBIT and Pre-tax profit



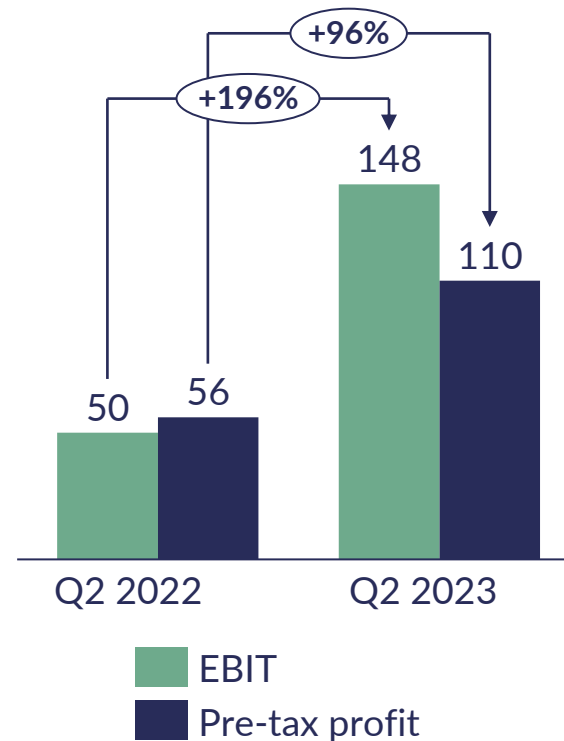
\*) Including revenue from sale of one ROV in Q2 2023 of NOK 30 million

# Q2 2023 key developments

Revenue mix Q2 (MNOK)



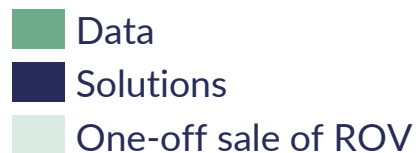
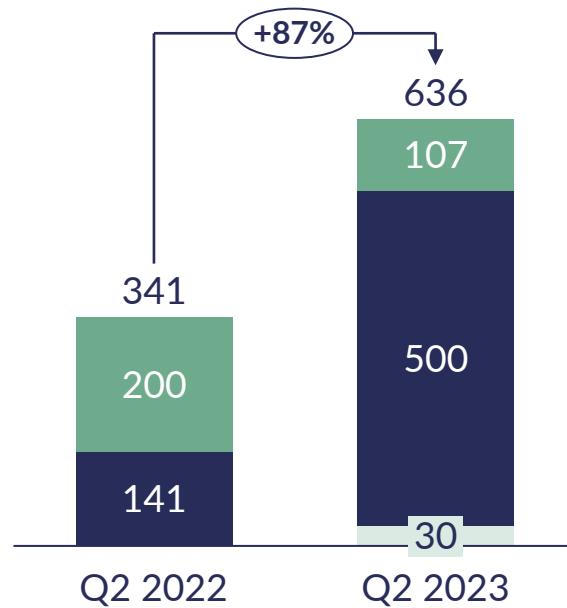
Improved activity and profit (MNOK)



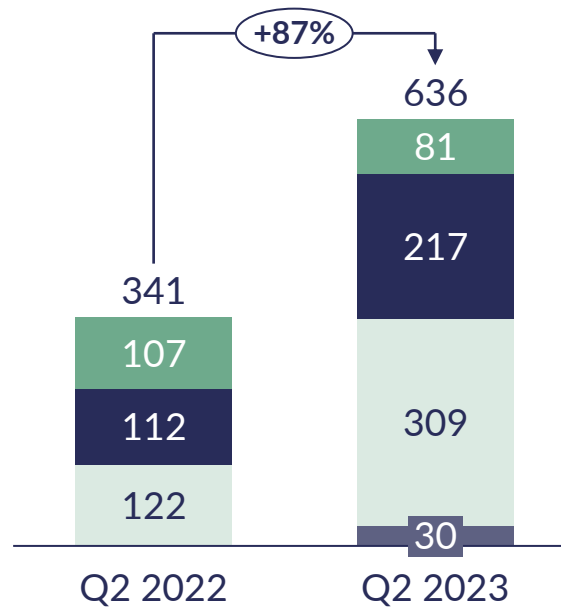
- 87 percent revenue increase driven by
  - More project days sold,
  - Higher prices
  - Increased service scope
  - NOK 30 million gain from ROV sale
- Improved EBIT driven by higher activity with strong utilization and higher pricing, as well as a NOK 30 million gain from ROV sale
- Good growth in both oil & gas sector and renewables

