2023

Everything within Reach

Annual & Sustainability 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.

Contents	2
CEO Letter	3
Directors report	9
Highlights	13
2023 Review	19
Operational update	20
Annual HSEQ Report	23
Sustainability	25
Environmental	34
Social	44
Governance	52
Vessel capacity	64
Corporate Governance & Management	71
Featured Projects	80
Financial Statements	84
Notes	90
Financial Statements Reach Subsea ASA	138
Appendix (GRI Index)	154
Contact	165

CEO Letter

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

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

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

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

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

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

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

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

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

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

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

These are just some of the innovative developments from 2023 and that will enhance our service deliveries in 2024 and beyond.

Throughout the year, we have further strengthened our vessel capacity through new long-term charters.

Most importantly, we continue our strong focus on Health, Safety, and Environment (HSE) to maintain our zero harm to people and environment goals. Personnel safety is always the very top of our priorities. Unfortunately, we had one work-related injury in 2023, but fortunately our colleague was well taken care of, and has fully recovered.

Our strategic decision to expand comes at an opportune moment, fitting in nicely with the current strong market trend, which we expect to continue. As I mentioned initially, this is just the beginning.

Finally, I want to extend a heartfelt thank you to the entire Reach Subsea team for your unwavering dedication and outstanding teamwork throughout the year. I also extend my gratitude to our clients, investors, and partners for your continued support.

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

Jostein Alendal
CEO, Reach Subsea ASA

Our vision

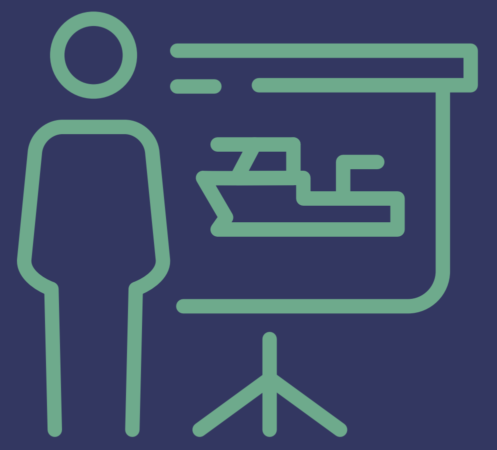
‘Sustainable access to ocean space’ underpins our commitment to take part in the creation of a sustainable future.

Our values

LEARN

We are in constant search for new and relevant insight making us agile and difficult to keep up with.

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



TEACH

We share our knowledge to grow as a team and to improve industry standards.

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

REACH

We have ambitions and we believe that everything is within reach.

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

Our focus

Well-positioned

Reach is perfectly positioned in a rapidly growing market driven by a strong oil & gas market as well as accelerating green energy transition, which will drive ocean-based activities for generations.

The future is autonomous

Our ambition is to be at the frontier with regards to technology development, and in 2024 we will launch our first two autonomous offshore support vessels under the name Reach Remote.

Integrated offering

With more than ten years of spotless execution and an established global network of customers, Reach has over the last two years developed into an integrated provider of IMR and ROV services, surveys, decommissioning and construction support below the ocean surface.

Based on a platform of modern, highly specified work ROVs, operating on a fleet of modern, specialized offshore vessels operated by highly qualified and experienced personnel, we can be a comprehensive partner for everyone with subsea operations and installations.

Solid financials and increased capacity

While always maintaining a rigorous focus on profitability and a solid financial position, Reach is growing rapidly both through the expanded service offering and increased vessel capacity.

Expanding for the future

Our strategy is to take even larger parts of the value chain, and after the acquisitions and successful integration of iSurvey and Octio in 2021 and 2022 and Guardian Geomatics in 2023, Reach has the capabilities to capture and process geophysical data, refining it into valuable input for our customers decision processes.

Corporate Structure

- **Reach Subsea ASA**
  - **Reach Subsea AS**
    - **Reach Subsea AS TT Branch**
    - **Reach Subsea International AS**
      - **Reach Subsea UK Ltd**
      - **Reach Subsea Inc** (Delaware, US entity)
      - **Reach Subsea PTE Ltd** (Singapore entity)
      - **Reach Subsea Ltd** (Limassol, Cyprus entity)
      - **Reach Subsea Sweden AB** (Swedish entity)
      - **Guardian Geomatic** (Australia entity)
        - **Guardian Geomatic Arabia Ltd** (40 %)
        - **Guardian Geomatic** (Singapore entity)
      - **Reach Subsea Brazil**
    - **Connect Offshore AS**
    - **Reach Remote AS**
    - **Eidesvik Reach AS** (49.9 %)

As per 31 December 2023

Meet the management team

Jostein Alendal
Chief Executive Officer

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

31 years in subsea

Bård Thuen Høgheim
Chief Commercial Officer

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

17 years in subsea

Birgitte W. Johansen
Chief Financial Officer

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

25 years in finance

Inge Grutle
Chief Operations Officer

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

17 years in subsea

Audun Brandtzæg
Chief Technology Officer

Audun Brandtzæg has been CTO in Reach since 2023. Education: Civil Engineer / Surveyor. Experience: Offshore / Senior Surveyor, Reporting Manager Stolt Comex Seaway, Head of Survey DeepOcean, Asset Manager / Project Manager / Survey responsible Gassco, Pool Director JV MMT / Reach, Global Operation Director Ocean Infinity.

34 years in subsea

Directors Report

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

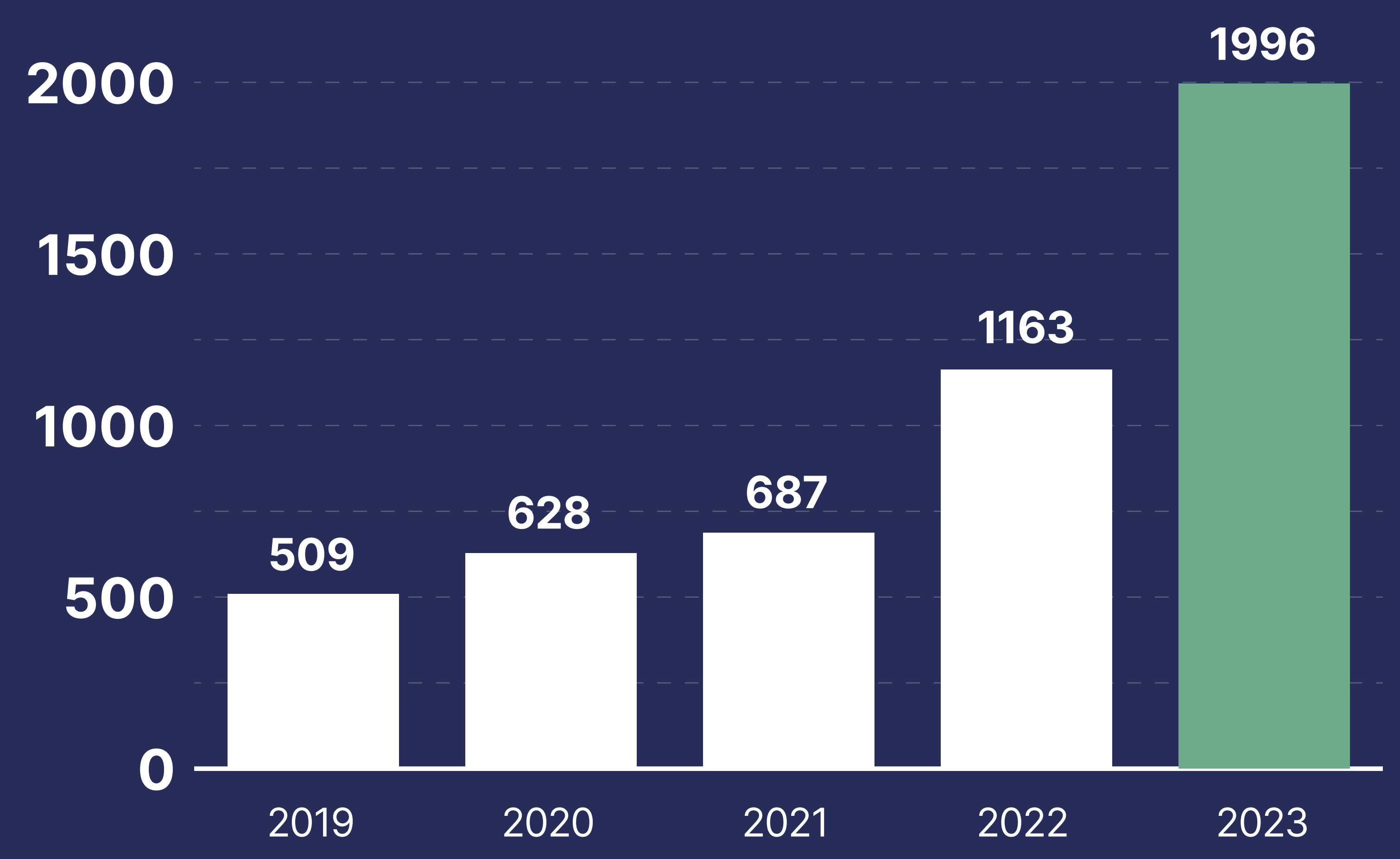
Business concept

The core business of the Reach Subsea Group ("Reach Subsea", "Reach" or "the Group")' is based on modern, high spec ROVs operated by highly qualified offshore personnel and supported by our competent onshore project management and engineering resources. Through targeted acquisitions and technology development Reach broadens its offering into surveying and collecting seabed data, as well as analyzing such data.

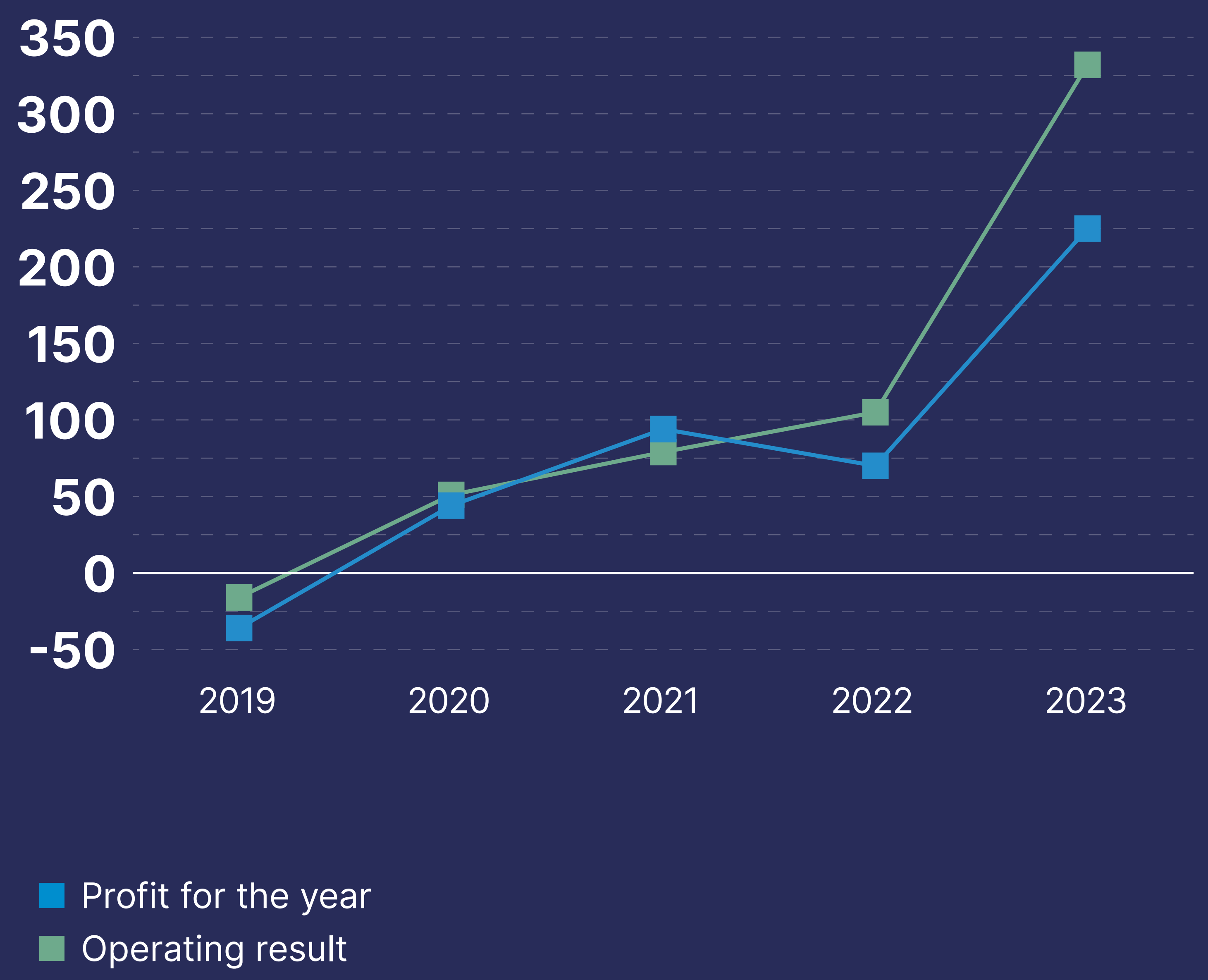
As a platform for performing the subsea services. Reach aims to utilize modern high specification subsea vessels, which is reflected in the vessels chartered in from various ship owners or owned. The Group's objective is to be a preferred subsea partner and full-service provider of subsea operations for clients, among others by having high focus on safety, environment, financial solidity and profitability. Contracts in the oil & gas, renewables, and utilities sectors are targeted, securing cash flow and laying the foundation for prudently growing the organization, the fleet and asset base in a sustainable manner.

