

Q4 2023

Everything within Reach

Presentation

Quarterly Consolidated Report

Sustainable access to ocean space



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14 February 2024

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Reach Subsea moved to the next level

NOK 1 996 million

Revenue 2023

+72% Y/Y

NOK 331.8 million

EBIT 2023

+216% Y/Y

NOK 1 200 million

Order backlog

+62% Y/Y

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.

Complete provider of subsea services

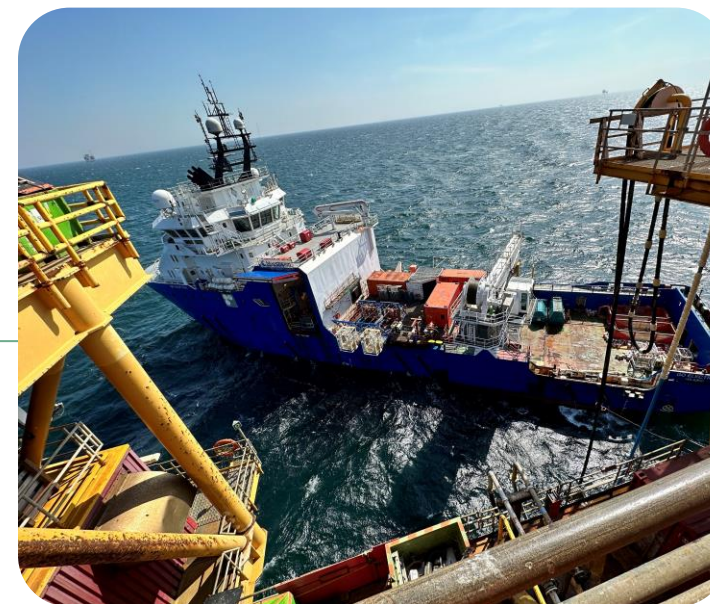
IMR, ROV, survey, construction support and decommissioning services within the renewable and oil and gas industry