# International expansion continues

Revenue mix by segment  
(MNOK)



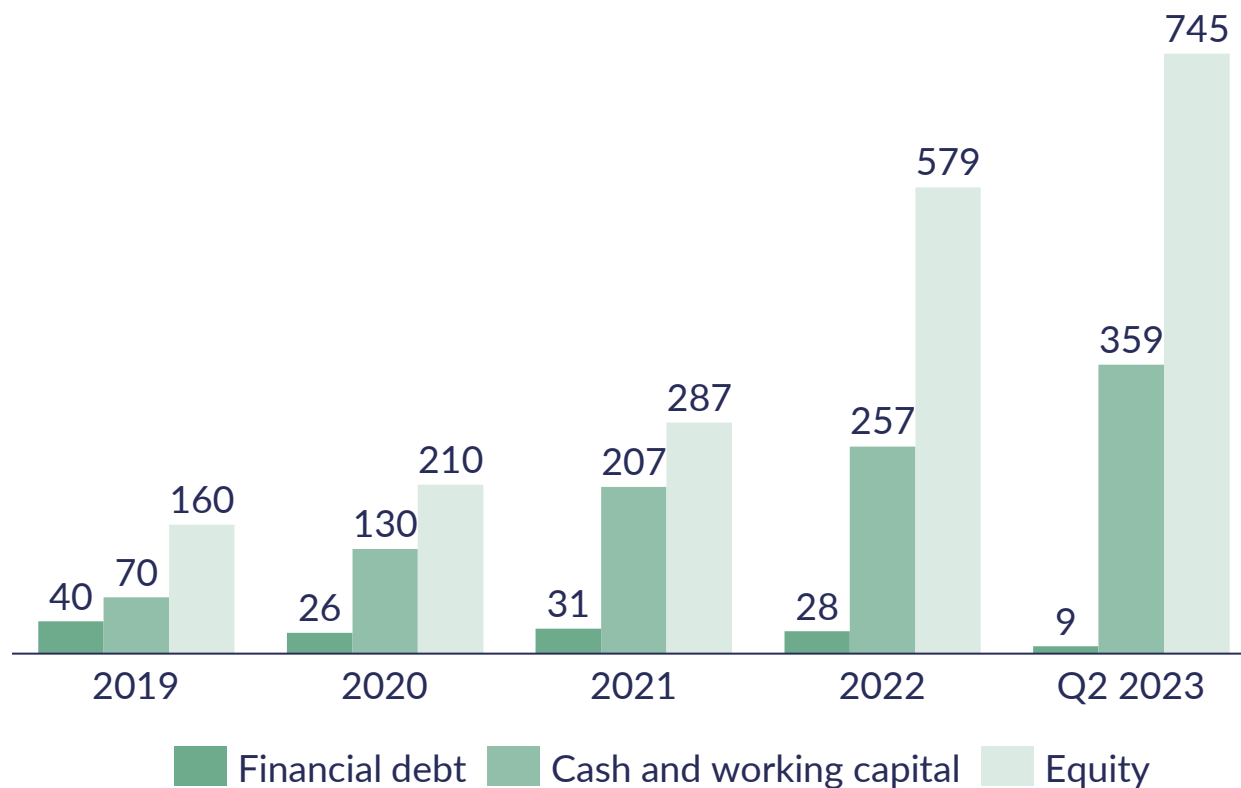
Revenue mix by geography\*  
(MNOK)



- Strategic focus on broadening our international footprint continues to pay off
- Key growth driver in Q2 was projects in Europe and major assignment off the coast of Africa