Directors Report

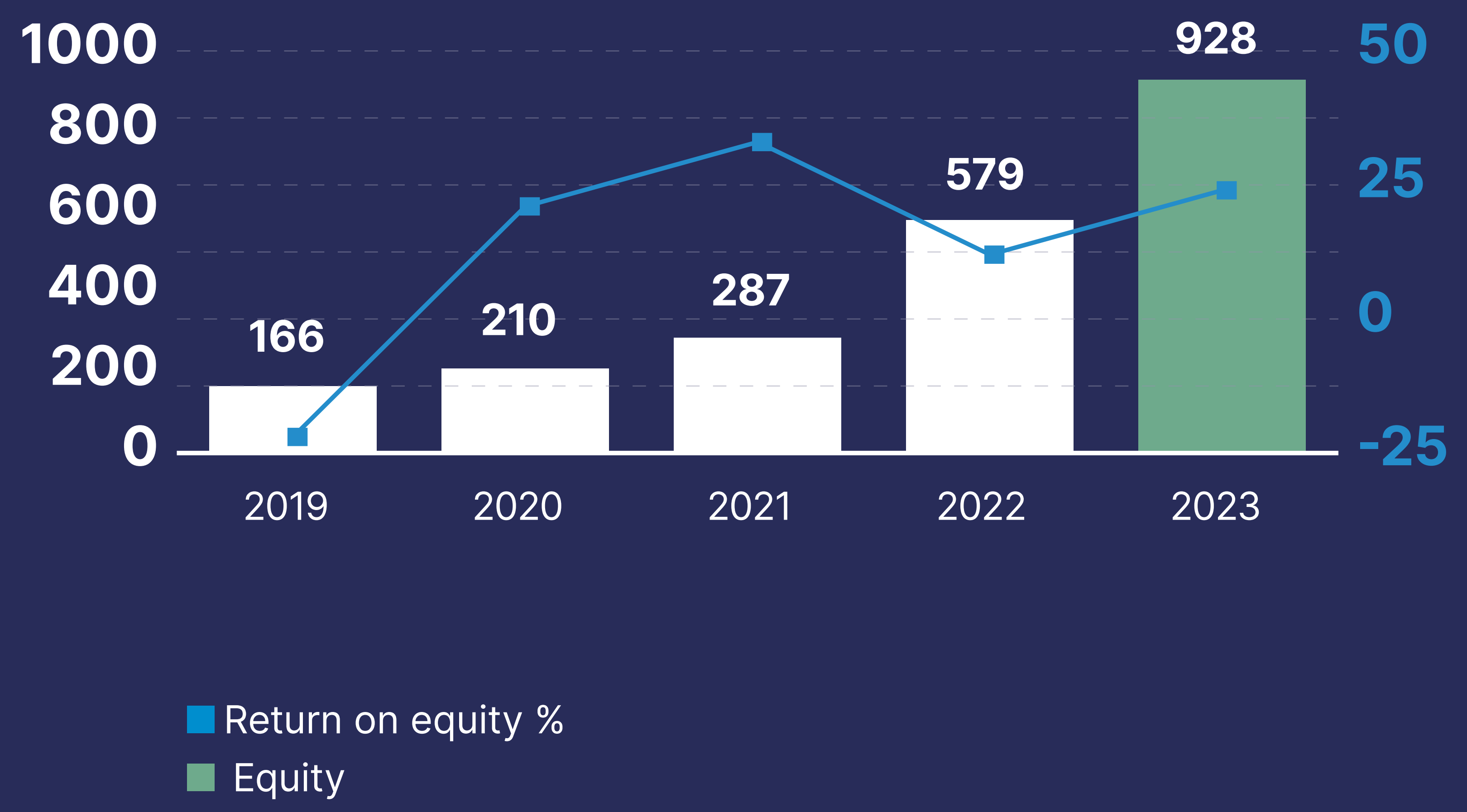
Total turnover
Million NOK



Operating result
Million NOK

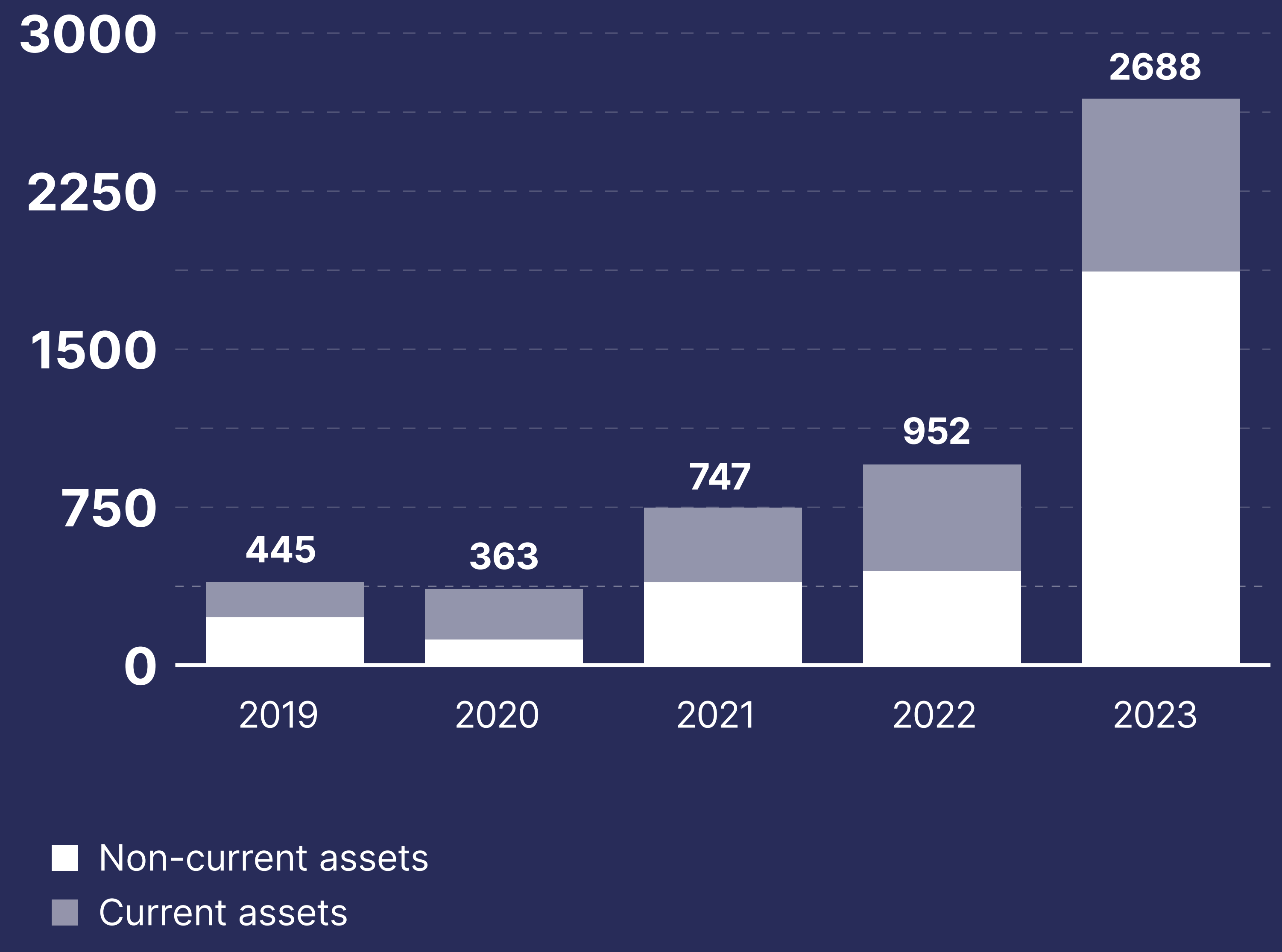


Return on equity
Million NOK

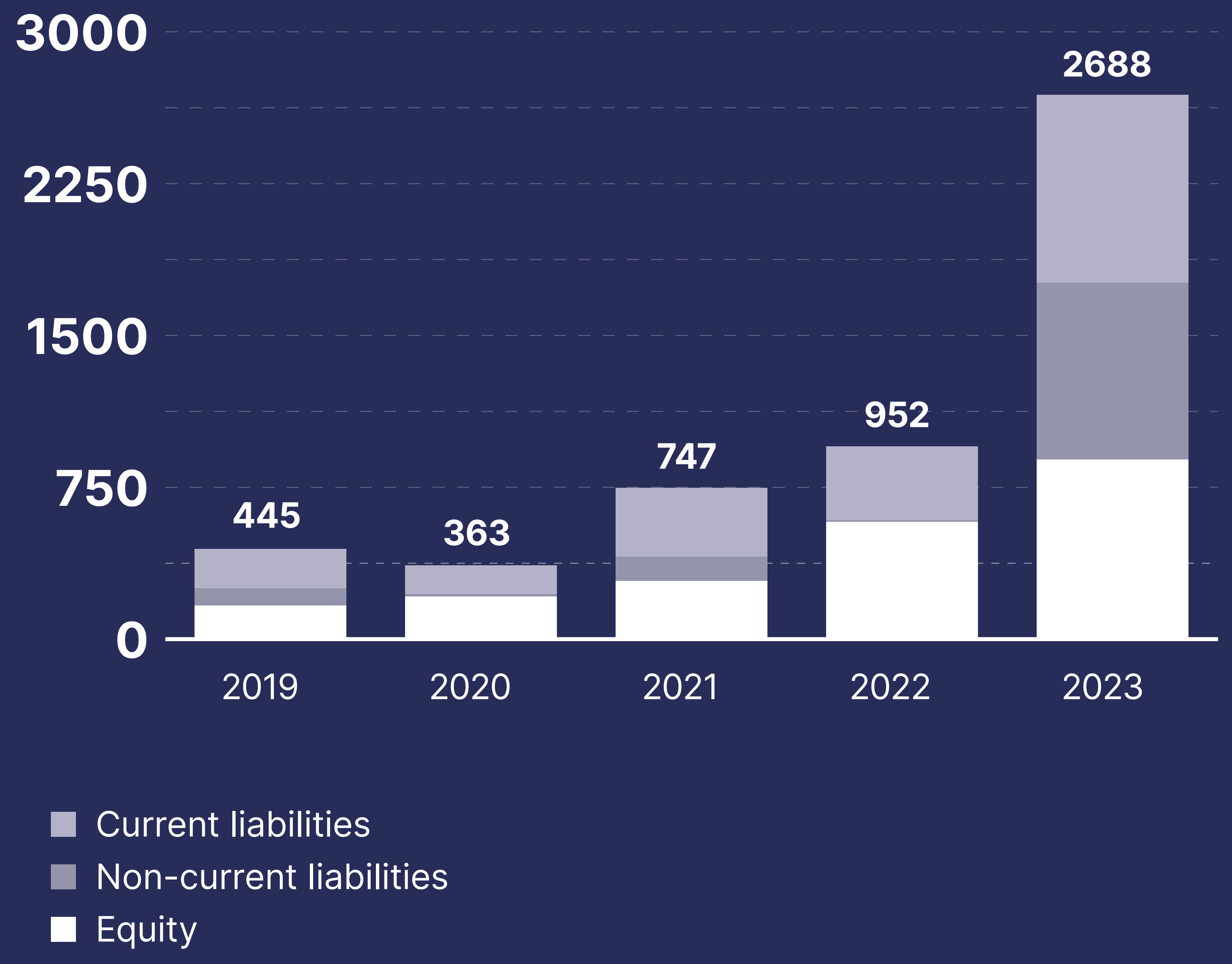


Directors Report

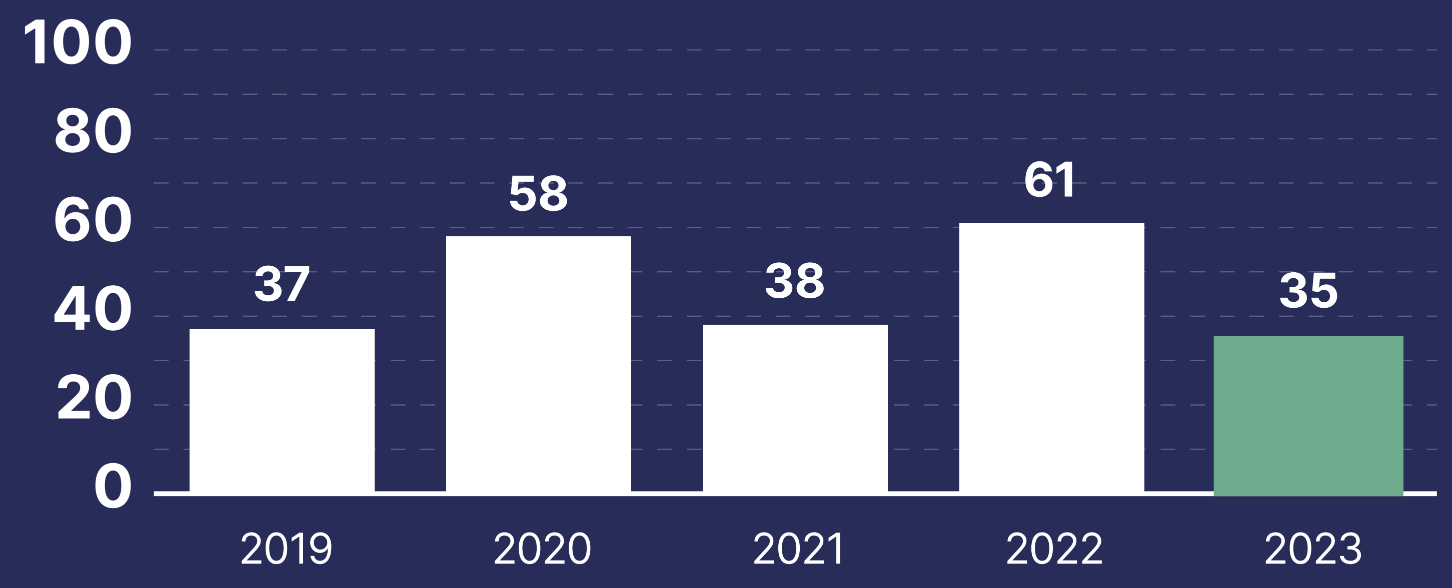
Assets
Million NOK



Equity & Debt
Million NOK



Equity share
%



2023 Highlights

Financial

- Record high revenues of NOK 1995.9 million (+ 72 % compared with 2022) driven by increased capacity, high utilization, successful project execution and strong market conditions.
- EBIT was NOK 331.8 million (+215 % compared with 2022). Pre-tax result was NOK 289.5 million (+195 % compared with from 2022).
- Total equity per year end was NOK 928.0 million (+ 60 % compared with 2022).
- The Board proposes a dividend of NOK 0.36 (0.18) per share, in accordance with the company's dividend policy, to be resolved at the AGM on 31 May 2024.

HSEQ

- Despite all time high activity Reach has maintained a spotless reputation through 2023.
- All HSEQ goals achieved.
- No serious accidents or incidents.
- No major spills since commencement of offshore operations in 2013.

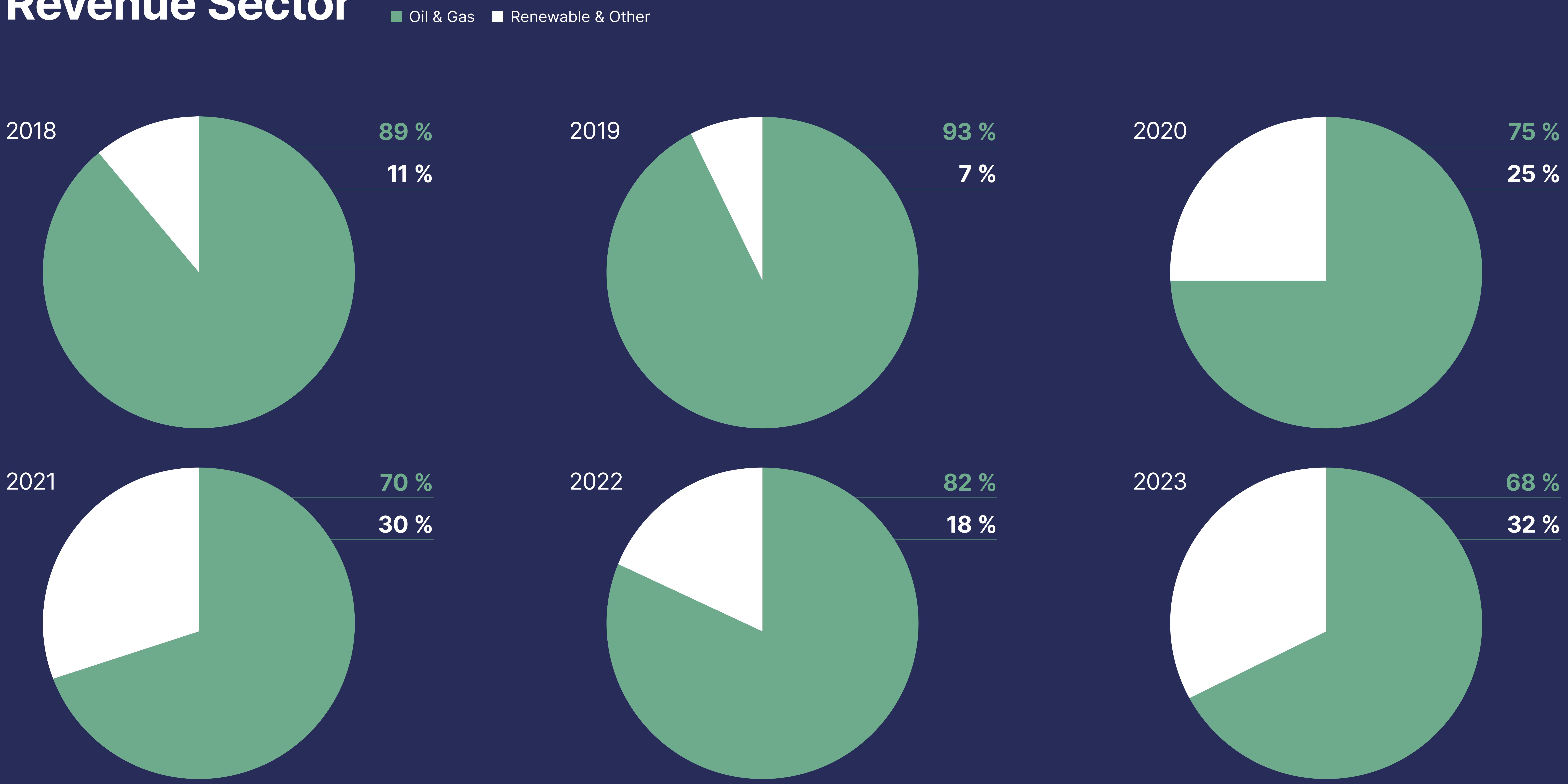
ESG

- Delivered on 70 % of our ESG targets, some are still ongoing.
- Started the work towards a full CSRD/ESRS reporting from the accounting year 2025.

Operations

- High client satisfaction score (based on post-job surveys).
- Increased capacity and high utilization.
- Performed several integrated projects in 2023 covering in-house survey, monitoring and subsea operations.
- On track for the delivery of first Reach Remote USVs in 2024, which will significantly reduce cost and carbon footprint of subsea operations.
- Secured long-term core fleet at favourable terms and entered into several long-term vessel charters.