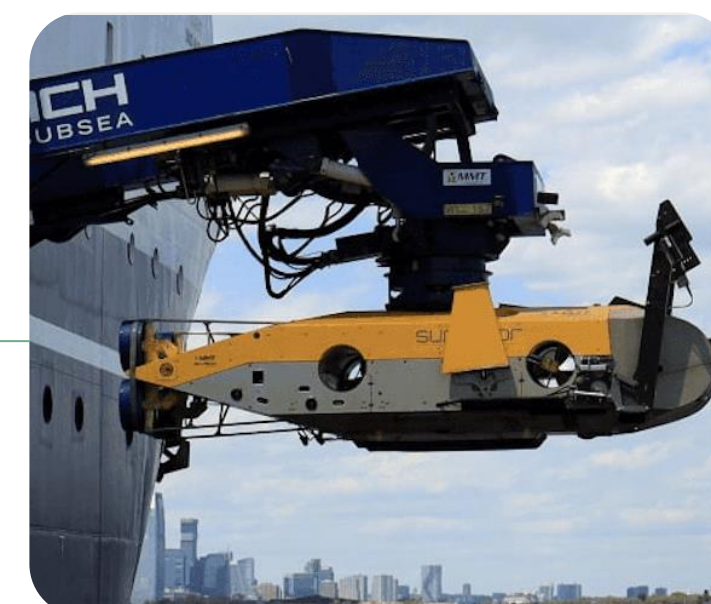
Engineering & Project Management



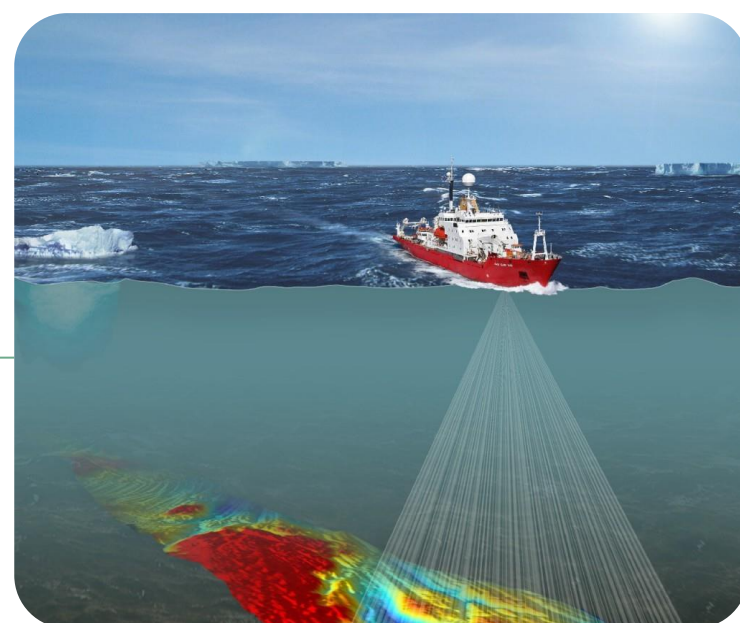
Construction Support



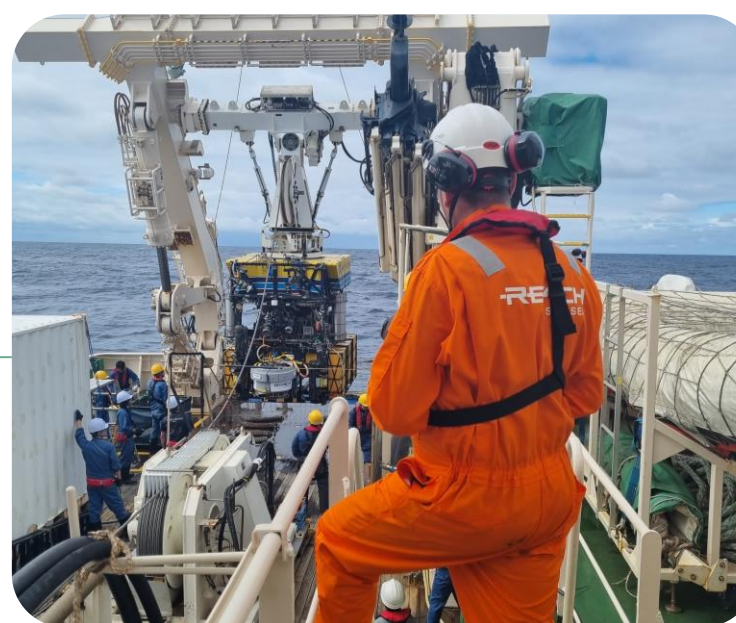
Inspection, maintenance & repair



Asset integrity/Pipeline inspection



Survey & data processing



Geophysical & Environmental Monitoring

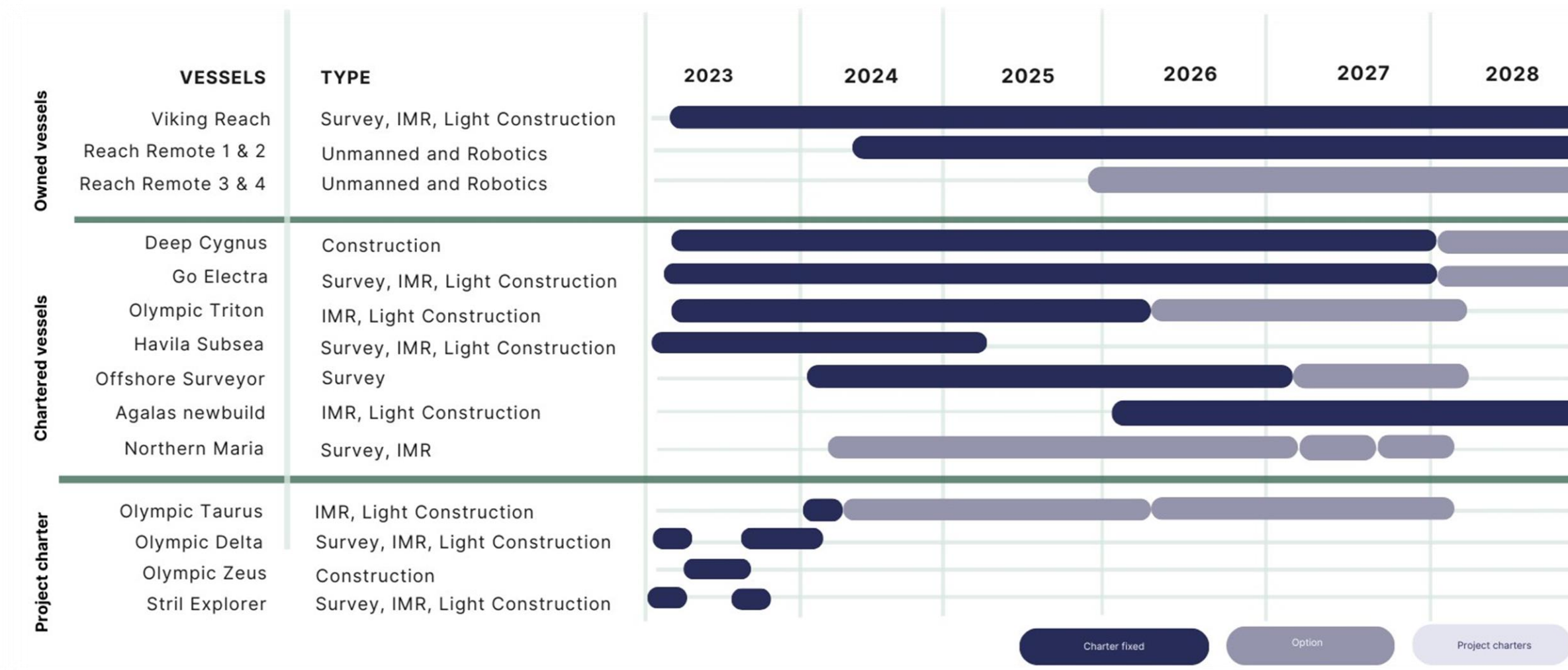


Gas reservoir/CCS Management

Serving strong customer base across sectors



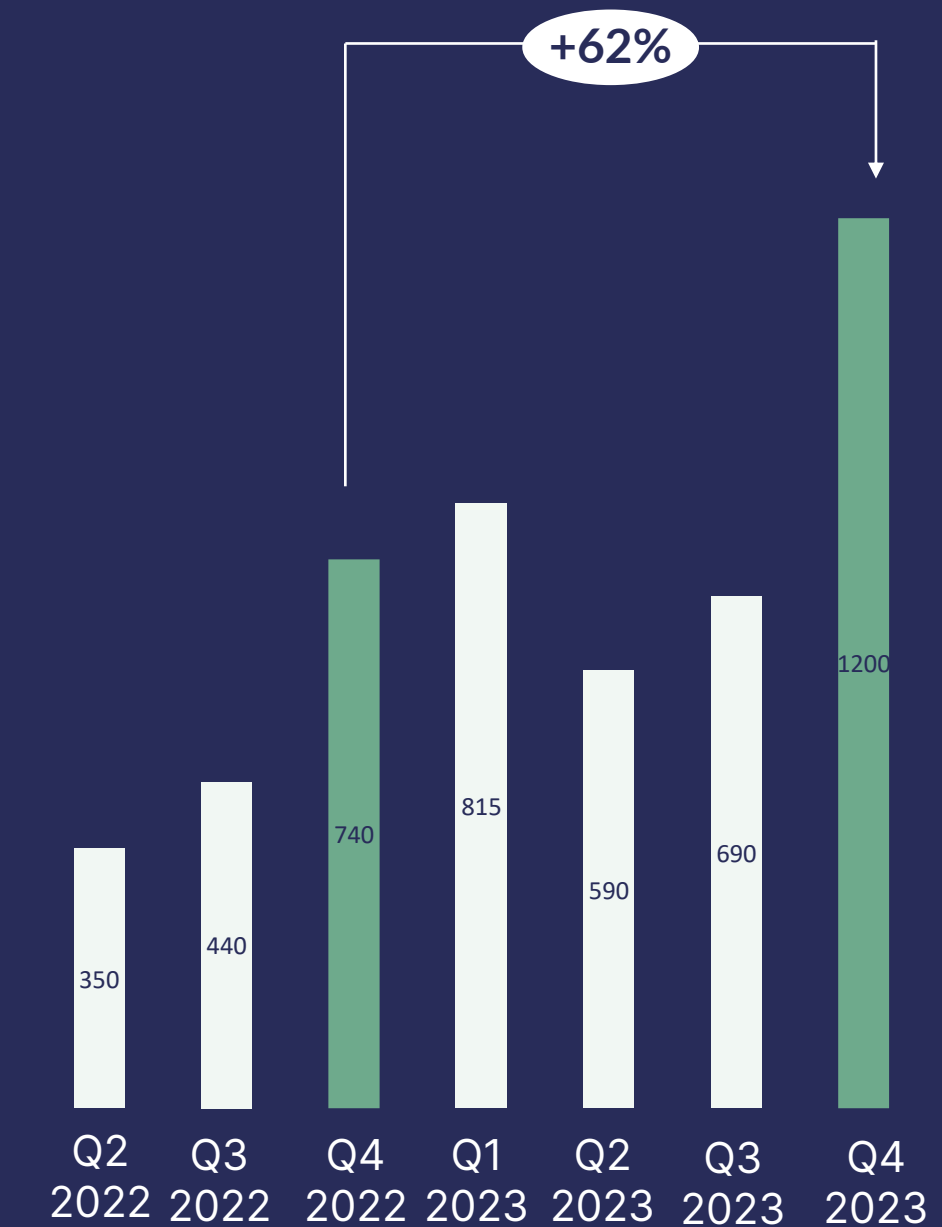
Vessel capacity for long-term growth



Outstanding tender volume NOK 8 billion

Strong order backlog in start of 2024*

*Does not include options and expected call-off extensions under frame agreements



Reach Remote will be sailing in the summer of 2024



Reach Remote leveraging global expansion

The three organic growth levers



Grow number of spreads

Currently operating 6 Long Term subsea spreads, plus Short-Term project spreads

Could increase further to strengthen offering in key regions



Increase service scope on spreads

Roughly half of spreads currently serving clients with near full scope

Substantial business potential from bringing remaining spreads to full scope

Introducing new technology and methods



Roll out Reach Remote

Offer clients same service at lower cost, lower HSE risk, and at low/no carbon footprint

First two units in 2024, with option for eight more

Expand global service offering based on unmanned operations



Attractive market outlook that support growth strategies

Financials

Financials



Q4 2023 Highlights

- Strong Q4 quarter leveraged by global operations
- 2023 revenue at NOK 1.996 billion
- NOK 0.36 dividend proposed for 2023
- Order backlog increased to NOK 1.2 billion



Revenue
NOK 474 million (NOK 327 million), +45 %



EBIT
NOK 80 million (NOK 35 million), +130 %



Pre-tax profit
NOK 81 million (NOK 19 million), +331 %



Cash and cash equivalents
NOK 436 million (NOK 192 million)

