

Everything within Reach

# Quarterly Consolidated Report

Sustainable access to ocean space



# 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, 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.

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# Highlights

A record year and 4Q on all parameters driven by growth, improved pricing, and strong project execution, producing a strong ROE of 30 %.

The Board will propose a dividend per share of NOK 0.36, a doubling from last year and in line with the stated policy.

EBIT for 4Q2023 was NOK 79.5 million (NOK 34.6 million), while pre-tax result was NOK 81.2 million (NOK 18.9 million).

EBIT for the full year 2023 was NOK 331.8 million (NOK 105.3 million), while pre-tax result was NOK 289.5 million (NOK 98.0 million).

Strong outlook as evidenced by record high backlog of NOK 1.2 billion and tender volume of NOK 8 billion.

After quarter end: Secured new tonnage to meet an expected strong market in 2024 and beyond across all sectors.

# Key figures

	4Q 2023	4Q 2022	12M 2023	12M 2022
	UNAUDITED			AUDITED
Revenue (NOKm)	474	327	1 996	1 163
EBIT (NOKm)	80	35	332	105
Pre-tax profit (NOKm)	81	19	290	98
Cash and cash equivalents (NOKm)	436	192	436	192
Net working capital (NOKm)	(105)	71	(105)	71
Net interest bearing debt excl IFRS 16 leases (NOKm)	(369)	(164)	(369)	(164)
Net interest bearing debt incl IFRS 16 leases (NOKm)	823	(61)	823	(61)
Equity (NOKm)	928	579	928	579
Order backlog (NOKm)	1 200	740	1 200	740
Outstanding tender value (NOKbn)	8.0	2.5	8.0	2.5
Number of ROV days sold	659	766	2 942	3 204
Number of ROV days available	1 012	1 083	4 506	4 363
Technical uptime on ROVs	99 %	99 %	99 %	99 %
Number of offshore personnel days sold	8 709	7 768	29 849	26 987
LTIs	1	0	1	1
Number of vessel days sold	444	363	1 759	1 246

# CEO Letter



The fourth quarter was another record-breaking period for Reach Subsea. Also, looking at the full year 2023 results I'm pleased to report performance in line with our goals. We have now scaled the company up to the next level in terms of size.

I want to give a big shoutout to the entire team once again this quarter. Thanks for your dedication and excellent teamwork!

Whilst we are pleased to take our revenues to the NOK 2 billion level, even more satisfactory is our ability to continue to deliver increased margins along with the growth. A solid 2023 EBIT margin of nearly 17 % and a ROE of 30 % underpins our commitment to profitable growth.

Ensuring profitability is core when building a sustainable company. We are carefully and consistently taking the steps required to strengthen our footprint and at the same time maintain both profitability and ESG targets.

We are continuing our strong HSE focus and culture to keep our zero harm to people and environment goals. During this expansion phase, we keep a high regard for safety. Maintaining our HSE culture is underpinned by our 'Reach Home' program.

We have through the year further strengthened our vessel capacity through new long-term charters and also enhanced our global service offerings with the targeted acquisition of Guardian Geomatics in the fourth quarter.

Our core fleet of cost-efficient subsea spreads, coupled with our globally recognized subsea services, survey and monitoring expertise, have made a solid foundation for further growth.

Our decision to expand strategically is well-timed, fitting in nicely with the current strong market trend, which we expect to continue. The oil and gas industry are still going strong, and investments in renewable energy are picking up pace. There's a lot of subsea work on the horizon, especially with thousands of offshore wind turbines planned. Additionally, emerging sectors like subsea mining, carbon storage, and other aspects of offshore and subsea industries are adding to this growing demand.

Our international presence shows consistent positive development, and our client base is both broadening and increasing, further bolstering our optimism for what lies ahead. Given these positive indicators, we're actively pursuing additional capacity enhancements and pushing technology boundaries.

We have for several years articulated our ambition of extending Reach Subsea's presence across all time zones, with a particular focus on leveraging Reach Remote.

Our first two Reach Remote vessels will be launched this season, and we experience an increasing attention in all regions. We have both national and international projects in our orderbook that fit these vessels very well. We are currently performing over horizon operations with smaller unmanned vessels together with remote data processing. We are getting close to starting the functional and acceptance testing of the vessels at the yard in Trosvik. These unmanned vessels are set to completely change how we operate in the industry. They bring significant cost and emission reductions, as well as improved safety for our personnel.

So finally, with our expanded and cost effective traditional vessel fleet, along with our wide range of subsea services, we're well-prepared for steady growth and progress in the years ahead.

And as usual, we can conclude:

**Everything within Reach!**

A handwritten signature in black ink, appearing to read 'J. Alendal', written in a cursive style.

**Jostein Alendal**

CEO, Reach Subsea ASA

# Operations



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

REACH Subsea ASA Group (“Reach”) operated by quarter end and market 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 has 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” 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 world wide.

Guardian Geomatics will be fully integrated into the Reach Group during 2024.

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 to secure operational success. Unfortunately, one incident (LTI) was recorded in the fourth quarter of 2023, a hand injury during mooring operation on a vessel. The employee has recovered well from the incident.

REACH has per 13 February 2024 a firm order book of NOK 1.2 billion for projects with execution in 1Q2024 and beyond.

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 track for start-up of commercial projects during the main season of 2024.

# 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 full utilization in 4Q2023 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 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 full utilization in 4Q2023 working on projects in Brazil expected to last throughout 1Q2024. The vessel is further scheduled for a project in US Gulf throughout the third quarter of 2024.



**Deep Cygnus** is chartered in by Reach for use on own projects and is currently mobilized with a gangway, working in the walk to work market on contracts expected to last until late February 2024. The vessel will thereafter spend 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. Thereafter the vessel will be ready for subsea projects within light construction, IMR and decommissioning.



**Go Electra** is chartered in by Reach for use on own projects. The vessel was working on a diving project until December 2023, whereafter she was mobilized with WROV and survey equipment, specialized for integrated survey projects. The vessel is scheduled for projects expected to last well into the main 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. After being in 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. The vessel is scheduled for projects expected to last well into the main season of 2024.