Revenue Sector



2023 Market Highlights

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

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

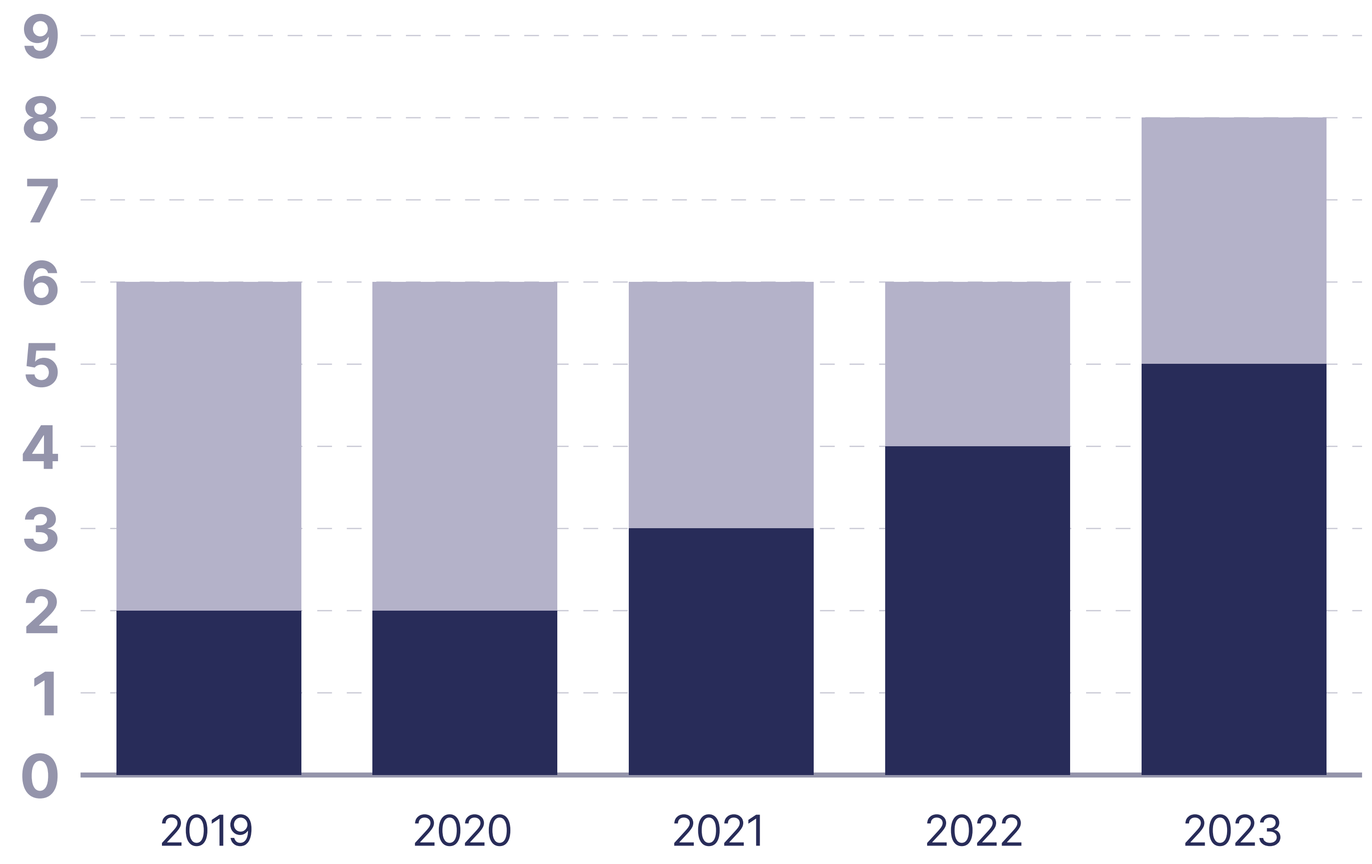
Renewables
Awarded several contracts within the renewables market, including cable/route survey, installation, walk to work, light construction and decommissioning. The two in-house developed Surveyor Interceptor ROVs had good utilization with high satisfaction score from our clients.