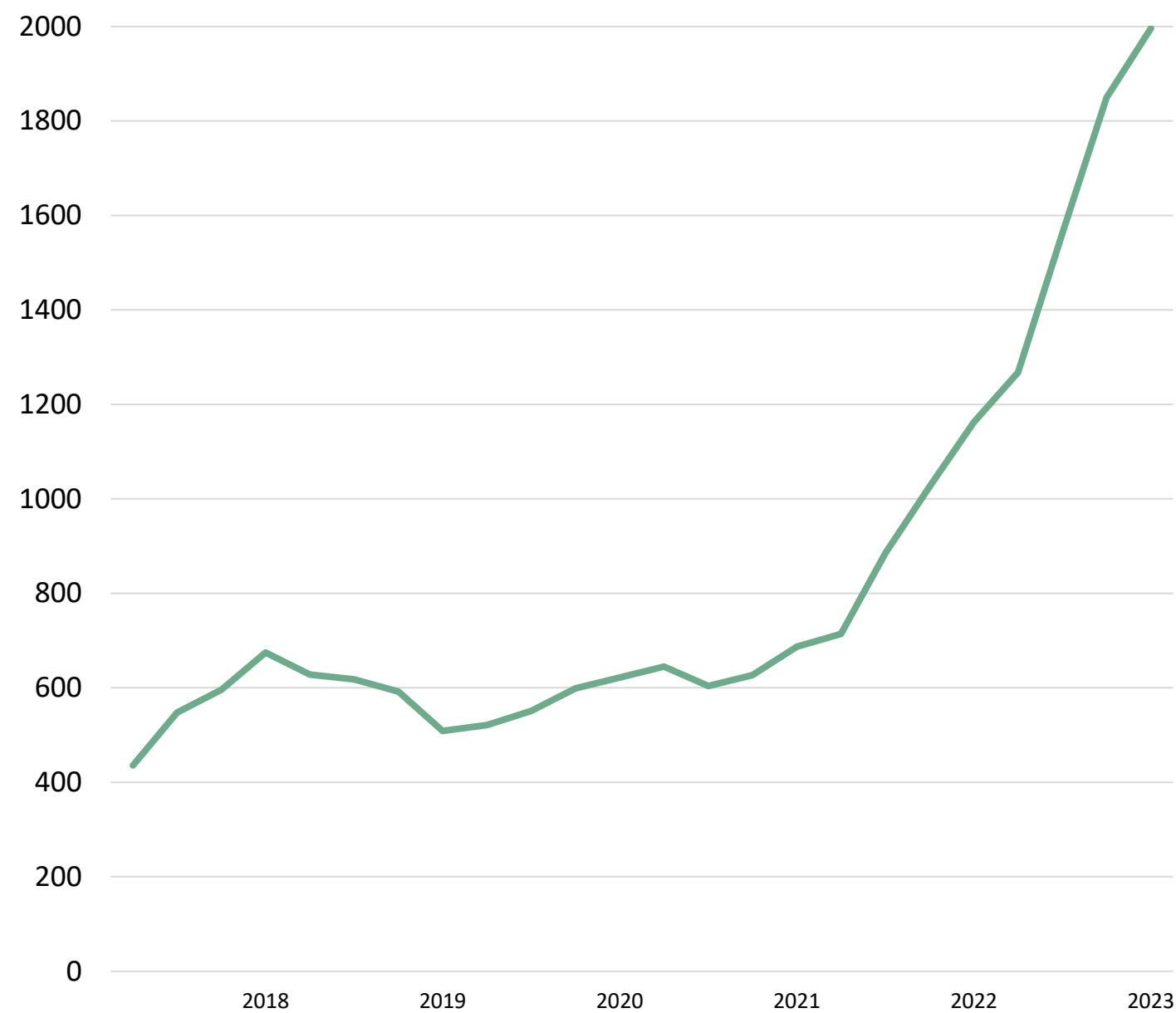


Cash positive position; net interest-bearing debt, excl IFRS 16 leases
negative NOK 369 million (negative NOK 163 million)

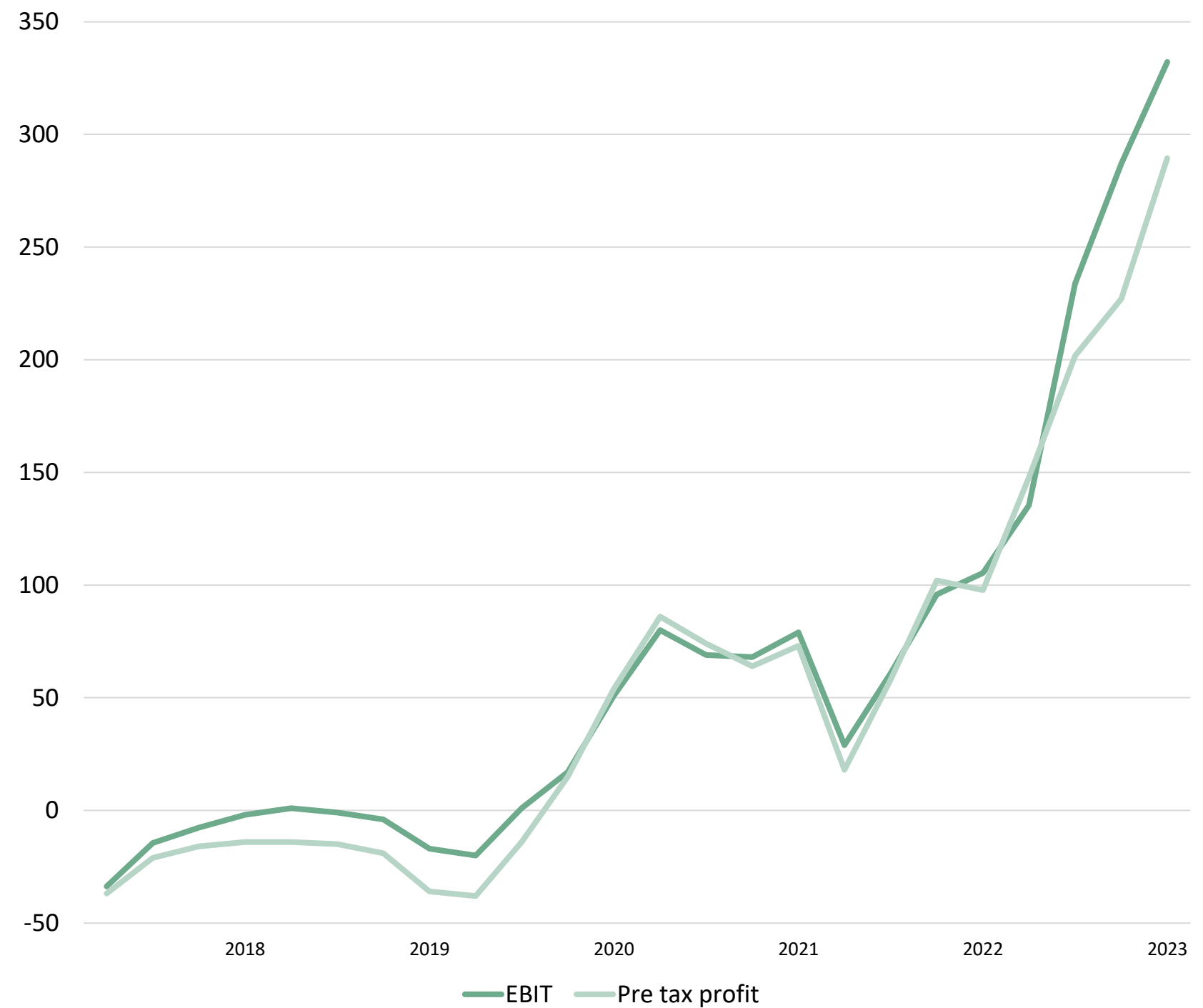
Revenue and profits raised to record levels

Revenue increased 191 percent* last 24 months

Annual Revenue (MNOK)