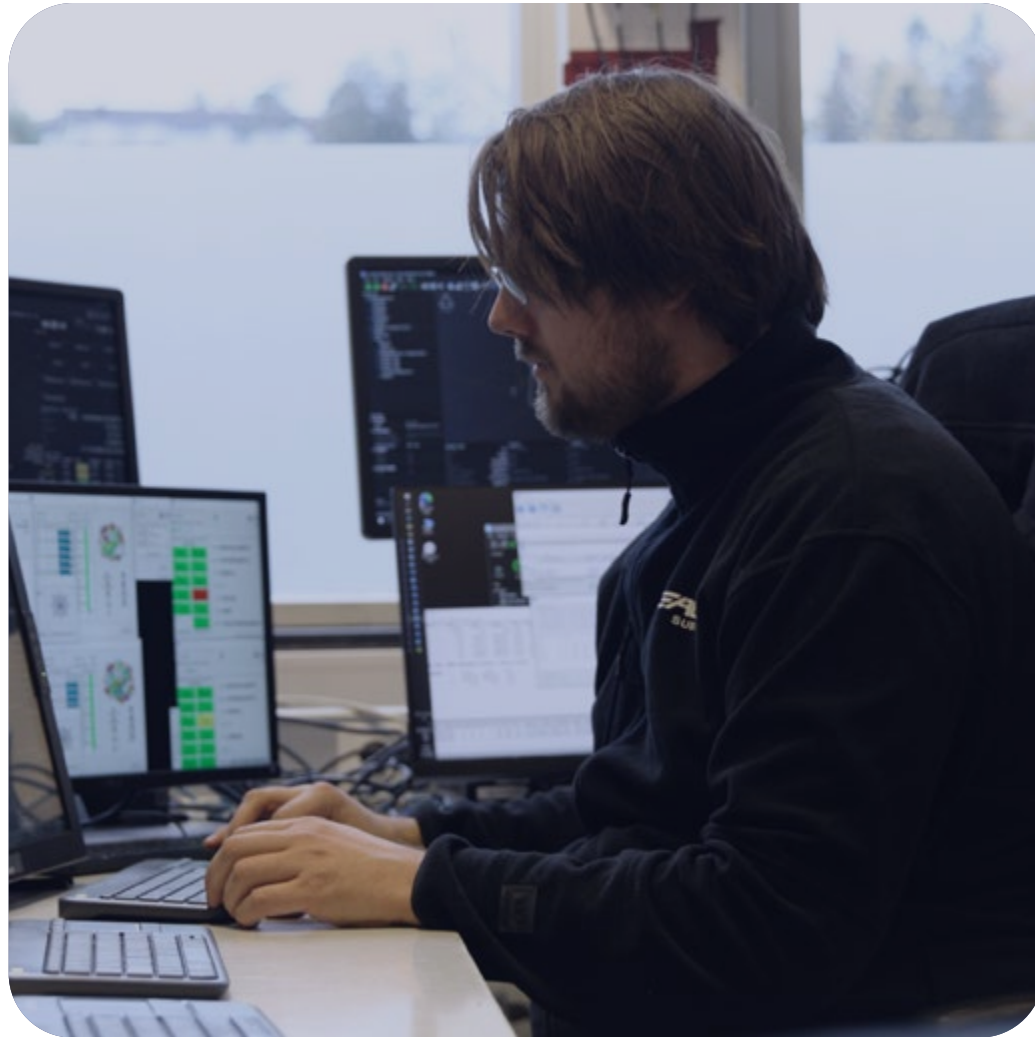
**Offshore Surveyor** is chartered in by Guardian Geomatics for survey projects in Asia Pacific.



**Olympic Delta** is mobilized with two hired-in WROVs. The vessel is on a contract between vessel owner Olympic and Technip with Reach as WROV provider. The WROV spread had high utilization in the fourth quarter 2023, expected to last towards the end of the first quarter of 2024.



# 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 fourth quarter 23, in addition to providing integrated survey services to the REACH Subsea fleet, the REACH Survey Division successfully delivered multiple independent survey projects.

One of the most important Q4 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 Subsea 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 Subsea 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. In 1Q2024 REACH survey activity remains high, at a time of the year where activity normally is at a lower level.

## REACH Monitoring division

4Q2023 has been another busy period 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 modeling 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 high activity on R&D projects and operations, continuing our GoM DepthWatch campaign while also preparing for gWatch campaigns in Japan, the Middle East, and Australia.

# Financial results for the quarter



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

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.

Revenue for 4Q2023 was NOK 474.1 million (NOK 327.4 million), with the increase from last year explained by (i) a higher number of project days sold, (ii) increased service scope on projects and (iii) higher pricing.

Operating expenses for 4Q2023 were NOK 394.6 million (NOK 292.8 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. Details about depreciations and impairment sensitivity is presented in the Notes.

4Q2023 operating result (EBIT) was NOK 79.5 million (NOK 34.6 million). The improved EBIT is primarily a result of higher activity with strong utilization and higher pricing.

Net financial items for 4Q2023 were NOK 1.6 million (NOK -15.8 million). The main year-over-year differences are (i) result from associated companies of NOK 7.9 million (N/A), (ii) increased interest expenses due to the higher level of IFRS 16 related debt, which amounted to NOK -24.5 million (NOK -2.2 million) and (iii) currency effects, which amounted to NOK 15.7 million (NOK -14.7 million). Our charter hires are in USD and NOK, while income in the quarter was in NOK, USD and EUR.

The total comprehensive income for 4Q2023 was NOK 56.6 million (NOK 12.0 million).

For 4Q2023, Oil & Gas revenues constituted 60.2 % while Renewable/ Other constituted 39.8 % of total revenues. By comparison, in 4Q2022 Oil & Gas revenues were 89.4 % while Renewable/Other constituted 10.6 % of total revenues. Oil & Gas entails revenues from survey, IMR and light construction projects where the end client's asset is used in the oil & gas sector. Renewable/Other entails revenues from survey, IMR and light construction projects where the end client's asset is used outside the oil & gas sector.

# Financial results for the full year



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

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 Guardion 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.

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

Net financial items for the full year 2023 were NOK -42.3 million (NOK -7.2 million). The main year-over- year differences are (i) result from associated companies of NOK 16.7 million (N/A), (ii) increased interest expenses due to the higher level of IFRS 16 related debt, which amounted to NOK -77.9 million (NOK -15.4 million), and (ii) currency effects, which amounted to NOK 13.9 million (NOK 6.9 million). Our charter hires are in USD and NOK, while income in the quarter was in NOK, USD and EUR. The total comprehensive income for the full year 2023 was NOK 224.7 million (NOK 69.7 million).

For the full year 2023, Oil & Gas revenues constituted 67.8 % while Renewable/ Other constituted 32.2 % of total revenues. By comparison, for the full year 2022 Oil & Gas revenues were 82.1 % while Renewable/Other constituted 17.9 % of total revenues. Oil & Gas entails revenues from survey, IMR and light construction projects where the end client's asset is used in the oil & gas sector. Renewable/Other entails revenues from survey, IMR and light construction projects where the end client's asset is used outside the oil & gas sector.