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

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

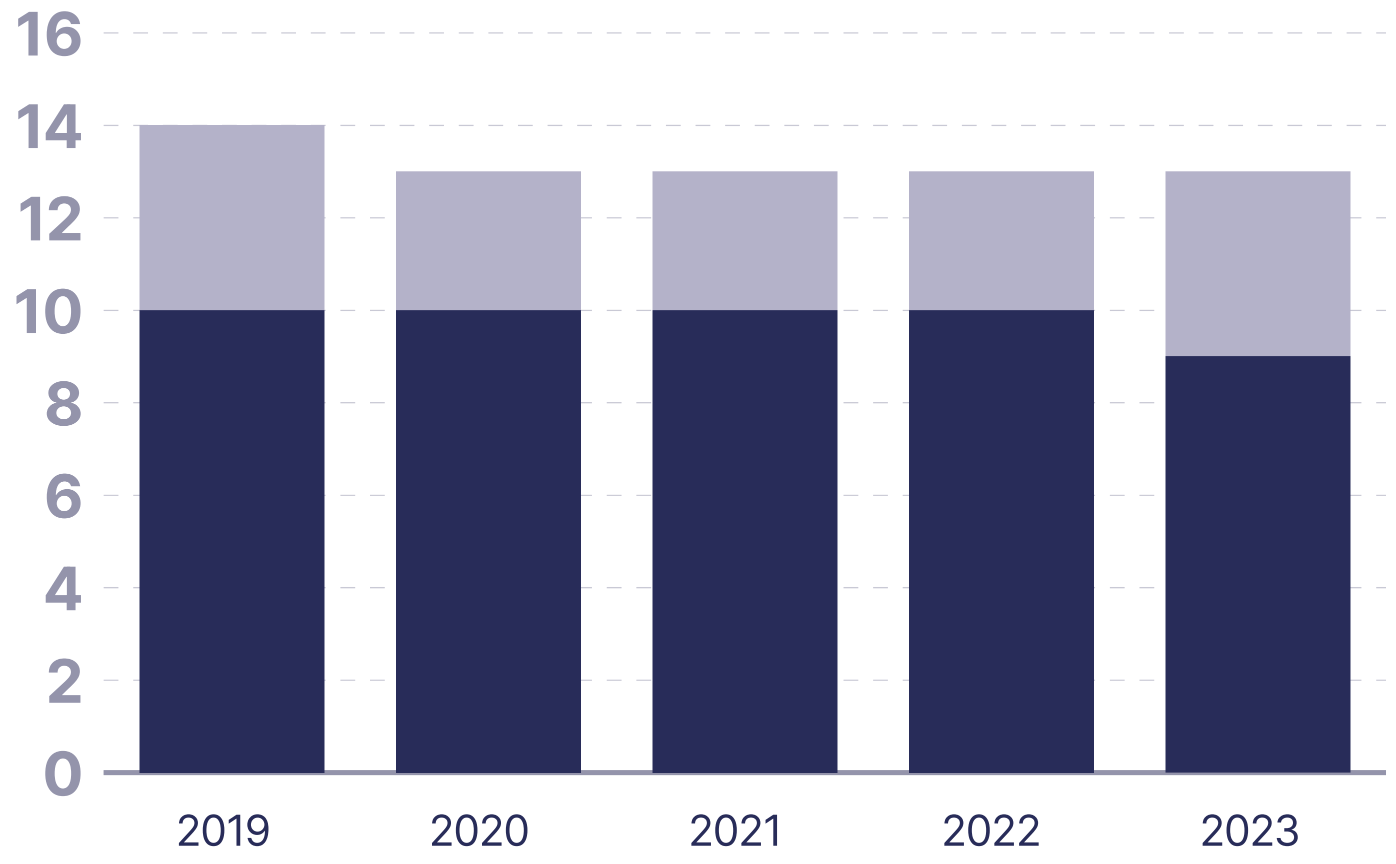
Balancing growth & flexibility

Vessels



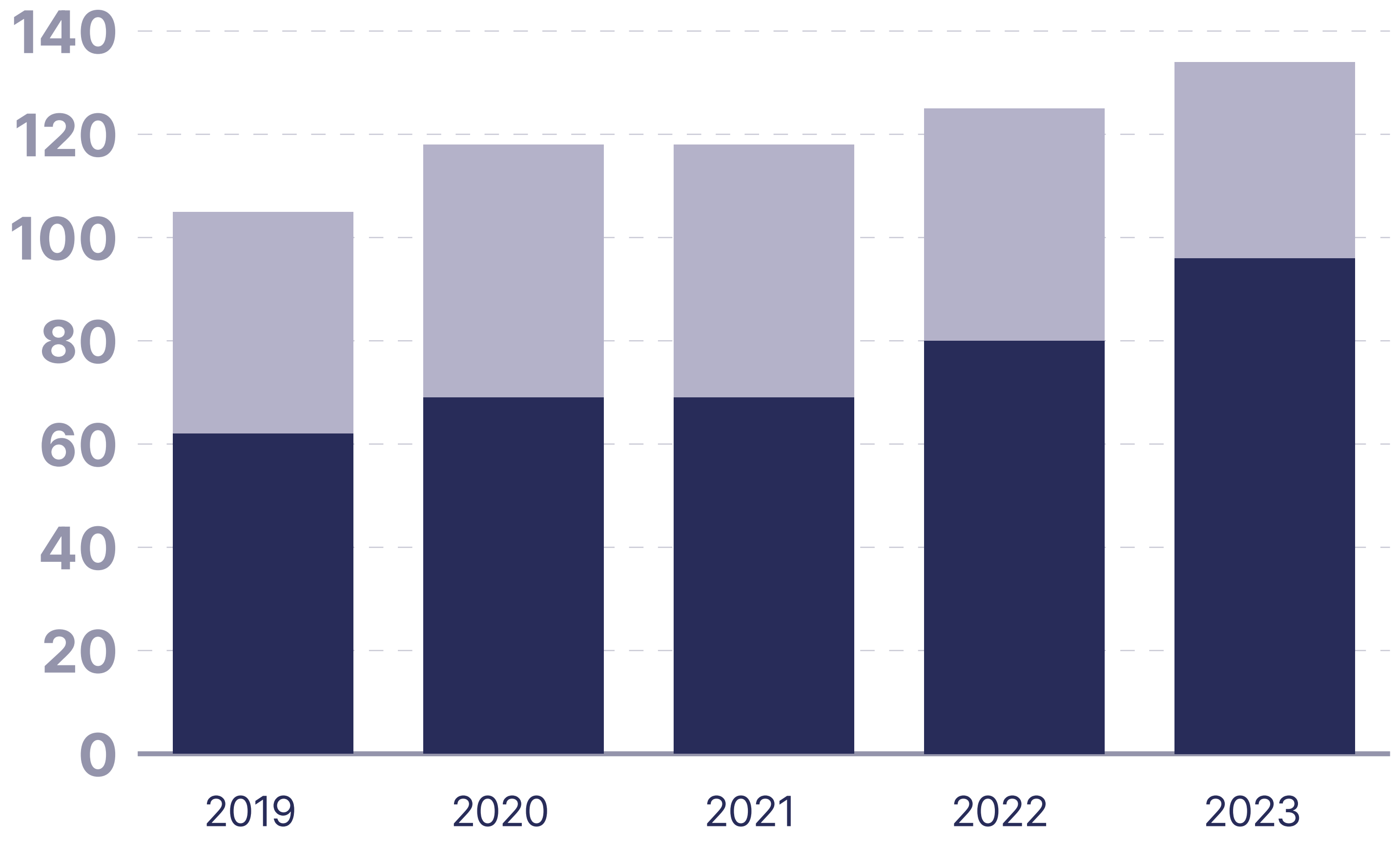
Fixed terms
Flexible terms

ROV Systems



Owned
Hired in

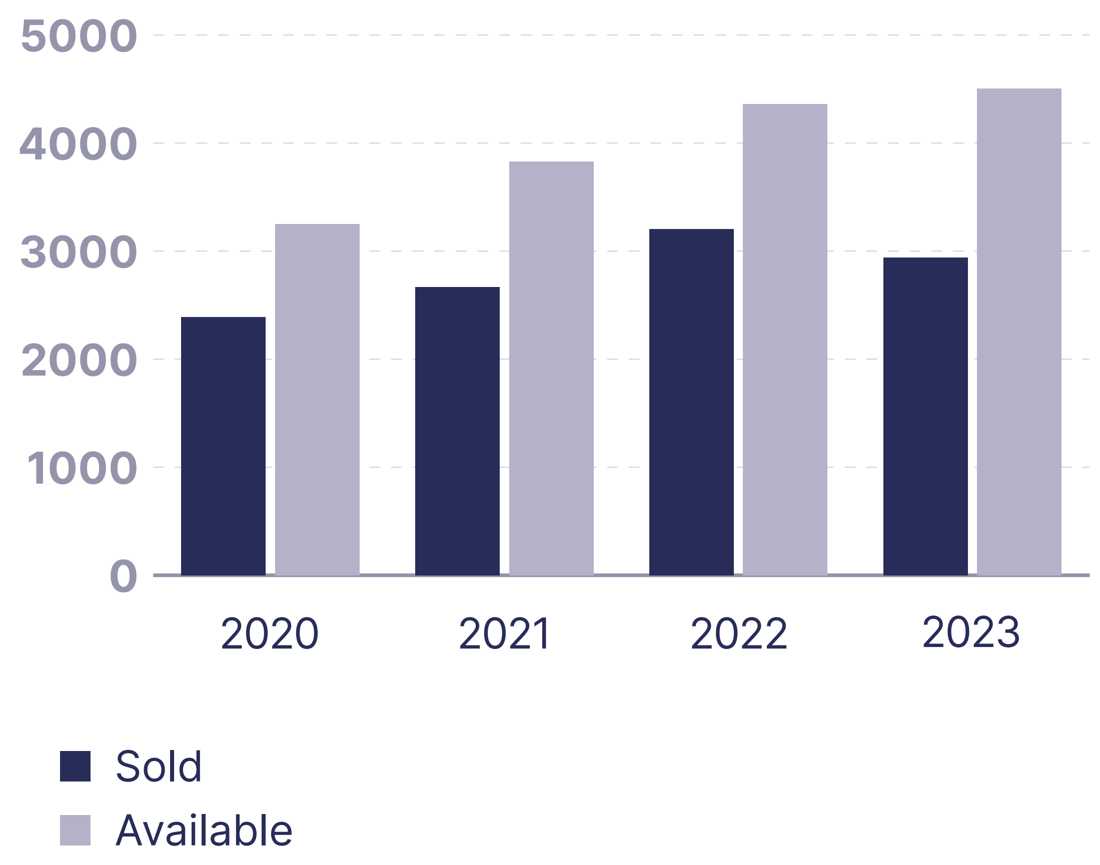
Offshore personnel



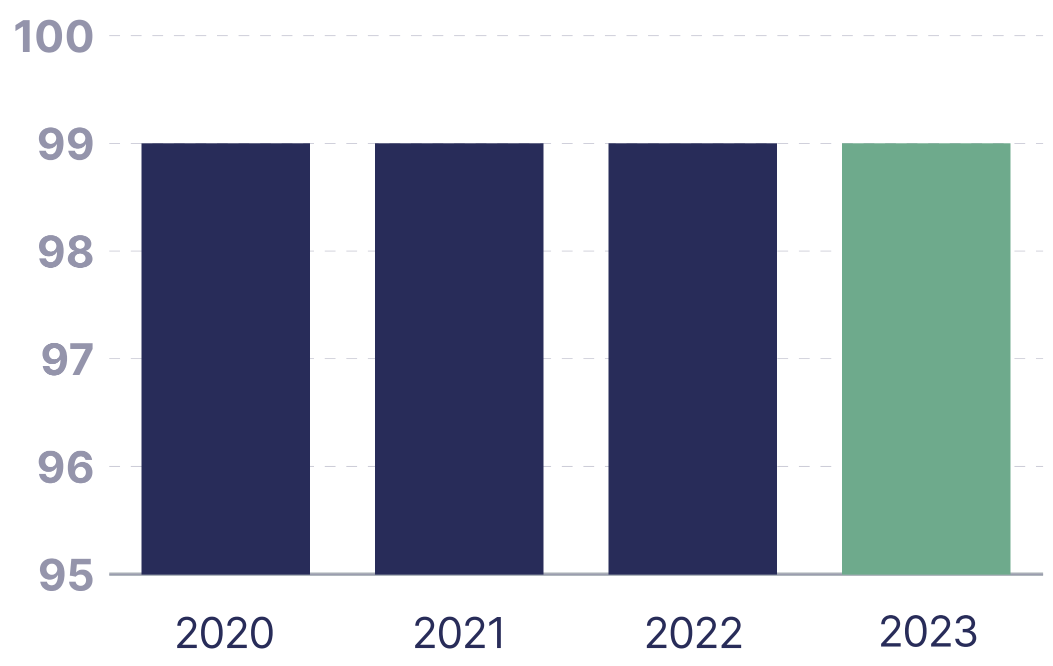
Own staff
Contracting staff

Annual Report 2023

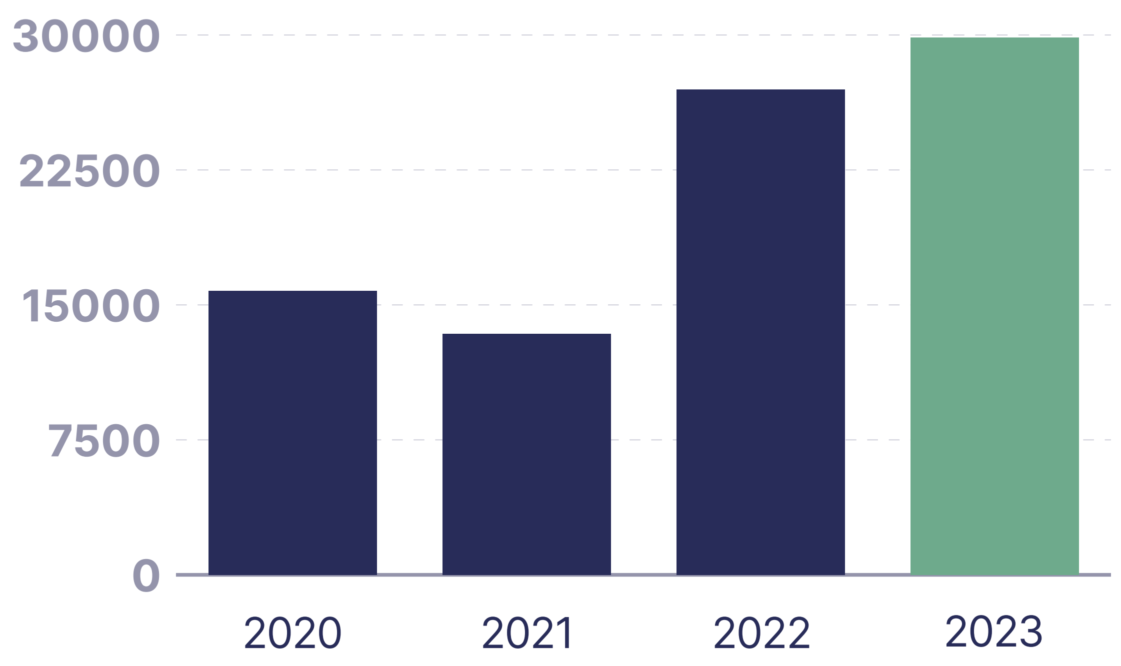
Number of ROV days – Annually



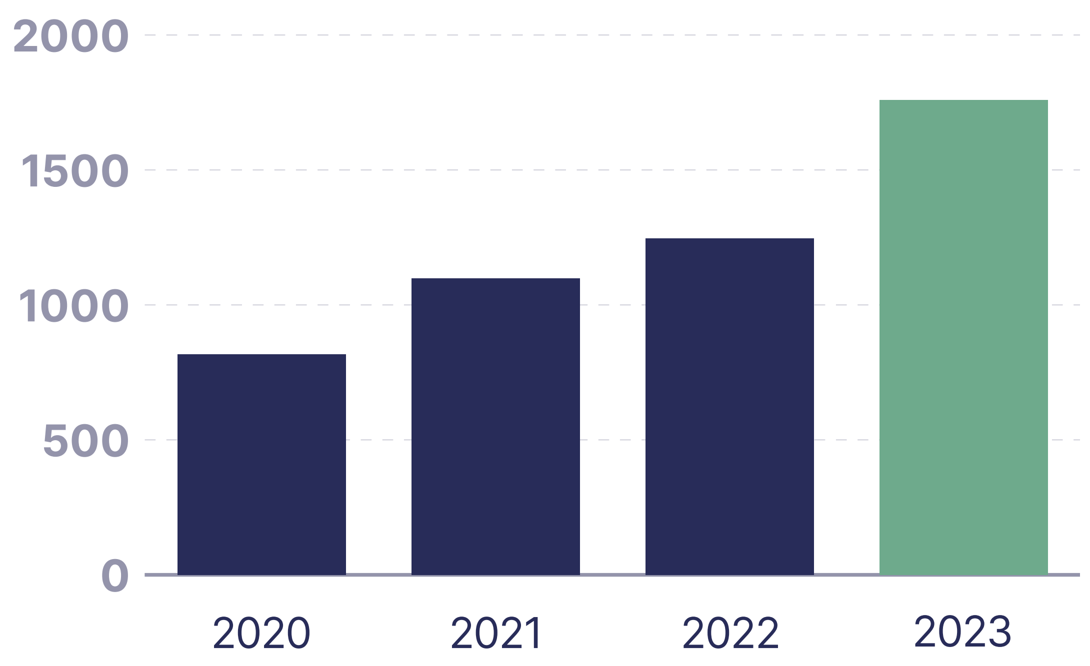
Technical uptime on ROVs



Offshore personnel days sold



Vessel days sold



Operating areas 2023

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

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

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

2023 Review

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

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

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

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

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

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

REACH Remote, our new and future-proof, sustainable solutions for subsea services is progressing in close cooperation with our two major suppliers, Kongsberg Maritime (USV) and Kystdesign (ROV). Estimated delivery of Reach Remote is slightly delayed from the yard, but is expected to be on track for startup of commercial projects during 2024.

REACH offshore personnel contracting business, Connect Offshore, continued sourcing highly skilled offshore personnel during the year. The base of contractors, hired from Connect Offshore and other suppliers, is important in peak seasons, when the number of man hours in operation normally doubles compared to our own staff.

REACH has per 1. April 2024 a firm order book of NOK 1.6 billion for work in the first quarter of 2024 and beyond, with the vast majority related to work in 2024. The order book figures do not include expected volumes from the frame agreements.

Offshore operations performed by the Reach spreads received high client scores in all segments and on all sectors. Our high attention to HSEQ is illustrated by the fact that we have had no serious accidents or incidents since commencement of offshore operations in 2013.

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

Operational update

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