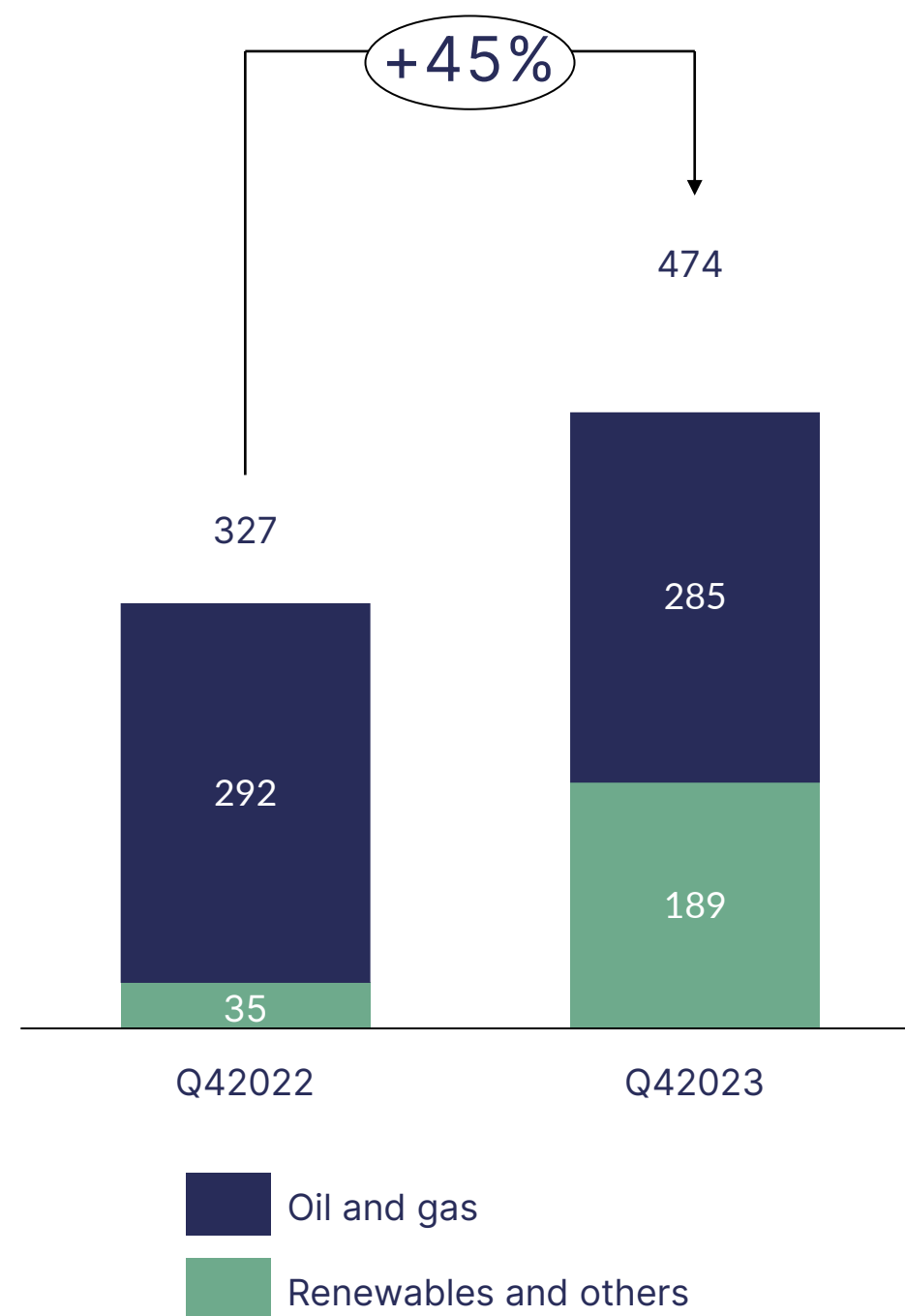


Annual EBIT and Pre-tax profit (MNOK)