# Capital structure



The Group's equity as of 31 December 2023 was NOK 928.0 million (NOK 579.4 million), which represents 34.5 % of the total balance sheet (60.9 %). The increased equity is explained by generated comprehensive income over the last 12 months, the private placement in 1Q2023, and partly offset by dividends paid in 2Q2023. The increase in total assets resulted in a reduced equity ratio compared to the same period last year.

Total current assets at the end of the quarter were NOK 825.7 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 389.2 million (NOK 312.5 million). Total non-interest-bearing current liabilities were NOK 494.5 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 interest-bearing 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 to credit institutions (i.e. excluding IFRS 16 leases) was NOK -368.8 million (NOK -163.6 million), i.e. cash positive.

## Capital structure cont.



Net cash flow from operating activities for 4Q2023 was NOK 547.6 million (NOK 135.8 million). For the full year 2023, net cash flow from operating activities was NOK 952.7 million (NOK 466.3 million).

Net cash flow from investing activities for 4Q2023 was NOK -56.5 million (NOK -81.5). For the full year 2023, net cash flow from investing activities was NOK -208.4 million (NOK -204.7 million).

Included in this figure is Purchase of fixed assets related to general equipment upgrades, mobilizations and general investments of NOK -202.7 million (NOK -167.8 million), proceeds from the sale of a WROV of NOK 31.4 million in 2Q2023 as well as a NOK 64.7 million investment in the Viking Reach vessel owning entity in 1Q2023.

Net cash flow from financing activities for 4Q2023 was NOK -174.1 million (NOK -78.4 million) and includes vessel charter hire classified as “Repayment of borrowings and leases” according to IFRS 16. For the full year 2023, net cash flow from financing activities was NOK -487.8 million (NOK -214.5 million), which includes proceeds from a private placement and employee option program of NOK 123.0 million (NOK 152.3 million) and dividends paid of NOK 46.0 million (NOK 40.5 million). 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 4Q2023 was NOK 317.1 million (NOK -24.1 million). Net change in cash and cash equivalents for the full year 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 400 million, of which NOK 200 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 185 million, of which NOK 174 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 quarter 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 capex projects is expected to amount to approximately NOK 170 million. Reach has secured bank and lease financing to partly fund these investments.

## The Share

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.

## 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](http://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, 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 commenced in January 2024 for a duration of 100 days, with the potential for extension up to an additional 2+2 years. Both charters are subject to final approval from lenders.

Our schedule indicates good utilization for all our subsea spreads throughout the main season 2024. We now have an order book of approximately NOK 1.2 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 8 billion (2.5 billion). See further details under «Operational Update» and «Outlook».

# 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 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.

# 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 commercialization in 2024.

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 new and fast growing maritime sectors such as offshore wind, offshore aquaculture, carbon storage monitoring, environmental surveillance, and subsea mining.

Going into 2023 we took multiple steps to ensure that we could continue to grow our business profitably into an improving market. 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 Subsea 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.

Haugesund, 13 February 2024

**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



The aspirations set forth in the Paris Agreement necessitate a 40 % reduction in greenhouse gas emissions within the European Union by 2030, relative to 1990 levels.

This imperative shift towards a lowemission society mandates the curtailment of hydrocarbon-related energy sources. Concurrently, as global population and energy demands surge, the drive to achieve sustainability remains a paramount concern on political agendas. Our overarching vision, “Sustainable access to ocean space,” underscores our unwavering commitment to actively engage in this essential transformation.

Central to our enterprise are the individuals who comprise it – our valued employees. In this vein, our foremost priority lies in ensuring secure operations that prioritize the well-being of our personnel.

Reach Subsea has firmly embedded a comprehensive HSEQ (Health, Safety, Environment, and Quality) Management System, replete with an array of protocols and procedures designed to safeguard the welfare of our workforce and the communities we touch.

We recognize our multifaceted role as an employer, client, and a medium-to-largescale organization.

Striving to epitomize excellence in the subsea sector, Reach is dedicated to upholding unwavering ethical standards, as outlined in our Code of Conduct. This guiding framework is anchored in the United Nations’ Sustainable Development Goals and adheres to the precautionary principle, setting a strong precedent for responsible and impactful action.

Reach Subsea has established transparent objectives that are reported monthly. As we are now past the final quarter of 2023, we are now pleased to report on our performance this year.

# Environmental



A central objective for Reach Subsea 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.

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. In 2023, we solidified our enhanced position within the broader renewable markets.

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 surge in mobilizations and transits, driven by our expanding international presence. Furthermore, modifications in our fleet have contributed to heightened fuel emissions. Nonetheless, it is essential to underscore our commitment to an overarching emissions reduction strategy. In this regard, the

introduction of our Reach Remote USVs holds promising potential and aligns with our long-term goals for emissions reduction.

In our unwavering commitment to environmental stewardship, we diligently refine our operational procedures to prevent any significant spills into the sea. We are gratified to report that we have sustained a flawless record in this regard.

It's important to note that our ambitions extend beyond these specific endeavours. Our global team continually takes strides in refining our operations and make a positive impact on the environment. During end of Q3 and the start of Q4 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 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 Performance Indicators

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



Q423 = 40 %  
 Full year 2023 = 32 %  
 Full year 2022 = 20 %

**Maintain technical uptime above 99 %**



Q423 = 100 %  
 Full year 2023 = 99.7 %

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



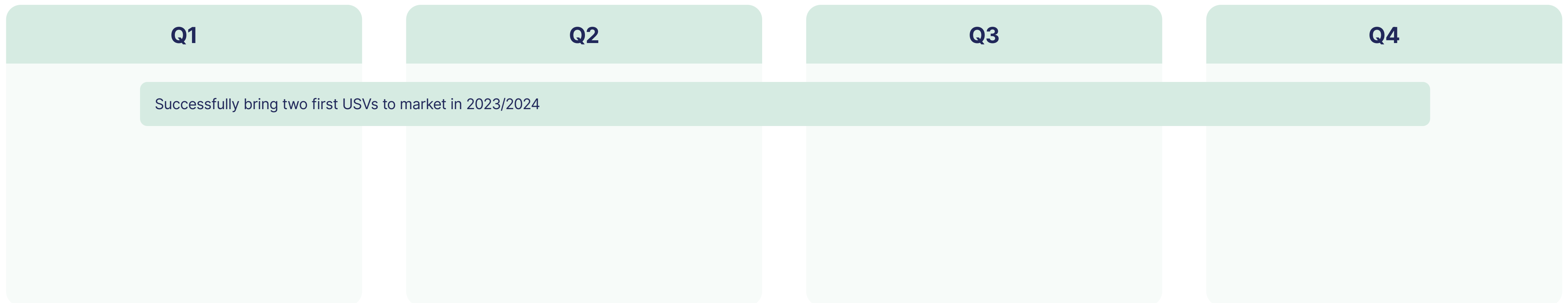
0 major spills throughout the full year 2023

**Reduce fuel emission of CO2 compared to activity levels**



Our total CO2 emissions per sold vessel 2023 = 35.08 ton of CO2 (2022: 27.5 2021:31.88 2020: 37.19.)  
 The rise in average emission levels is tied to altered fleet composition and adjustment in operational profile and geographic areas.