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

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

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

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

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

Stril Explorer, a survey vessel mobilized with a full WROV spread, was on a charter contract from Møkster to Reach cooperation partner Ocean Infinity until September 2023. Reach provided ROV services consisting of one Supporter WROV and one Surveyor ROV and offshore personnel to the vessel until the vessel was demobilized in September 2023.

Operational update cont.

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

REACH Survey Division

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

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

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

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

REACH Monitoring division

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

There is an increase in cross-divisional activities, with synergies on both operational and R&D projects. In addition to contributing to Subsea vessel and asset utilization, we have included offshore personnel from the Survey division in our gWatch and DepthWatch campaigns, and engineers and geoscientists from the Monitoring division are participating in and running R&D projects for the Subsea and Survey divisions. In the coming quarter, we plan to maintain 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.

New vessels

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

Northern Maria
Northern Maria is chartered in for 3 years firm period and 6+6 months options for use in Reach own, integrated survey projects. The contract started late 1Q2024.

Olympic Taurus
Olympic Taurus is chartered in for a 2+2 years contract starting early 2024. The vessel is currently working on a walk to work contract in the North Sea and will thereafter be mobilized with WROVs and survey spread, ready for Reach projects.

Agalas Newbuild
Reach has entered into a charter agreement with owners of the newbuild subsea LCV Agalas. Expected delivery is early 2026. The vessel will be mobilized with full WROV and survey spread.

Annual HSEQ Report

HSEQ as a core value

Reach consider HSEQ as a core value in our day-to-day operations. Our goal is zero harm to personnel, environment, and equipment. We benchmark our HSEQ performance towards ISO 9001:2015, ISO 45001:2018, ISO 31000:2018 and ISO 14001:2015.