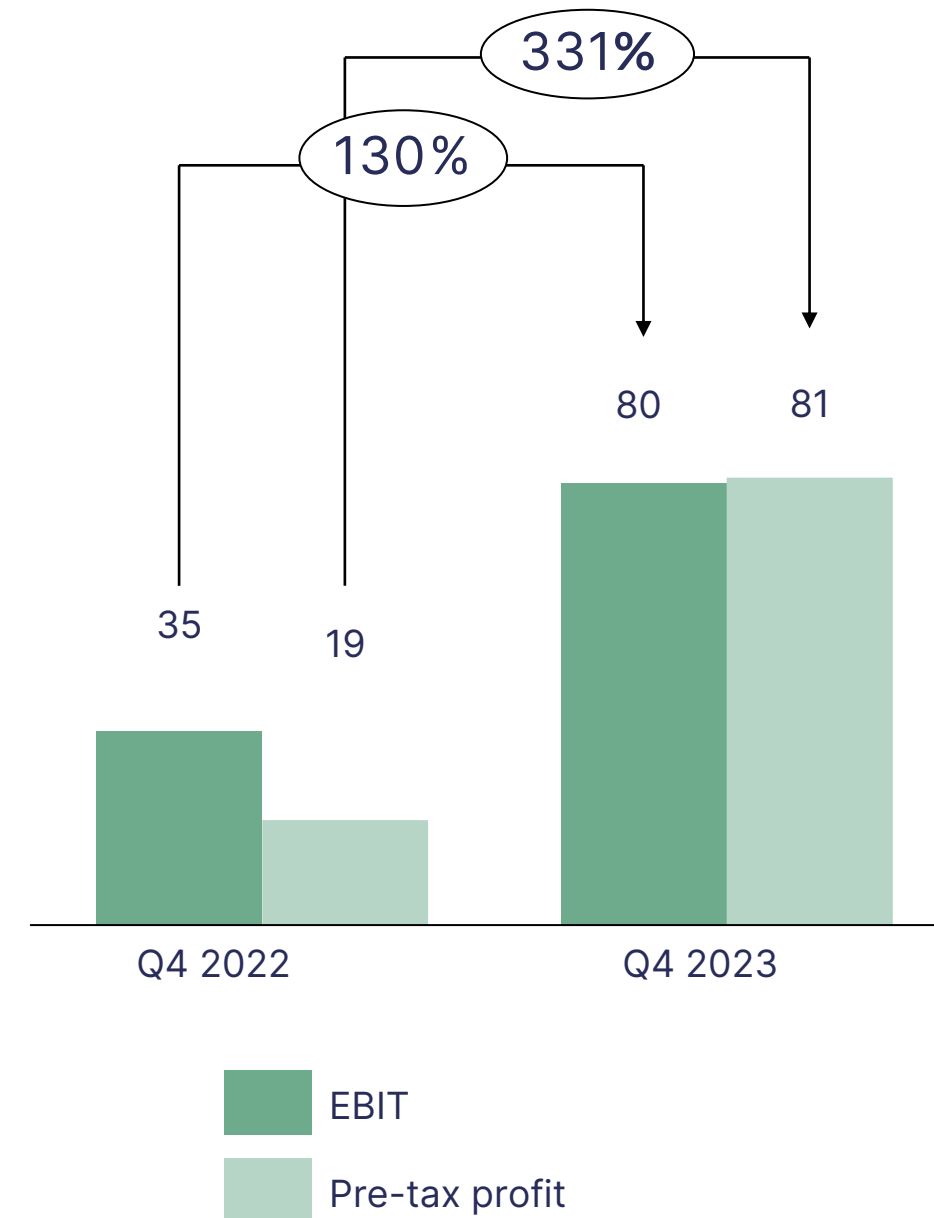


Q4 2023 Key developments

Revenue mix Q4 2023



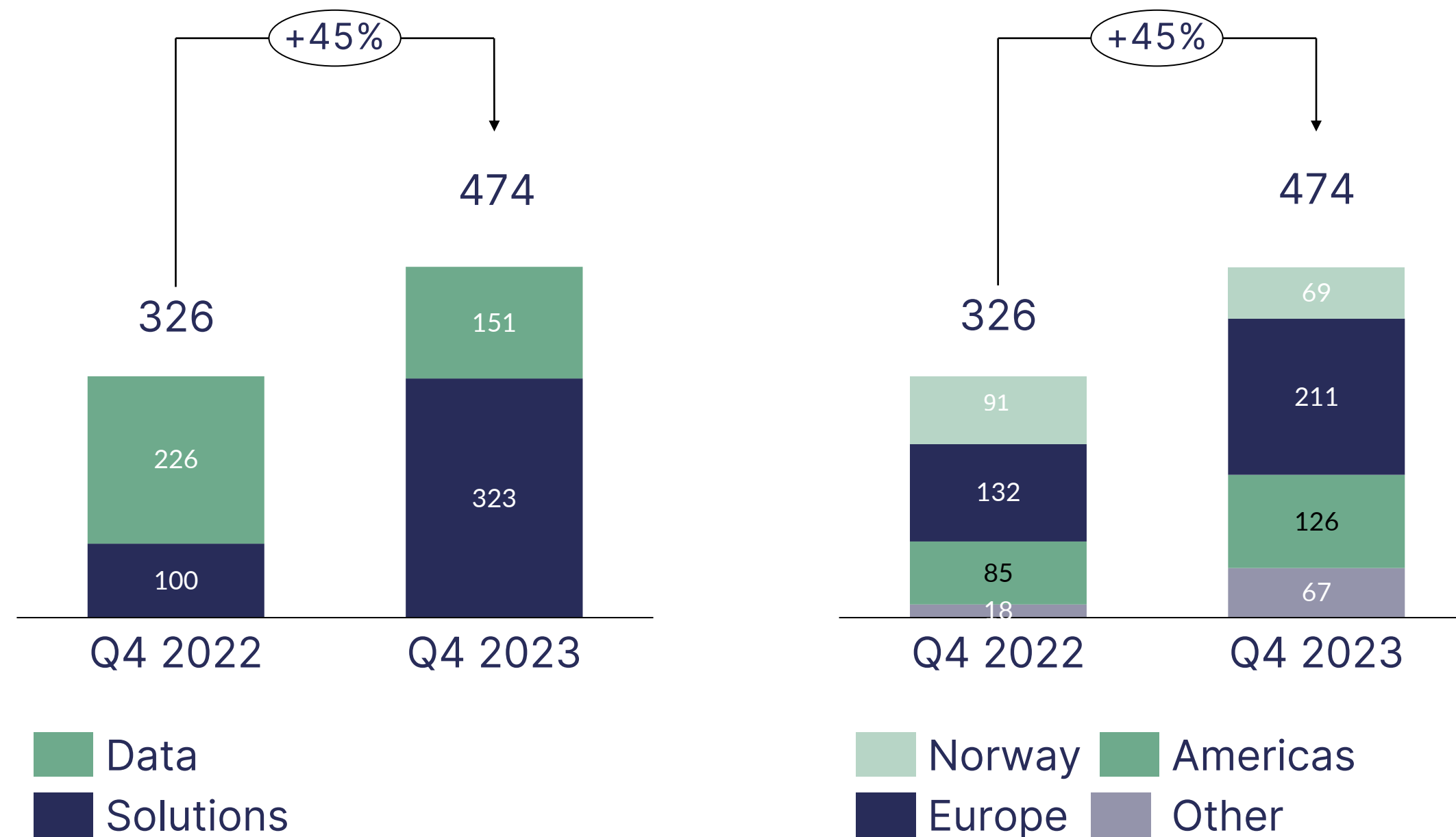
Improved activity and profit



- 45 percent revenue increase for the quarter driven by
 - Increased number of project days
 - Higher pricing
 - Integrated, full service scope
- Improved EBIT driven by higher pricing, strong project execution and almost full vessel utilisation
- Solid growth in both oil & gas sector and renewables