## Scheduled activities



# Social



The realization of our goals hinges upon a dedicated, thriving and motivated workforce. One of our vital objectives is the attainment of zero work-related sick leave. We are pleased to announce that throughout 2023 we have sustained an impeccable record of 0 % work-related sick leave.

This unwavering commitment to safety extends to our approach to work-related injuries. Safety occupies a prominent place on our agenda at Reach Subsea, and we diligently monitor our surroundings for any potential shifts that might increase risks. For instance, 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. This relates to a hand injury during mooring operation on a vessel. 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. By end of 2023, we have unfortunately gone above our target of maximum 8 % turnover rate. 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.

Our efforts continue to concentrate on refining our protocols to fully align with the stipulated expectations. Our annual audit program now includes a heightened emphasis on human rights, and the list of auditable items has been adjusted accordingly. Our teams have successfully completed and reported the audits in compliance with our refined structure.

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.

Beyond the aforementioned objectives, our dedication to cultivating a healthy and motivating work environment is reflected in a variety of supplementary endeavours. Building and sustaining such an environment demands a multifaceted approach, and we remain committed to consistently enhancing our efforts in this domain.

# Social

## Key Performance Indicators

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



Q4 = 0 %  
Full year 2023: 0 %

**Zero work related injuries (LTI)**



Q4 = 1  
Full year 2023 = 1  
A hand injury during mooring operation on a vessel. The employee has recovered well from the incident.

**Maintain turnover below 8 %**



Full year 2023: 10.7 %

## Scheduled activities

Q1	Q2	Q3	Q4
		Conduct 15 audits	
		Establish program for employee development	

# Governance



On the governmental front, we have outlined clear objectives to be achieved in the course of 2023.

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 Subsea employees. These courses are easily accessible through our ReachED training portal, and we provide monthly reports that offer detailed statistics and outcomes. 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 for 2023. A number of phishing simulations have been conducted with a strong failure rate decrease.

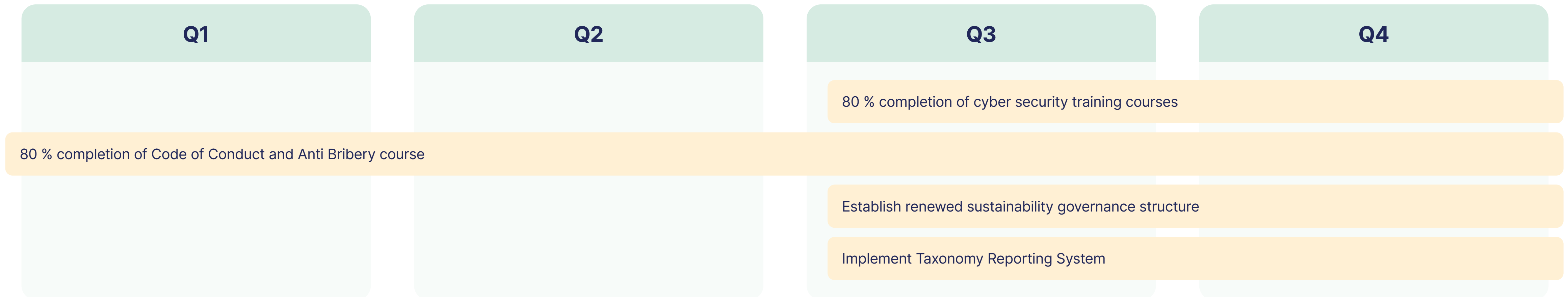
Similar initiatives have been implemented for the training modules covering code of conduct, anti-bribery policies and human rights available to all employees through our ReachED training portal.

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.

Furthermore, as we enter the latter half of 2023, our commitment remains steadfast in revitalizing and fortifying our sustainability governance framework. We are diligently preparing to meet the forthcoming requirements outlined in the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). We have established a new taskforce representing board members and managers in Reach Subsea and are well underway with conducting a thorough double material analysis.

# Governance

## Scheduled activities



# Spittal & Peterhead transmission connection

Reach Subsea 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.

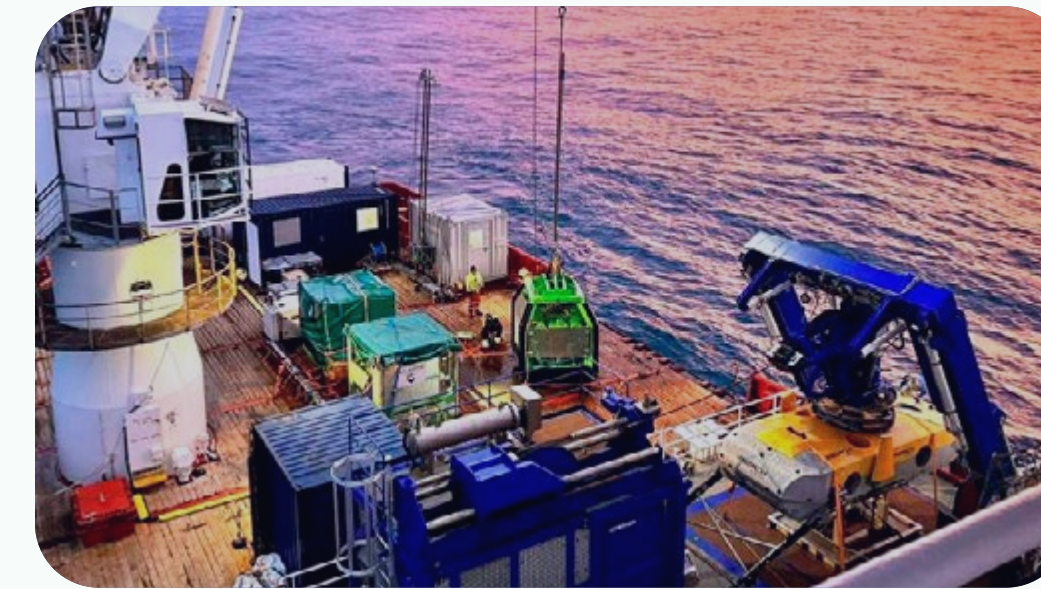
This link will enable the efficient high volume power transmission from generators in the far north of Scotland to the network at Peterhead.