# Positioned for growth

## Solid financial position (MNOK)

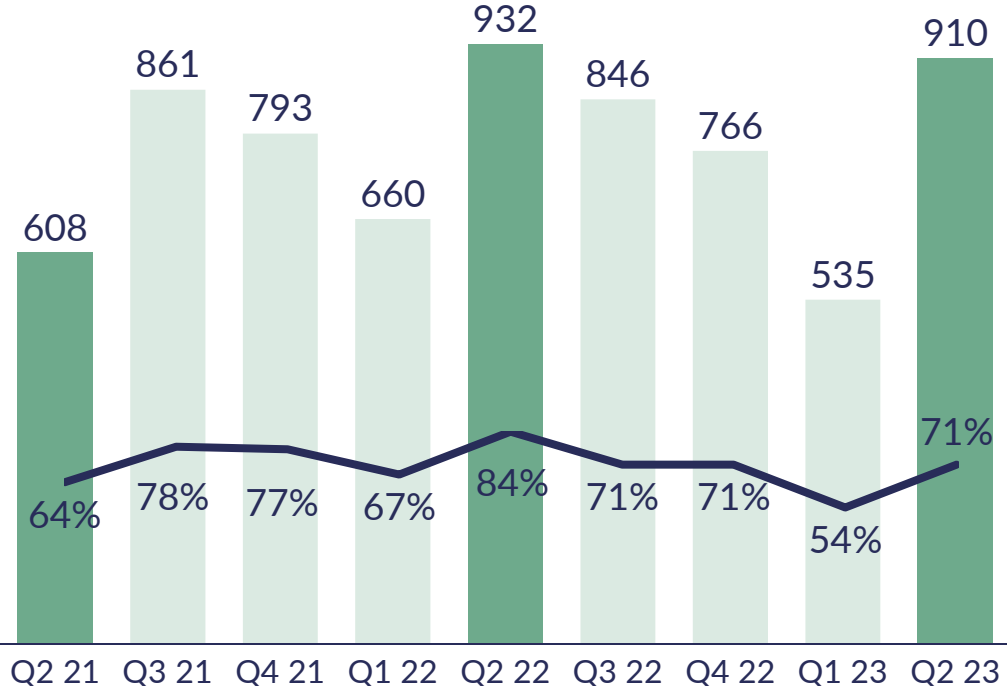


- Strong liquidity and equity positions
- Raised NOK 126 million in private equity placement in Q1 2023
- Positioned for remaining investments in Reach Remote and mobilizations and equipment for the coming year

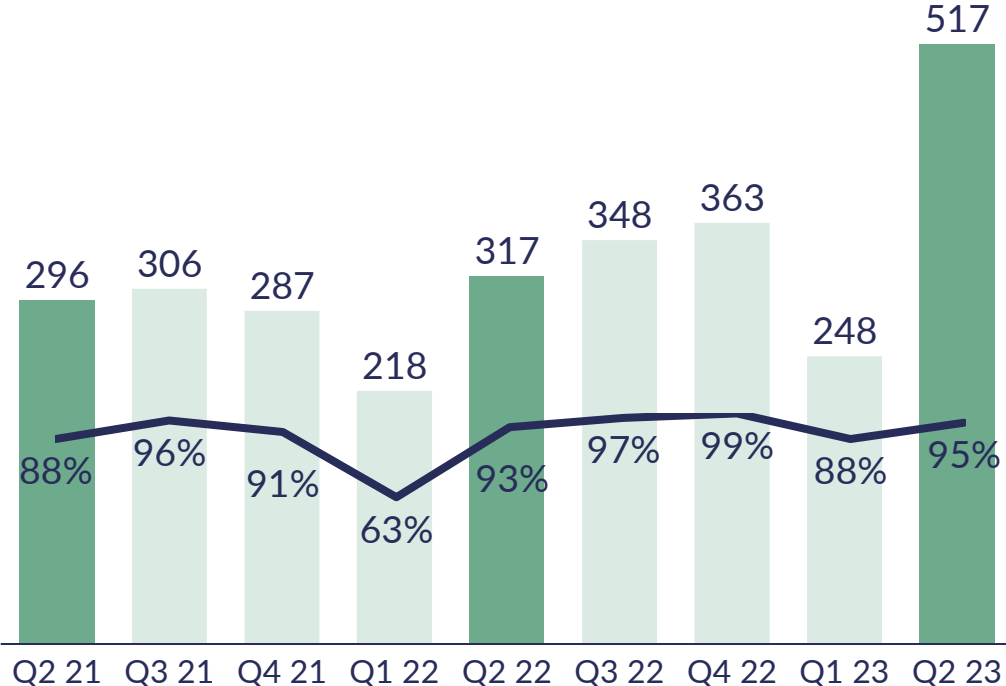


# Strong growth in vessel capacity and high utilization

ROV days sold and % utilization



Vessel days sold and % utilization



# Progress on achieving ESG targets – Q2 status

## Environment

Increase activity within non –Oil & Gas segment

Achieved

Reduce COE emissions compared to activity levels

In progress

Zero major spills of hazardous materials to the sea

Achieved

Maintain technical uptime at 99% or higher

Achieved

Successfully bring two first USVs to market in 2023/2024

In progress

## Social

Work-related sick leave LTI (less than 1.0%)

Achieved

Zero work-related injuries, LTI

Achieved

Maintain turnover below 8%

Achieved

Establish program for employee development

Q3 - Q4

Conduct 15 supplier audits with focus on Social responsibility and the Transparency Act.