Security

Our operations are expanding geographically and by this we are exposed to changes in the global risk situation. At present, Reach has no operations in areas with high risk.

Risk Management

For us, Risk Management is a key tool for monitoring and controlling the rapid changes which our business is exposed to. On a corporate level, formal risk and opportunity reviews are performed every month to identify any major changes and the associated risk reducing actions. All projects require a risk/opportunity evaluation of both operational, commercial and HSE, whereas the associated risk reducing actions are monitored by the HSEQ Department.

Employee Involvement & Competence

As well as participating in risk assessments, employees are involved in HSEQ meetings, audits, inspections, and the Working Environment Committee meetings. All employees are provided with HSEQ training, adjusted to their respective work tasks and adjacent risk exposure. Managing personnel onshore and offshore are gathered once a year for sharing lessons learned, discuss, and agree on strategies for the upcoming year. Reach has an own E-learning system – REACHED. This gives us a brilliant opportunity to provide internal courses specially made for our industry. Reach also provides training to our suppliers.

Environmental Management

Reach continuously work to have a sustainable business strategy. Our target is 0 spills to the environment. We emphasize the use of environmentally friendly solutions, both technically and operationally, choosing modern assets and technology. We also work constantly on reducing the amount of chemicals onboard. Suppliers are encouraged to reduce their environmental footprint and are committed to achieve energy efficiency. Any impact on the environment is reported and followed up to prevent reoccurrence.

Annual HSEQ Report

95 %

Our goal of achieving at least 95 % customer satisfaction was met.

2.17 %

Sickness absence is maintained on low levels.

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

HSEQ Trends	2019	2020	2021	2022	2023
Exposed man hours	303 680	428 646	384 834	737 861	553 416
Improvement reports	231	213	181	292	718
Recordable cases	2	0	0	2	8
Sick leave	2.8 %	5.2 %	5.7 %	1.65 %	2.17 %

Reportable incidents	2021	2022	2023
Fatalities	0	0	0
Lost-Time Injuries	0	1	1
Medical Treatment Injuries	0	2	9
Restricted Work Injuries	0	0	0

HSEQ Results

While the overall HSEQ results for 2023 have been positive, we unfortunately registered 1 LTI. IP is back to work. The company have continued its expansion through organic and inorganic growth. The expansion is supported by a strong HSEQ culture and campaign program emphesizing this in the onboarding processes. There has been a continued positive trend in the reporting level of safety observations, both negative and positive.

Sustainability within reach

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

2023 Highlights

32.2 % renewables/other

67.8 % oil & gas (percent of turnover)

59,715 total tons

CO_2 emissions

Zero major spills

Limit our footprint

342 permanent employees

Of which 14.9 % were females

99.7 % technical uptime

2,942 ROV days sold

65 % utilization

Strong HSE statistics

One work related injury

1,759 vessel days sold

92 % utilization

1,996 mNOK turnover

A solid EBIT margin of nearly 17 %

Employee development program initiated

Focus on retention of own staff and recruitment for organic growth

Ambitions

Environmental

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

Social

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

Governance

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

Sustainability governance

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

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

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

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

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

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

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

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

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

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

The Board has high attention to the Company's impact on the environment and society in general. The Board performs a survey each year, lead by the secretary of the Board, who is independent of any major shareholder, Board member or employees of the Group.

The survey includes a self-evaluation and an evaluation of the Management, reporting, independence and quality of meetings and documentation. The survey is anonymous, and actions are taken whenever needed to improve quality and the work for the Board.

The Board has established an audit committee consisting of three Board members, one man and two women. The audit committee meets 5-6 times each year with financial reporting and sustainability reporting as main topics. The audit committee reviews the report and evaluates on any need for additional information or changes before the report is processed and approved by the Board.

Sustainability governance

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

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

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

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

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

The GRI Standards feature a modular, interre-lated structure, and represent the global best practice for reporting on a range of economic, environmental, and social impacts.

The report contains consolidated information for all entities in the Group, where all locations, departments and legal entities have the same standard measure. No adjustments have been made for minorities. Input from companies acquired during the year are included from the date of the merger. Unless otherwise specified, figures are presented on a year end, and full-time equivalent basis. Consultants are not included in employment figures unless they have been part of the Reach payroll.

Total man-hour figures in a HSEQ perspective, though, includes contractors and consultants.

Stakeholder dialogue

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

Shareholders

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

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

Customers

Reach operates within a global market with corporate customers worldwide, and our customers range from smaller local entities to global corporations, and as such the customer interests and issues may vary. Key customer interests and issues are based on received customer reviews and lessons learned meetings after project completion as well as discussions with customers on existing and future contractual requirements. We have continuous dialogue with clients during project planning and execution and included an interview with some as part of the DMA. A common feature for all customers is the interest in sustainability.

Stakeholder dialogue

Employees (current and future)

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

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

Suppliers

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

Business partners

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

Society at large

Reach operates within the global subsea market, but also has a local presence with offices in local communities. As such, we face expectations both on a global- and local scale. We also follow the Continuous Obligations for Stock Exchange listed companies, releasing mandatory information such as news on contract awards and financial figures through Oslo Stock Exchange as well as using social media platforms. The fact that Reach holds ISO-certifications for the quality standard ISO 9001, the environmental standard ISO 14001 and the work environmental standard ISO 45001, proves that actively work every day to meet the requirements of the relevant standards. Our perception of global expectations and interests is based on information presented by international media, political discussions and regulatory bodies.

Likewise, we assess the interests of the local community based on local media, regulatory bodies and other sources. As part of our DMA we interviewed various stakeholders such as Norges Rederiforbund, SAFE, SR Bank, Exfin, Arctic Securities and Haugesund Næringsforening.

Stakeholder groups and their key interests and issues

Shareholders

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

Customers

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

Employees

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

Suppliers

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

Business partners

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

Society at large

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

Material topics for sustainability

Based on the dialogue with stakeholder groups Reach has identified the following material topics for sustainability reporting:

ENVIRONMENT

- Transition to renewable energy segments
- Preparing for climate change
- Reducing our emissions
- Reducing our impact on the sea

SOCIAL

- The safety and well-being of our people
- Development of skills and competences
- Equal opportunities

GOVERNANCE

- Profitability and financial solidity
- Quality services
- Anti-corruption and business ethics
- Sustainability in the supply chain

Environmental

Achieving the ambitions in the Paris Agreement will require a 40 % reduction in greenhouse gas emissions in EU within 2030 compared to 1990 levels.

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

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

Transition to renewable energy production

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

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

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

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

7. Affordable and clean energy

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

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

13. Climate action

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

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

14. Life below water

Careful management of this essential global resource is a key feature for a sustainable future.

The sea is our workplace, and we understand the importance of preserving the sea as a shared resource. We aim to minimize our environmental impact by using environmental-friendly degradable hydraulic oil in our subsea operations and strive to leave the seabed unharmed in the same condition as we found it. We cooperate closely with vessel owners on waste management and water discharge plans. One of our Key Performance Indicators is "Zero major spills".

Reach Remote

Reach is pioneering several sustainable, forward-looking solutions for ocean services.The initiatives include utilization of an operational Remote Operations Control Centre (iROCC).

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

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

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

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

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

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

The benefits of Reach Remote include virtually eliminating offshore personnel risks and achieving over 90 % reduction in CO_2 and NOx emissions, alongside significant cost savings in subsea survey and inspection services.

More than 90 % reduction in CO_2 & NOx emissions.

Typical scenarios for the iROCC are:

- Remote VesselOnline Operation
- Remote Dataw Acquisition
- Remote Data Processing and Reporting
- Remote USV Solution

Risks related to climate change

Physical risks

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

Regulatory risks

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

Changes in demand

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

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

Reducing our emissions

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

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

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

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

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

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

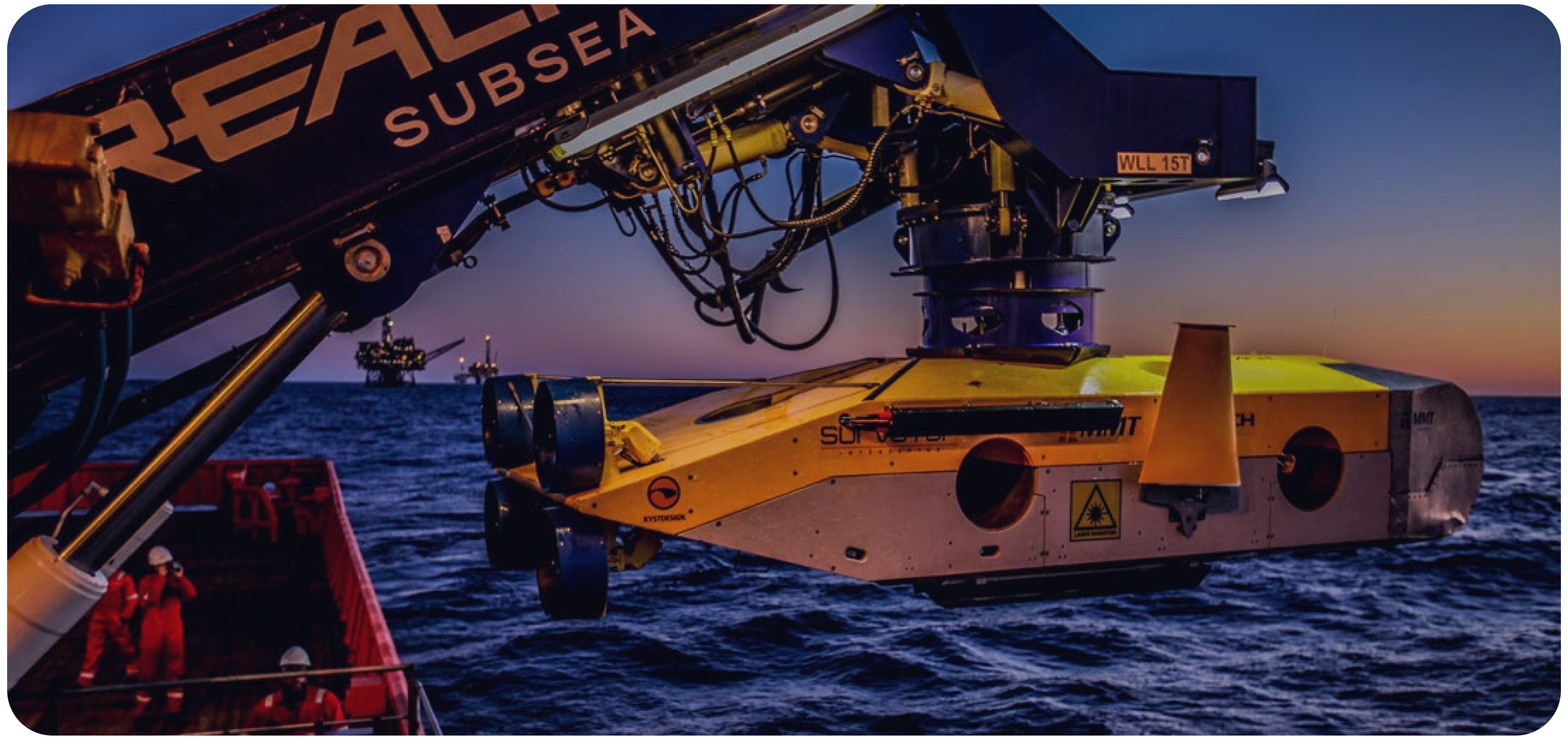
Conversion factors: Marine fuel oil = 3 596 kg CO_2/m^3

CO_2 emissions	Unit of measure	2023	2022	2021	2020
Scope 1*	Tons CO_2 equivalent	59 715	42 493	29 530	35 551

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

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

Reducing our emissions



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

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

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

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

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

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

All key suppliers are evaluated based on environmental criteria and all suppliers perform a self-evaluation on their compliance with laws and regulations, hereunder environmental compliance. We focus on selecting environmentally friendly transport on crew changes, extended use of video conferencing to reduce travels and we encourage our suppliers to do the same. Reach has already implemented tools and procedures for measuring and following up on environmental performance, and the ISO 14001 - certification requires us to carry out this work on a daily basis and focus on continuous improvement.