Reach Subsea 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 Subsea 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 Subsea 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: Nearshore shallow draft survey boat & Offshore Viking Reach

Geotechnical Investigation: Nearshore Multi Cat & Offshore Viking Reach

## Client

Scottish & Southern Electricity Networks - SSEN Transmission

## Location

Spittal to Peterhead, Scotland

## Period

November 2023 - February 2024

## Water Depth

Nearshore: 0m - 20m

Offshore: 20m - 106m



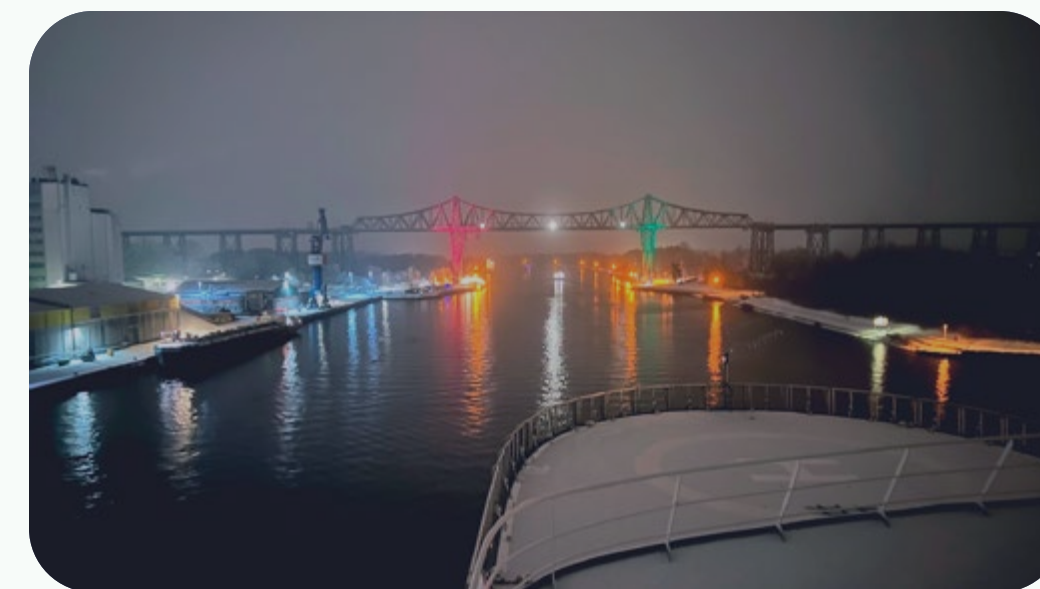
# Wind farm support at Hollandse Kust Noord and Baltic Eagle

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

# Income statement

Statement of profit or loss (NOK 1000)	Q4 2023	Q4 2022	12M 2023	12M 2022	Notes
Operating revenue	474 138	326 655	1 966 584	1 161 533	9
Other income/losses	-	758	29 319	1 287	3
<b>Revenue</b>	<b>474 138</b>	<b>327 413</b>	<b>1 995 903</b>	<b>1 162 821</b>	
Procurement expenses	(71 305)	(86 285)	(431 056)	(272 803)	
Personnel expenses	(111 311)	(79 210)	(348 794)	(251 031)	7
Other operating expenses	(79 343)	(42 021)	(261 262)	(180 200)	
<b>EBITDA</b>	<b>212 180</b>	<b>119 897</b>	<b>954 790</b>	<b>458 787</b>	
Depreciation and impairment	(132 658)	(85 249)	(623 005)	(353 532)	3, 10
<b>Operating result (EBIT)</b>	<b>79 522</b>	<b>34 648</b>	<b>331 786</b>	<b>105 255</b>	
Result from associated companies	7 859	-	16 714	-	12
Interest income	2 523	1 043	4 991	1 264	11
Interest expenses	(24 450)	(2 174)	(77 881)	(15 415)	10, 11
Other net financial items	15 712	(14 663)	13 925	6 918	11
<b>Profit (loss) before taxes</b>	<b>81 166</b>	<b>18 853</b>	<b>289 534</b>	<b>98 023</b>	
Taxes	(23 459)	(6 156)	(63 743)	(25 838)	8
<b>Profit (loss)</b>	<b>57 706</b>	<b>12 697</b>	<b>225 791</b>	<b>72 185</b>	
<b>Comprehensive income</b>					
Translation differences	(1 154)	(669)	(1 116)	(2 503)	
<b>Comprehensive income items</b>	<b>(1 154)</b>	<b>(669)</b>	<b>(1 116)</b>	<b>(2 503)</b>	
<b>Total comprehensive income</b>	<b>56 553</b>	<b>12 028</b>	<b>224 675</b>	<b>69 682</b>	
Earnings per share	0.21	0.05	0.89	0.35	
Diluted earnings per share	0.18	0.05	0.75	0.34	

# Balance Sheet

Statement of financial position (NOK 1000)	31.12.2023	31.12.2022	Notes
<b>Non-current assets</b>			
Goodwill	109 590	86 723	4
Deferred tax assets	-	24 915	8
Intangible assets	30 769	10 623	4
Investment in associated companies	113 452	-	12
Assets under construction	266 658	150 499	3
Property, plant and equipment	183 279	85 010	3
Right-of-use assets	1 163 222	90 258	3, 10
<b>Total non-current assets</b>	<b>1 866 970</b>	<b>448 030</b>	
<b>Current assets</b>			
Bunkers	28 418	9 884	
Trade receivables	149 209	216 328	
Other receivables	211 612	86 252	
Cash and cash equivalents	436 423	191 591	
<b>Total current assets</b>	<b>825 662</b>	<b>504 055</b>	
<b>Total assets</b>	<b>2 692 632</b>	<b>952 085</b>	