Q3 - Q4

## Governance

80% completion of Code of Conduct and Anti-bribery courses

In progress

80% completion of cyber security courses

Q3 - Q4

Establish renewed sustainability governance structure

Q3 - Q4

Implement Taxonomy reporting system

Q3 - Q4

# Summary

# We are in the sweet spot for continued growth and value creation

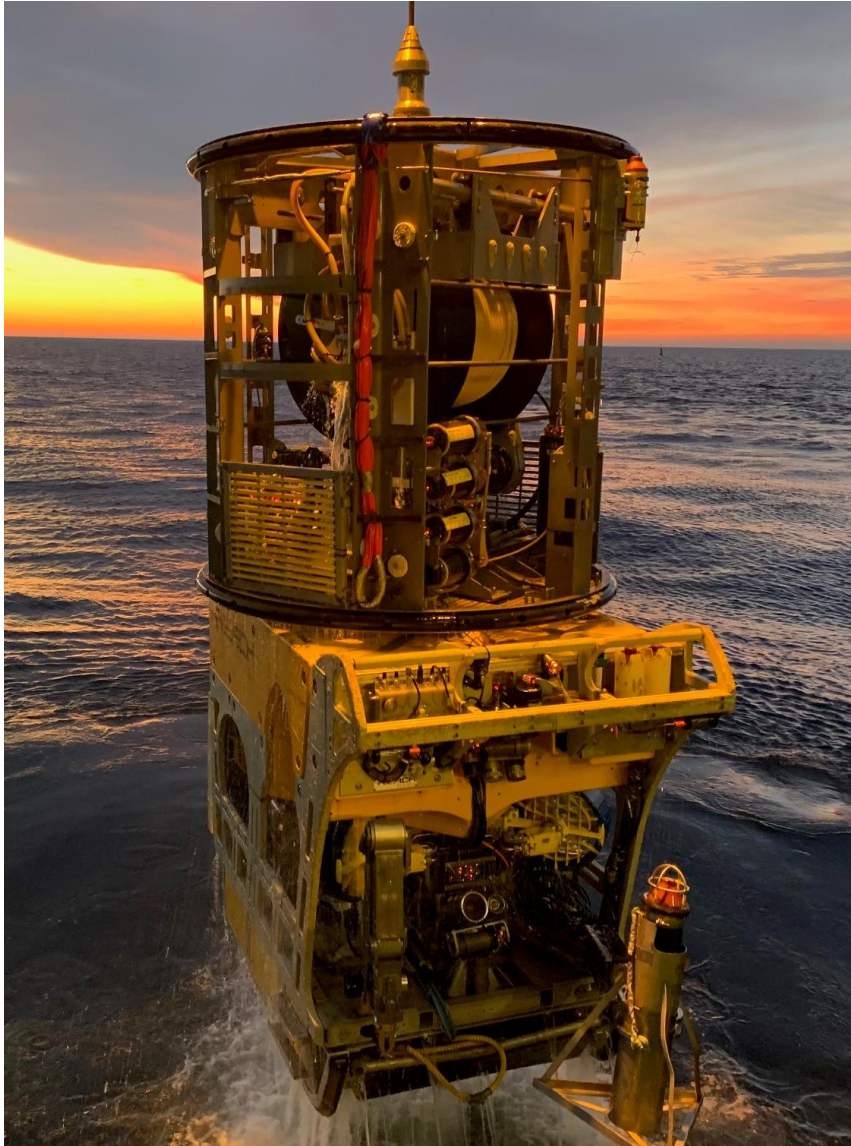
Proven commercial track record with strong execution  
Significant long-term capacity secured – set for continued growth

Strong market backdrop and growth momentum for revenue and earnings. Record high order backlog

Bundling our new capabilities into more value-added integrated services provides revenue and margin upside

First unmanned USVs to be launched in 2024, with significant benefits related to cost, safety and emissions

Strong financials with attractive dividend yield and disciplined approach to investments



# Q&A

The logo features the word "REACH" in a bold, white, sans-serif font. The letter "E" is highlighted in a vibrant green color. A thin green horizontal line passes through the middle of the "R" and "E". Below "REACH", the word "SUBSEA" is written in a smaller, white, all-caps, sans-serif font.

**REACH**  
SUBSEA