Reducing our impact on the sea

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

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

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

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

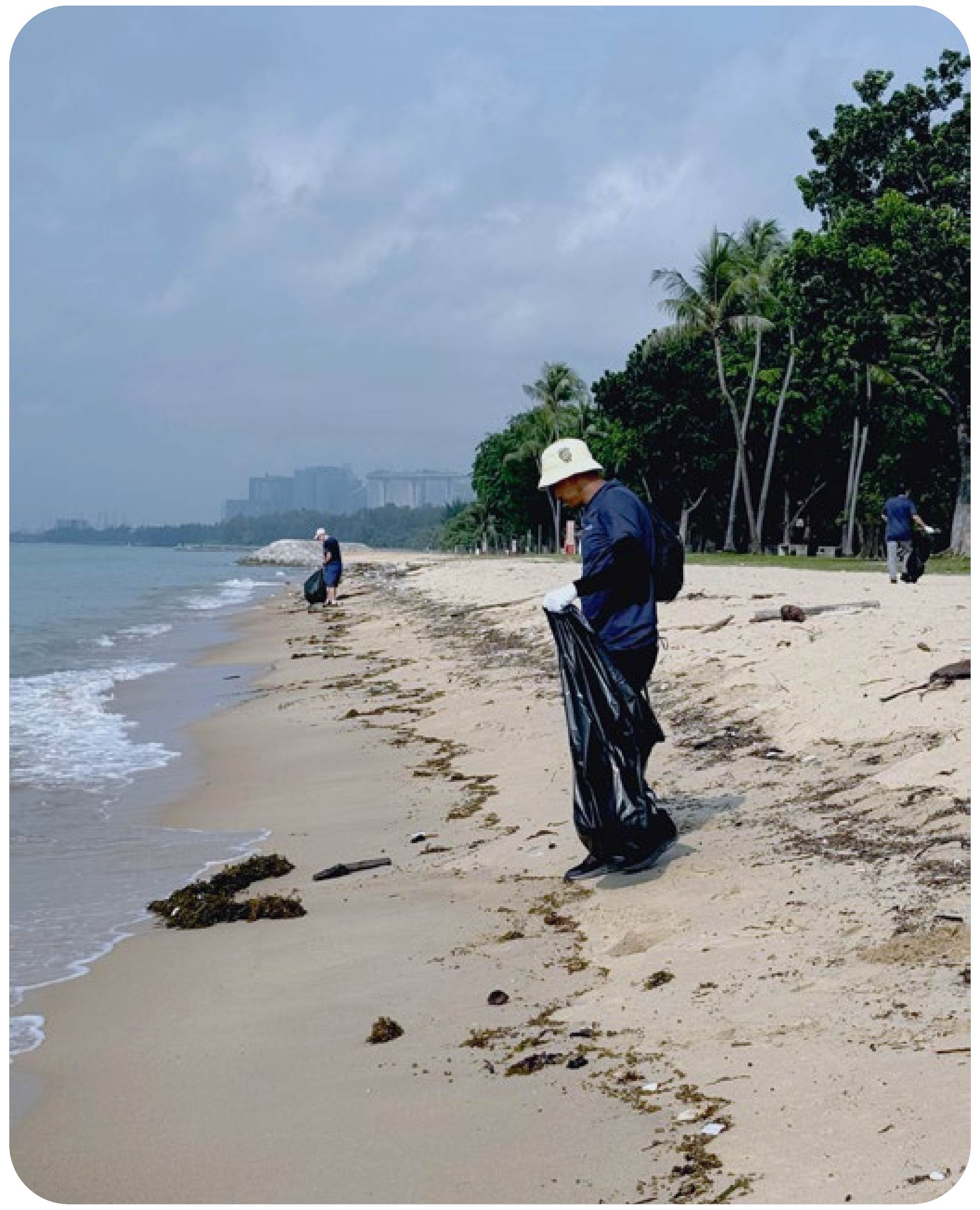
Plastic pollution is the most widespread problem affecting the marine environment.

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

We cooperate with vessel owners on waste management. No deviations on environmental laws and regulations were noted in 2023. Our critical suppliers are encouraged to be certified according to the ISO 14001- standard, or have an environment management system according to such.

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

Reducing our impact on the sea



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

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

Environmental

Key targets 2023

Increase activity within non-O&G segment

Achieved

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

Maintain technical uptime above 99 %

Achieved

Ensure efficient operations, represented on 99.7 % technical uptime.

Participate in Ocean Cleanup Campaign

Achieved

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

Zero major spills of hazardous materials to the sea

Achieved

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

Reduce fuel emission of CO_2 compared to activity levels

Not achieved

Our total CO_2 emissions per sold vessel day was 35.08 ton of CO_2 equivalents, throughout 2023, compared to 27.86 in 2022.

Key targets 2024

Successfully bring two USVs to market in 2024

Increase use of autonomous and/ or remote operations.

Increase activity within non-O&G segment

Activity is measured through performed project days.

Zero major spills of hazardous materials to the sea

Includes oils, plastics, garbage etc.

CO_2 footprint below the NSA relevant emission target

Benchmarking our fleet with the industry

Social

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

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

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

The safety of our people

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

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

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

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

To mitigate safety risk the HSEQ department quarterly releases HSE-campaigns focusing on important aspects of employee health and safety. Reach has well integrated procedures to ensure that risks and hazards are identified, assessed, and mitigated.

Associated risk reducing actions are monitored by the HSEQ -department in alignment with the ISO 31000 Risk Management standard. The risk assessment is communicated to the offshore team through 'Toolbox Talks'.

Our results

Sick leave	2023	2022
Long-term	0.70 %	0.48 %
Short-term offshore	0.89 %	1.07 %
Short-term onshore	0.44 %	0.64 %

One incident (LTI) was recorded in 2023. Sick leave is stable and considered low in general. Figures from Guardian (Australia) are not included in the sick leave.

The safety of our people

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

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

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

The well-being of our people.

We acknowledge the importance of a healthy working environment to promote the health of our employees and to increase performance and secure safe and efficient operations.

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

Development of employee skills and competences

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

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

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

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

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

We believe that having well-managed and diversified teams is a key to develop good solutions for our customers and solving complex problems, and we further focus on having a work environment that promotes participation and collaboration between team members. We have strong trust in our employees and focus on providing them with the experience and learning curve they need to reach their potential and advance within the organization.

All employees receive regular performance reviews from their manager through an annual personnel appraisal meeting.

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

Equal opportunities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Operational changes are described in our Management of change procedure.

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

All key suppliers are evaluated based on social criteria and all suppliers perform a self-evaluation and sign a supplier declaration on their compliance with laws and regulations, hereunder also social compliance.

This includes giving employees equal opportunities, fair pay and not promoting any unlawful human rights practices, such as human trafficking, child labour or any other forced labour practices.

As our operations expand geographically and in volume we are increasingly exposed to risk of incidents in our supply chain. Consequently, we monitor the social impact we have through our supply chain.

Equal opportunities

Employment & workforce diversity

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

Percentage of employees by gender and age

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

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

3. Quality education

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

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

5. Gender Equality

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

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

Social

Key targets 2023

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

Achieved

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

Zero work related injuries (LTI)

Not achieved

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

Maintain turnover below 8 %

Not achieved

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

Establish program for employee development

Achieved

Employee survey, training, organization charts and clear position descriptions in ReachED.

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

Achieved

Value chain awareness.

Implement campaign with focus on mental and physical health

Achieved

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

Key targets 2024

10 apprentices and trainees participating yearly in trainee program

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

Zero work related injuries

Focus on HSEQ.

Maintain turnover below 8 %

Retain our talents.

Lost time incidents 0 %

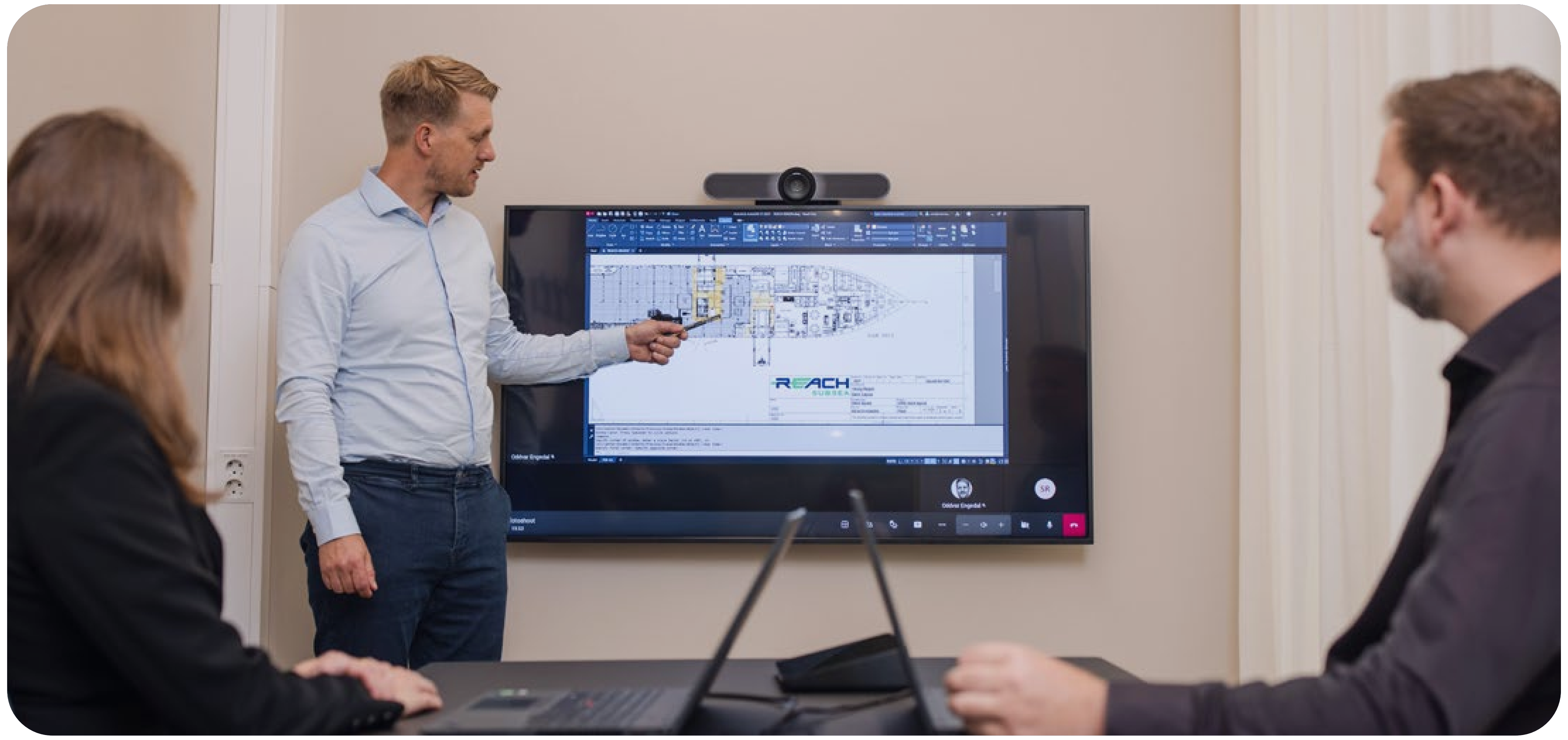
Focus on HSEQ and productive work time.