# Balance Sheet

Statement of financial position (NOK 1000)	31.12.2023	31.12.2022	Notes
<b>Equity</b>			
Share capital	271 769	225 726	6
Share premium	388 273	267 345	
Proposed dividends	-	45 981	
Other equity	267 963	40 390	7
<b>Total equity</b>	<b>928 005</b>	<b>579 442</b>	
<b>Non-current liabilities</b>			
Interest-bearing debt to credit institutions	57 418	4 932	5, 10
Interest-bearing debt leases	805 931	4 310	5, 10
Deferred tax liabilities	10 567	-	8
<b>Total non-current liabilities</b>	<b>873 916</b>	<b>9 242</b>	
<b>Current liabilities</b>			
Interest-bearing debt to credit institutions short term	10 176	23 086	5, 10
Interest-bearing debt leases	386 036	98 660	5, 10
Tax payable	45 776	7 853	8
Trade payables	205 773	102 430	
Other current liabilities	242 951	131 372	
<b>Total current liabilities</b>	<b>890 710</b>	<b>363 401</b>	
<b>Total liabilities</b>	<b>1 764 627</b>	<b>372 643</b>	
<b>Total equity and liabilities</b>	<b>2 692 632</b>	<b>952 085</b>	

# Cashflow

Statement of cash flow (NOK 1000)	Q4 2023	Q4 2022	12M 2023	12M 2022	Notes
<b>Cash flow from operating activities</b>					
Profit before tax	81 166	18 853	289 534	98 023	
Paid taxes	(8 808)	-	(8 808)	-	
Depreciation and amortisation	132 658	85 249	623 005	353 532	
Gain/loss on assets sold	-	-	(29 843)	-	
Interest income	(2 523)	(1 043)	(4 991)	(1 264)	
Interest expense	24 450	2 174	77 881	15 415	
Change in trade debtors	419 279	63 005	84 972	(39 877)	
Change in trade creditors	(16 499)	(34 403)	27 038	31 454	
Change in other provisions	(84 306)	1 913	(108 957)	7 792	
IFRS 2 share-based payments	2 222	51	2 897	1 235	
<b>Net cash flow from operating activities</b>	<b>547 639</b>	<b>135 799</b>	<b>952 728</b>	<b>466 309</b>	
<b>Cash flow from investing activities</b>					
Acquired cash balance from consolidation of Guardian Geomatics	27 652	-	27 652	-	14
Acquired cash balance from consolidation of iSurvey Group AS	-	-	-	6 132	
Sale of fixed assets	-	-	31 384	-	
Purchase of fixed assets	(84 133)	(81 534)	(202 708)	(167 805)	
Purchase of shares in associated companies	-	-	(64 721)	-	
Purchase of shares in subsidiary	-	-	-	(43 029)	
<b>Net cash flow from investing activities</b>	<b>(56 481)</b>	<b>(81 534)</b>	<b>(208 392)</b>	<b>(204 702)</b>	
<b>Cash flow from financing activities</b>					
Net interest received/paid	1 490	861	2 001	(1 061)	
Proceeds from issuance of ordinary shares	2 244	1 841	123 040	152 270	
Proceeds from bank loan	-	-	27 500	-	
Payment of dividends	-	-	(45 981)	(40 484)	
Repayment of borrowings	(2 238)	384	(23 300)	(13 448)	
Repayment of leases (including interests)	(175 582)	(81 495)	(571 042)	(311 813)	
<b>Net cash flow from financing activities</b>	<b>(174 086)</b>	<b>(78 409)</b>	<b>(487 781)</b>	<b>(214 537)</b>	
<b>Net change in cash and cash equivalents</b>	<b>317 072</b>	<b>(24 144)</b>	<b>256 556</b>	<b>47 070</b>	
Cash and cash equivalents in the start of the period	136 565	225 447	191 591	149 035	
Translation differences	(17 214)	(9 711)	(11 723)	(4 514)	
<b>Cash and cash equivalents in the end of the period</b>	<b>436 423</b>	<b>191 591</b>	<b>436 423</b>	<b>191 591</b>	

# Equity

(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					225 791	225 791
Other comprehensive income for the year					(1 116)	(1 116)
<b>Total comprehensive income for the year</b>					<b>224 675</b>	<b>224 675</b>
Proceeds from shares issued	46 043	154 928				200 971
IFRS 2 adjustments Guardian acquisition		(24 444)				(24 444)
Other PPA adjustments Guardian		(9 555)				(9 555)
Dividends paid			(45 981)			(45 981)
Proposed dividends						-
IFRS 2 share-based payments				2 897		2 897
<b>Equity 31 December 2023</b>	<b>271 769</b>	<b>388 273</b>	<b>-</b>	<b>10 790</b>	<b>257 173</b>	<b>928 005</b>

# 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](http://www.newsweb.no)) or the company's webpage ([www.reachsubsea.com](http://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	
Fixed assets (NOK 1000)	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
Purchase cost 01.01.23	150 499	158 521	113 884	78 947	385 800	887 651
Additions	147 276	28 460	11 250	63 266	1 656 194	1 906 447
Additions from business combination (note 14)				36 857	517	37 374
Reclassifications*	(31 118)	-		(968)		(32 086)
Disposals/adjusted commitment		-	-	(22 244)	(2 094)	(24 338)
<b>Purchase cost 31.12.23</b>	<b>266 657</b>	<b>186 981</b>	<b>125 134</b>	<b>155 858</b>	<b>2 040 417</b>	<b>2 775 048</b>
Accumulated depreciation 31.12.23	-	(142 802)	(108 816)	(33 130)	(877 195)	(1 161 943)
Accumulated impairment 31.12.23		-	-	-	-	-
<b>Net book value 31.12.23</b>	<b>266 657</b>	<b>44 179</b>	<b>16 318</b>	<b>122 782</b>	<b>1 163 222</b>	<b>1 613 159</b>
Depreciation in 2023	-	(12 709)	(2 877)	(23 421)	(581 645)	(620 652)
Depreciation recognised as contract asset in 2023					-	-
Impairment in 2023	-	-	-	-	-	-
Expected useful life (years)		3-8	3-8	3-5	1-3	
Depreciation plan	Ongoing projects	Linear	Linear	Linear	Linear	

During 2Q 2023 the group has sold various assets resulting in a gain of approximately 29.8 million. The gain was booked in 2Q 2023 and 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. 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 associated companies" in the balance sheet as of December 31 2023. Costs related to financing of Reach Remote has been reclassified as non-current bank borrowings with the amount of NOK 2.8 million.