International expansion continues

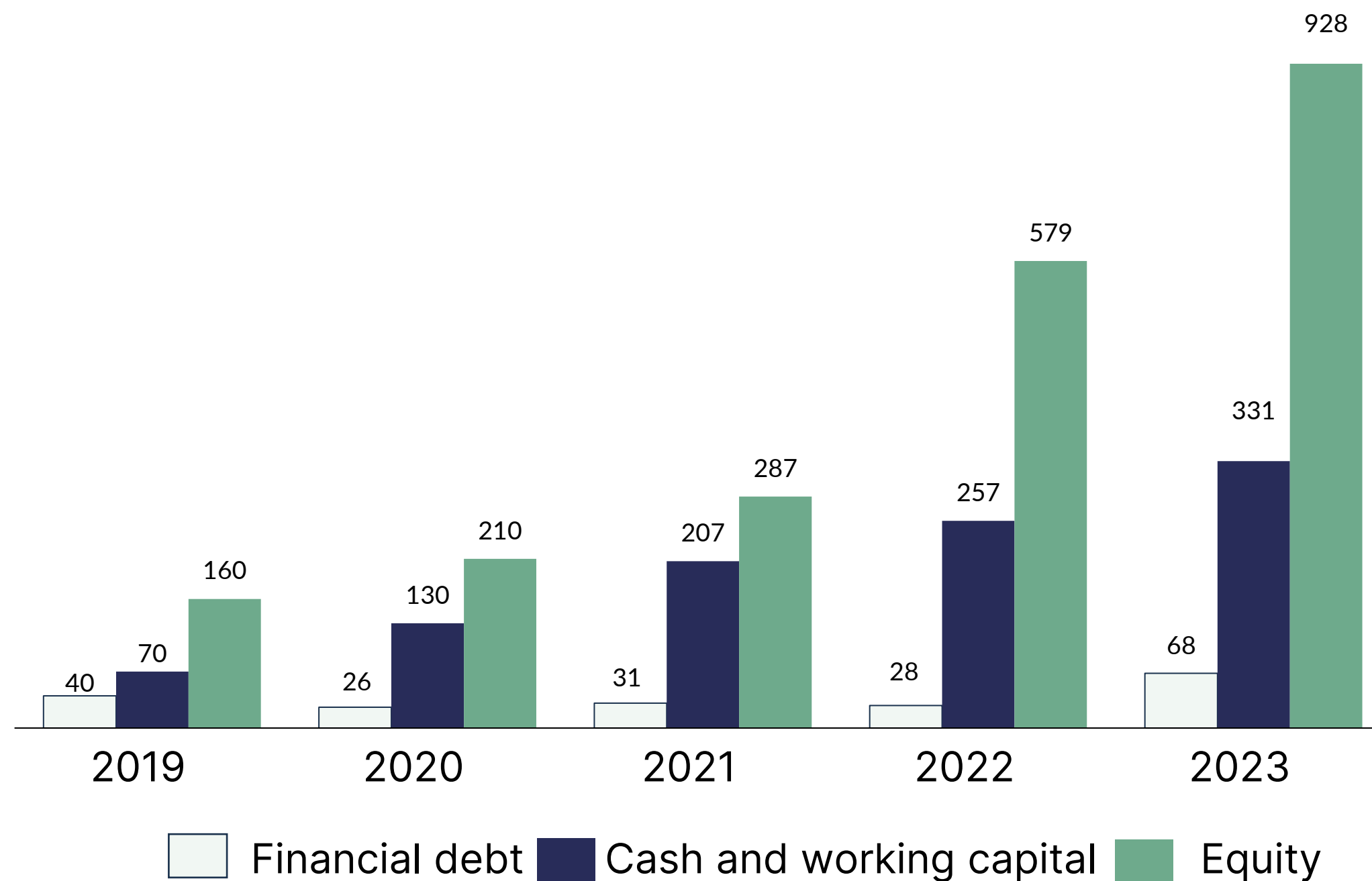
Revenue mix by segment (MNOK)



- Increased activity in "solutions" driven by projects in walk to work, IMR and light construction
- Strategic focus on broadening our international footprint continues – expanding to Australia
- High activity in Europe and Americas (Brazil)

Positioned for growth

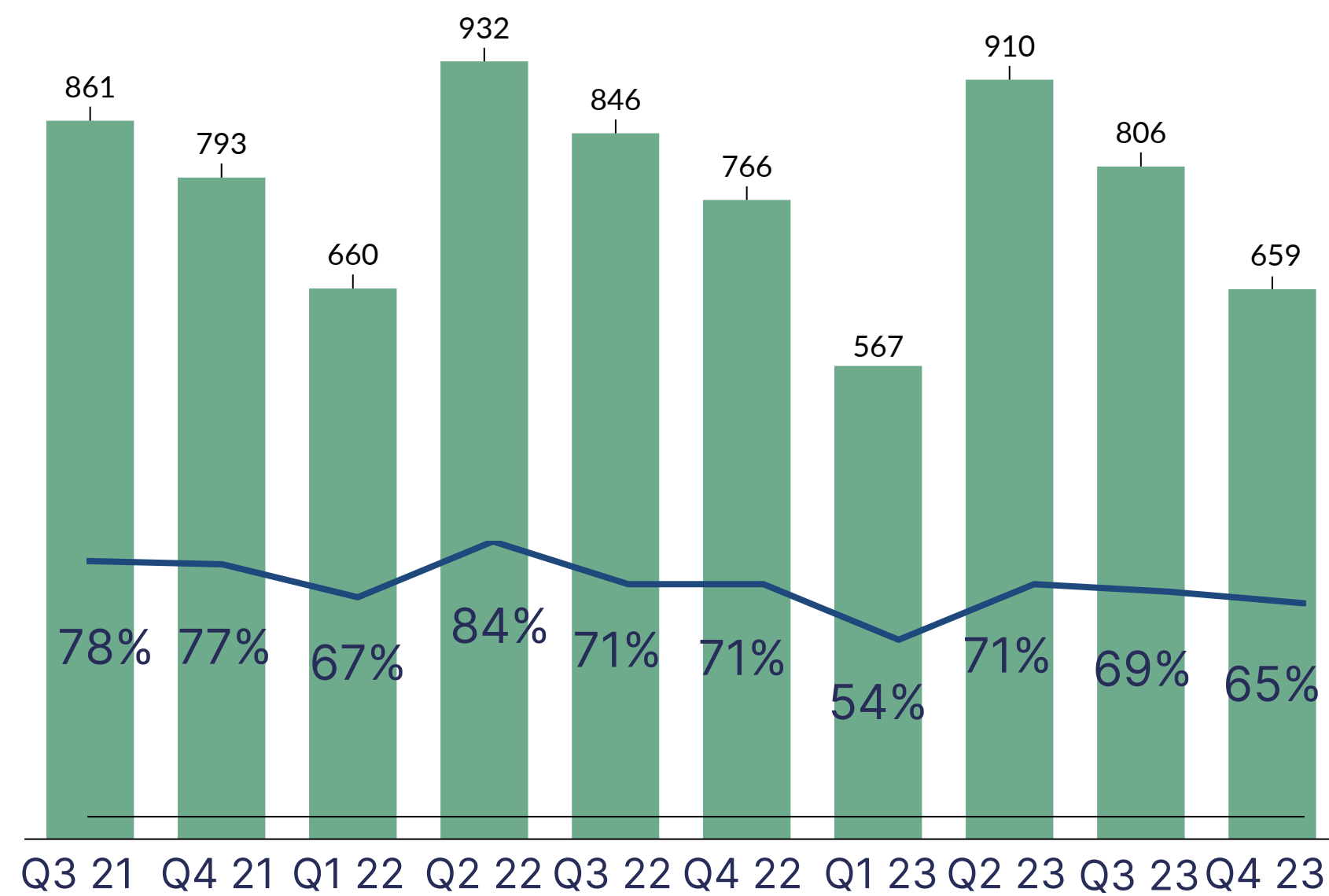
Solid financial position (MNOK)