# Notes

## Note 3 - Fixed assets

Assets under construction can be divided into the following categories:

Reach Remote	212 878
Tax deduction scheme Reach Remote-project (SkatteFUNN)	(4 750)
Minor capex-projects and mobilizations	58 530
<b>Net book value 31.12.23</b>	<b>266 657</b>

### 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 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.

### 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 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. See 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 %	18 528
20 %	33 656
30 %	114 645

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

# Notes

## 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	-	-	-
Additions from business combination (note 14)		22 000	
Disposals/adjustments	499	-	499
<b>Purchase cost 31.12.23</b>	<b>2 372</b>	<b>32 000</b>	<b>34 372</b>
Accumulated depreciation 31.12.23	(228)	(3 375)	(3 603)
<b>Net book value 31.12.23</b>	<b>2 144</b>	<b>28 625</b>	<b>30 769</b>
<b>Depreciation in 2023</b>	<b>(228)</b>	<b>(2 125)</b>	<b>(2 353)</b>
<b>Depreciation plan</b>	<b>Linear</b>	<b>Linear</b>	
<b>Estimated useful life</b>	<b>5-10 years</b>	<b>6 years</b>	

Research and development are related to development of software/equipment related to the company's ASUMO project. As of December 31 2023 Monviro 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. Customer relationships and goodwill is related to the acquisition of iSurvey Group in March 2022 and Guardian Geomatics in November 2023. Refer to the 2022 annual report for further information regarding the iSurvey transaction, and note 14 regarding the Guardian transaction.

Goodwill (NOK 1000)	Goodwill
Purchase cost 01.01.23	86 723
Additions	-
Additions from business combination (note 14)	22 866
Disposals/adjustments	
<b>Purchase cost 31.12.23</b>	<b>109 589</b>
Accumulated amortization 31.12.23	-
<b>Net book value 31.12.23</b>	<b>109 589</b>
<b>Amortization in 2023</b>	<b>-</b>
<b>Amortization method</b>	
<b>Estimated useful life</b>	<b>Indefinite</b>

# Notes

## Note 5 - Borrowings

(NOK 1000)	31.12.2023	31.12.2022
<b>Non-current liabilities</b>		
Bank borrowings (including capitalized loan costs)	24 623	4 932
Lease liabilities to credit institutions	32 795	-
Other non-current lease liabilities (IFRS 16)	805 931	4 310
<b>Total non-current borrowings</b>	<b>863 350</b>	<b>9 242</b>
<b>Current borrowings</b>		
Bank borrowings (including capitalized loan costs)	5 817	21 811
Lease liabilities to credit institutions	4 358	1 275
Other current lease liabilities (IFRS 16)	386 036	98 660
<b>Total current interest-bearing debts</b>	<b>396 211</b>	<b>121 746</b>
<b>Carrying amount</b>		
Bank borrowings	30 441	26 743
Lease liabilities	1 229 120	104 245
<b>Total carrying amount</b>	<b>1 259 561</b>	<b>130 988</b>
<b>Fair value</b>		
Bank borrowings	30 441	26 743
Lease liabilities	1 229 120	104 245
<b>Total fair value</b>	<b>1 259 561</b>	<b>130 988</b>

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 6.6, and Booked equity NOK 928 million/35 %. 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) of NOK 30.4 million (2022: NOK 26.7 million). Bank borrowings are secured by equipment and receivables of the group.

# Notes

## Note 6 - Shareholders

20 largest shareholders as per 31.12.23	Shares	Stake
WILHELMSSEN 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 %
<b>Total 20 largest</b>	<b>203 823 774</b>	<b>75.0 %</b>
Others	67 945 471	25.0 %
<b>Total</b>	<b>271 769 245</b>	<b>100.0 %</b>

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, 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 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 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.

On October 6 2023 Reach Subsea announced the acquisition of 100 % of the shares in the Australian marine survey company Guardian Geomatics PTY. LTD. The transaction was settled through the issuance of 15,469,682 shares in Reach, valued at NOK 5.02 per share, and AUD 5.86 million in cash to be paid in one year after the closing date. The transaction was completed on November 15 2023. Refer to note 14 for further details.

# Notes

## 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 15.12.2021. 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 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 4Q2023 the Company has recognized NOK 0.8 million in cost related to the options.

# Notes

## Note 8 - Tax

(NOK 1000)	01.10 - 31.12 2023	01.10 - 31.12 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
Taxes payable	15 532	7 594	42 261	9 344
Changes in deferred taxes	7 927	(1 442)	21 482	16 490
<b>Taxes, in total</b>	<b>23 459</b>	<b>6 156</b>	<b>63 743</b>	<b>25 838</b>
<b>Deferred taxes / (Deferred tax assets)</b>				
<b>Temporary differences</b>	<b>31.12.2023</b>	<b>31.12.2022</b>		
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	0	(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		

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 is 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 14 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.

# Notes

## Note 8 - Tax continued

(NOK 1000)	01.10 - 31.12 2023	01.10 - 31.12 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
<b>Reconciliation from nominal to actual tax rate</b>				
Profit & loss before taxes	81 166	18 853	289 534	98 023
Nominal tax rate	22 %	22 %	22 %	22 %
Anticipated income tax due to nominal tax rate	17 856	4 148	63 698	21 565
Actual tax cost	23 459	6 156	63 743	25 838
Deviation	5 603	2 007	46	4 272
Tax effects of:				
Permanent differences	(2 446)	3 773	104	(126)
Effect of tax rates outside Norway different from 22 %	(1 157)	(5 879)	(270)	(2 852)
Changes in deferred tax assets not recognized	(1 999)	98	120	(1 294)
<b>Explanation</b>	<b>(5 603)</b>	<b>(2 007)</b>	<b>(46)</b>	<b>(4 272)</b>
Effective tax rate	29 %	33 %	22 %	26 %
<b>Payable taxes in the balance sheet</b>	<b>31.12.2023</b>	<b>31.12.2022</b>		
Payable taxes in the tax charge	(42 261)	(9 344)		
Advances paid on tax charge	1 056	1 491		
<b>Tax payable previous years</b>	-	-		
Tax payable from business combinations (note 14)	(4 570)	-		
<b>Payable taxes in the balance sheet</b>	<b>(45 776)</b>	<b>(7 853)</b>		

# Notes

## Note 9 - Segments

(NOK 1000)	01.10 - 31.12 2023	01.10 - 31.12 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
<b>Operating revenue</b>				
Oil & Gas	285 322	292 047	1 332 996	953 755
Renewable / other	188 816	34 609	633 588	207 778
<b>Total</b>	<b>474 138</b>	<b>326 655</b>	<b>1 966 584</b>	<b>1 161 533</b>
(NOK 1000)	01.10 - 31.12 2023	01.10 - 31.12 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
<b>Revenue by region</b>				
Norway	69 109	90 741	316 820	368 774
Europe	211 972	131 905	740 578	434 230
Americas	126 266	85 130	332 837	212 173
Other	66 790	18 879	576 349	146 355
<b>Total</b>	<b>474 138</b>	<b>326 655</b>	<b>1 966 584</b>	<b>1 161 533</b>
(NOK 1000)	01.10 - 31.12 2023	01.10 - 31.12 2022	01.01 - 31.12 2023	01.01 - 31.12 2022
<b>Revenue by type of service</b>				
Data	151 237	226 057	406 336	734 915
Solutions	322 900	100 599	1 560 248	426 618
<b>Total</b>	<b>474 138</b>	<b>326 655</b>	<b>1 966 584</b>	<b>1 161 533</b>

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.



# Notes

## 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 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 %.

The following have been recongized in 2023:

Right-of-use assets	31.12.2023	31.12.2022
Property plant and equipment	1 163 222	90 258
<b>Total</b>	<b>1 163 222</b>	<b>90 258</b>

Lease liabilities	31.12.2023	31.12.2022
Current	386 036	98 660
Non current	805 931	4 310
<b>Total</b>	<b>1 191 967</b>	<b>102 970</b>

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

	Q4 2023	Q4 2022	12M 2023	12M 2022
Depreciation charge of right-of use assets	118 296	72 927	581 645	306 795
Depreciation recognised as contract asset	1 275	-	-	-
Impairment charge of right-of-use assets	-	-	-	-
Interest expense	23 417	1 992	74 892	13 090
<b>Total charges to the P&amp;L</b>	<b>141 713</b>	<b>74 919</b>	<b>656 537</b>	<b>319 885</b>

The total cash outflow for leases in 4Q2023 was NOK 175.6 million (4Q2022:81.5 million).

# Notes

## 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	1 656 186	-	1 656 186
Additions from business combination (note 14)	517		545
Disposals	-	-	-
Depreciation of right-of-use-assets	(581 645)	-	-
Impairment	-	-	-
Interests	-	-	74 892
Reclassification from long to short term	-	803 715	(803 715)
Adjusted commitment	(2 094)	(2 094)	-
Currency adjustment	-	-	(12 685)
Payments	-	-	(627 846)
<b>Ending balance 31.12.2023</b>	<b>1 163 222</b>	<b>805 931</b>	<b>386 036</b>

Reconciliation of depreciation	Q4 2023	Q4 2022	12M 2023	12M 2022
Depreciation of long term right-of-use assets	95 742	55 894	429 015	254 580
Depreciation of short term right-of-use assets	22 554	17 033	152 630	52 215
Depreciation recognised as contract asset	1 275	-	-	-
Depreciation of other assets	13 086	12 322	41 360	46 737
<b>Total depreciation</b>	<b>132 658</b>	<b>85 249</b>	<b>623 005</b>	<b>353 532</b>

The right-of-use assets are calculated based on a discounted estimated commitment on vessels (Havila Subsea, Olympic Triton, Viking Reach, Go Electra, Deep Cygnus, 2xROVs) and offices. Other short term hired in vessels are treated as short term leases under IFRS 16 and are also recognised as depreciations.

# Notes

## Note 11 - Financial items

Finance income and expenses	Q4 2023	Q4 2022	12M 2023	12M 2022
Interest income on short term bank deposits	2 523	1 043	4 991	1 264
<b>Total interest income</b>	<b>2 523</b>	<b>1 043</b>	<b>4 991</b>	<b>1 264</b>
Interest expense on bank borrowings	(660)	(166)	(2 617)	(2 309)
IFRS 16 interest expense	(23 417)	(1 992)	(74 892)	(13 090)
Other interest expense	(373)	(16)	(373)	(16)
<b>Total interest expense</b>	<b>(24 450)</b>	<b>(2 174)</b>	<b>(77 881)</b>	<b>(15 415)</b>
Net foreign exchange expense/income	(2 763)	(14 671)	1 885	7 131
Currency adjustment related to IFRS 16	18 636	20	12 616	(55)
Other finance costs	(165)	(12)	(580)	(158)
<b>Total other net financial items</b>	<b>15 708</b>	<b>(14 663)</b>	<b>13 922</b>	<b>6 918</b>
<b>Net financial items</b>	<b>(6 215)</b>	<b>(15 794)</b>	<b>(58 965)</b>	<b>(7 232)</b>

# Notes

## Note 12 - 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 14 for further information. The investments are accounted for using the equity method:

<b>Reconciliation and specification of carrying amount of investment in associates:</b>	<b>31.12.2023</b>
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 14), Guardian Geomatics Arabia Limited	1 129
Translation differences Guardian Geomatics Arabia Limited	(23)
Share of net result in investment, Eidesvik Reach AS	16 714
<b>Total carrying amount of investments in associates at balance date</b>	<b>113 452</b>
<b>Specification of net result from investment in associates recognised in the income statement:</b>	
Share of net result in investment, Eidesvik Reach AS	16 714
<b>Net result from investments in associates</b>	<b>16 714</b>

# Notes

## Note 13 - Commitments

The Reach Remote project is expected to amount to approximately NOK 400 million. As of December 31 the company has capitalized NOK 208.1 million as Asset under construction. In addition, the company has financed two eROVs through leasing. As of December 31 the ROVs are under construction, and costs not recognised related to the ROVs amounts to NOK 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 capacity at competitive terms as well as technology development and equipment upgrades. After quarter 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 capex projects is expected to amount to approximately NOK 170 million. Reach has secured bank and lease financing to partly fund these investments.

# Notes

## Note 14 - Business combinations

### Aquisition of Guardian Geomatics Ply Ltd

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 price allocation 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 acquisition have been estimated as follows:

Adjustments on the purchase price (NOK 1000)	
Agreed purchase price before adjustments	119 430
1) Agreed bad leaver clause (IFRS 2 treatment)	(24 440)
2) Discounted cash consideration due in November 2024	(2 900)
3) Valuation consideration shares at closing date, 15.11.2023	(9 560)
<b>Adjusted total consideration</b>	<b>82 530</b>

Purchase price allocation (NOK 1000)	
Investment in associated 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
<b>Total assets</b>	<b>117 909</b>
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
<b>Total liabilities</b>	<b>58 246</b>
Total identifiable net assets at fair value	59 664
Total consideration	82 530
<b>Goodwill</b>	<b>22 866</b>

# Notes

## Note 14 - Business combinations cont.

### Summary

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

### Acquired receivables

The fair value of the acquired trade receivables equals the book value of receivables 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 and NOK 227 million respectively. Note that NOK 16.1 million of the estimated costs are related to IFRS 2 share based payments that occurs as a consequence of the transaction.

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 2023, together with the consequential tax effects.

## Note 15 - Events after quarter end

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 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, with the potential for extension up to an additional 2+2 years.

Refer to press releases sent via Newsweb for further information.

# Notes



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