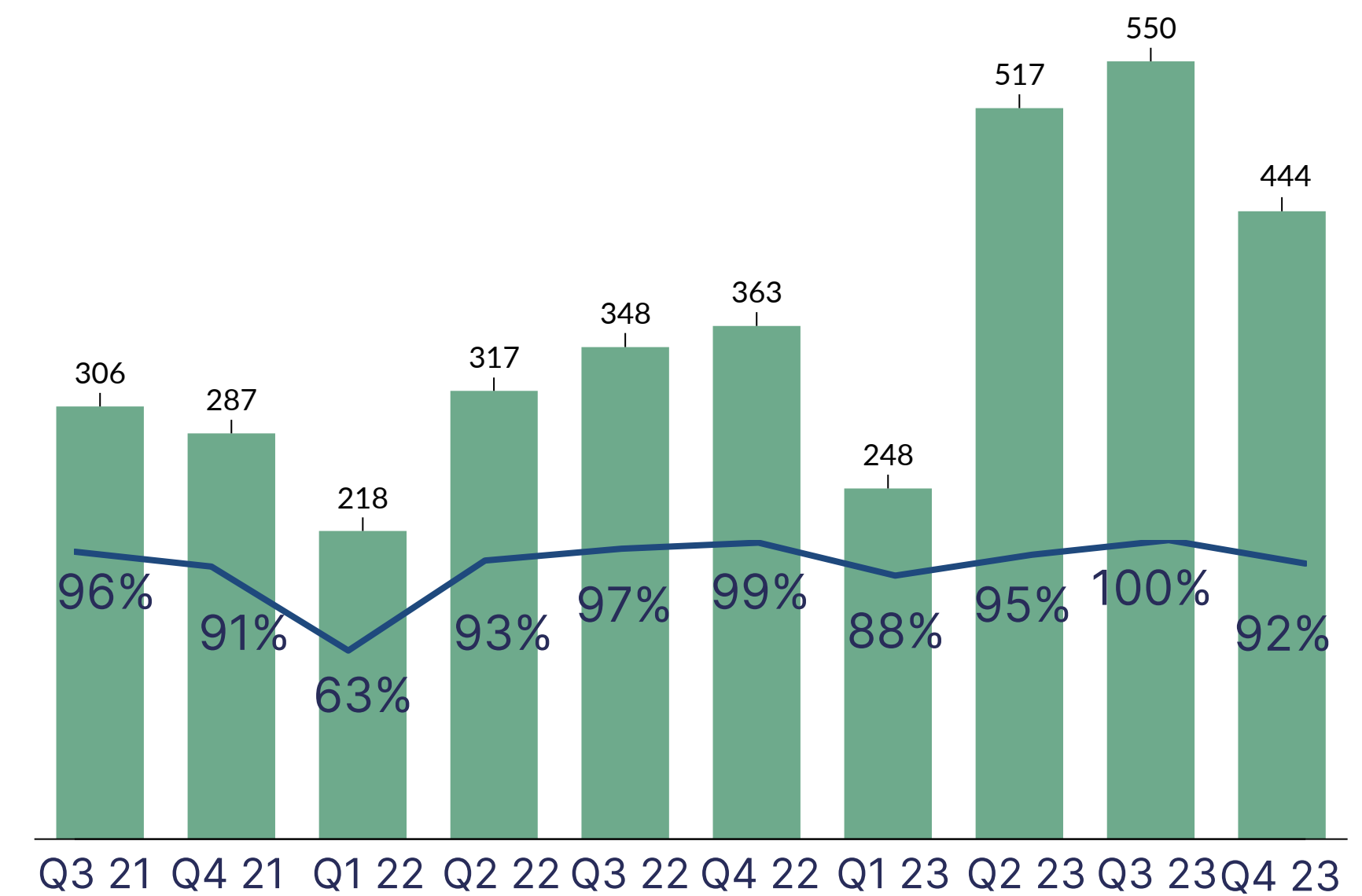
- Strong liquidity and equity positions
- Raised NOK 126 million in private equity placement in Q1 2023
- Well-positioned for remaining investments in Reach Remote and mobilizations and equipment for the coming year

Strong growth in vessel capacity and high utilization

ROV days sold and % utilization



Vessel days sold and % utilization



Governance

Progress on ESG targets – full year 2023

Environment

Increase activity within non-Oil & Gas segment

Achieved

Reduce COE emissions compared to activity levels

Not achieved

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

Not achieved

Maintain turnover below 8%

Not achieved

Establish program for employee development

Achieved

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

Achieved

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

Not achieved

80% completion of cyber security courses

Not achieved

Establish renewed sustainability governance structure

In progress

Implement Taxonomy reporting system

In progress

Summary

Positioned for continued growth and value creation

1

ATTRACTIVE MARKET OUTLOOK

High investments in oil & gas and renewable energy set to continue for years

2

POSITIONED FOR FURTHER GROWTH

Expanded service offering, expanded long-term vessel capacity, growing global footprint

3

HIGH AND GROWING MARGINS

Strong execution capabilities and track record, vessel capacity secured at attractive financial terms

4

TECHNOLOGY LEADER

A global leader in marine robotization with attractive economics and emission benefits

5

ATTRACTIVE FINANCIALS

Strong cash flow profile, shareholder friendly remuneration strategy and solid balance

Sustainable access to ocean space

Q&A