Governance

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

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

Governance



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

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

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

We are diligently preparing to meet 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 and are well underway with conducting a thorough double material analysis.

(in NOKm)	2023	2022
Revenues	1996	1163
EBIT	332	105
Pre-tax profit	290	98
Cash and cash equivalents	436	192
Net working capital	(105)	71
Net interest bearing debt, excl IFRS 16 leases	(369)	(164)
Equity	928	579

Profitability and financial solidity

Reach follows an annual reporting cycle, 01.01- 31.12 for both its sustainability reporting and financial reporting.

Quality services

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

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

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

Lessons learned and feedbacks are assessed internally for improvement indicators and any indicators are discussed with the project team to find the best possible way to perform the activity in the future. Our Non-conformance and improvement reporting system is continuously followed up by our HSEQ department and management, and a newsletter containing highlights from the system is distributed to the organization. We also subscribe to IMCA safety flashes, which help us keeping track on general improvement indicators in the industry.

Year	Technical uptime
2019	100 %
2020	99 %
2021	100 %
2022	99 %
2023	99 %

Anti-corruption and business ethics

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

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

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

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

Reach will not tolerate retaliation in any form against anyone raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour. There have not been any significant instances of non-compliance with laws and regulations that resulted in fines or sanctions during the reporting period.

We require our leaders to take responsibility for preventing, detecting and responding to issues relating to unethical behaviours and corruption risk. All management personnel have completed an IMCA - based e-learning training program related to anti-corruption. In 2020 we implemented an e-learning for all employees related to anti-bribery. 70 % have finished the e-learning in 2023.

Sustainability in our supply chain

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

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

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

To be accepted to provide services to Reach, all suppliers must perform a mandatory self- declaration, which also includes compliance with our policies relating to Code of Conduct, Anti-Corruption and Anti-Bribery, Transparency as well as social compliance. Reach continuously reviews the supplier list to identify critical vendors.

We also perform supplier audits to ensure compliance. We aim to maintain focus on business ethics in our supply chain by continuing to perform supplier audits and reviewing self-declarations and supplier questionnaires. We are constantly working to develop and improve our ReachED courses, and aim for the following year to develop e-learning course with focus on Sustainability for our employees.

The Transparency Act

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

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

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

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

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

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

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

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

Process to fulfill the transparency act

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

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

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

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

The procedure of Safeguarding the Transparency Act is owned by our VP Group HSEQ, checked by VP Group HR and CFO, and finally approved and signed by the CEO and the Board.

The procedure outlines the key duties to comply with the Transparency Act.

For more information on this topic please download the document here. The required statement for 2023 will be published before the deadline 30.06.2024 on https://reachsubsea.no/transparency-act/.

Cyber Security

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

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

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

Established in 2004 and strengthened by the EU Cybersecurity Act, the European Union Agency for Cybersecurity contributes to EU cyber policy, enhances the trustworthiness of ICT products, services and processes with cybersecurity certification schemes, cooperates with Member States and EU bodies, and helps Europe prepare for the cyber challenges of tomorrow.

Through knowledge sharing, capacity building and awareness raising, the Agency works together with its key stakeholders to strengthen trust in the connected economy, to boost resilience of the Union's infrastructure, and, ultimately, to keep Europe's society and citizens digitally secure." Source: ENISA web page.

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

8. Decent work and economic growth

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

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

16. Peace, justice and strong intuitions

Contribute work for substantially reduce corruption and bribery

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

Governance

Key targets 2023

Establish renewed sustainability governance structure

Achieved

Clear long term goals and KPIs was set for 2023.

80 % completion of Cyber security awareness training courses

Not achieved

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

80 % completion of Code of Conduct and Anti Bribery course

Not achieved

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

Implement Taxonomy Reporting System

Achieved

Meet relevant maritime requirements.

Key targets 2024

90 % completion of Cyber security awareness training courses

Increase the overall Cyber Security awareness for the organisation.

90 % completion of Code of Conduct and Anti Bribery course

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

Implement and gain 90 % completion of Sustainability course

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

Directors Report

Share information

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

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

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

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

Investor relations

Reach essentially follows the recommendation for reporting of IR-information issued by the Oslo Stock Exchange and publishes all its news releases on www.newsweb.no, a service provided by the Oslo Stock Exchange. Reach aims for a high level of quality on the content, and high frequency of information, provided to its investors. Our quarterly financial reports include financial details to increase the transparency of our business. Financial reports, General Meeting Minutes, share price information, Corporate Governance, Operational figures and presentation of the Board and Management can be found on the company's web page, as well as the full Sustainability Report covering initiatives and measures on Corporate Social Responsibility. Reach Subsea ASA has a dividend policy stating that the company aims to distribute a dividend of around 50 % of adjusted net profit. Adjusted net profit is defined as reported net profit, adjusted for items the Board regards as transitory.

Directors Report

Risk Factors

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

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

Operational and technology risk

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

- Project risk. Performing risk analysis is part of our QMS and Project Manuals. Training, procedures and good cooperation between offshore and onshore locations are key elements to avoid surprises or accidents. HSEQ statistics are part of our meetings and monthly report.
- Quality and capacity risk. Maintaining our subsea assets and close cooperation with key suppliers are two key elements for reducing the risk of not being able to deliver to our clients.
- Technology development. Innovative, efficient solutions are important to be attractive for clients and employees. To mitigate this risk Reach has Research and Development (R&D) projects for technology development and further participates in various fora and conferences and discusses with employees, suppliers and clients. R&D cost is presented in our accounts as operating expenses or as part of new or upgraded assets.
- Reach has invested in two remotely operated vessels (“Reach Remote”). The Reach Remote is a USV (Unmanned Service Vessel) mobilized with an eROV (Remotely Operated Vehicle) that is operated through a moonpool with an umbilical and/or hull mounted equipment.

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

Directors Report

Financial and compliance risk

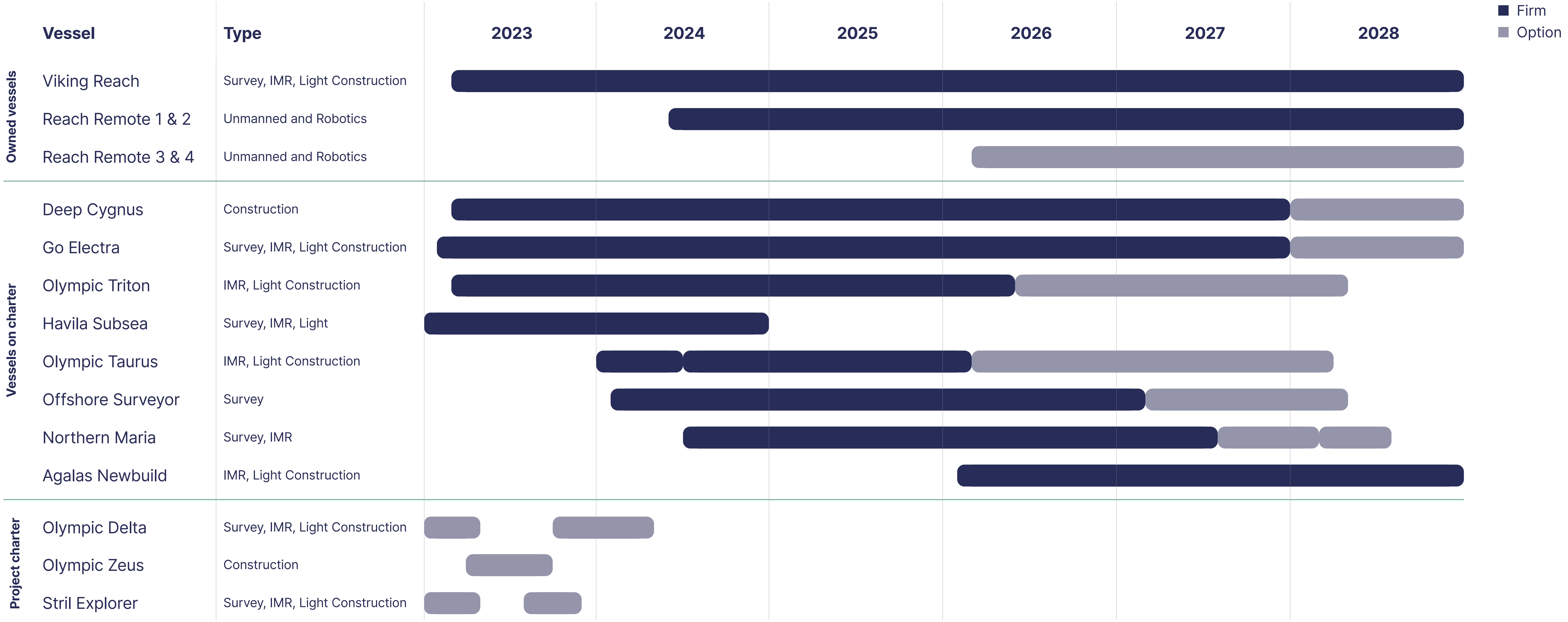
The Group is exposed to financial risk factors including;

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

Commercial and market risk

- Reach has increased the vessel commitment by entering into new charter agreements in 2023 and 2024. The vessels have a competitive cost level and are scheduled for projects within the Reach Subsea Group. The current order book for each vessel is presented under the Operational Report above. Most of our current order book is related to projects in the first two-three quarters in 2024. Vessel commitment as per 31 March 2024 is presented on the next page.
- The Board emphasizes that there is considerable uncertainty about future events, hereunder market conditions, availability of spare parts and cost of goods and services. Market and operational risk are related to changes in demand for and prices of services provided by the Group, and potential adverse effects of the provision of such services. Reach is currently not directly affected by political instability or war situations, including in Ukraine. The demand in the oil and gas sector is currently not expected to decrease, but future events might adversely alter this expectation.
- The Group continually evaluates measures to reduce risk exposure as mentioned above. Certain risk factors are further described in the notes. Reference is also made to the Outlook section in this report.

Vessel capacity for long-term growth



Directors Report

The Annual Results

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

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

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

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

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

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

Operating result (EBIT) in 2023 was NOK 331.8 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 in 2023 were NOK -59.0 million (NOK -7.2 million). The main year-over- year differences are (i) 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. Result from associated companies was NOK 16.7 million (N/A). The total comprehensive income for 2023 was NOK 224.7 million (NOK 69.7 million).

In 2023, Oil & Gas revenues constituted 67.8 % while Renewable/Other constituted 32.2 % of total revenues. By comparison, in 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.

Directors Report

Capital structure

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

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

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

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

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

Net financial interest bearing debt to credit institutions (i.e. excluding IFRS 16 leases) was NOK –368.8 million (NOK -163.6 million), i.e. cash positive.

Net cash flow from operating activities in 2023 was NOK 952.7 million (NOK 466.3 million). 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.

For 2023, net cash flow from financing activities was NOK -487.8 million (NOK -214.5 million), and includes vessel charter hire classified as “Repayment of borrowings and leases” according to IFRS 16, 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).

Directors Report

Capital structure(cont.)

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

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

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

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

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

News after year 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 of 100 days started in January 2024. Thereafter the vessel is signed for a new charter party for 2 years + 2 years' options. Our schedule indicates good utilization for all our subsea spreads throughout the main season 2024.

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

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

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.

Directors Report

Outlook (cont.)

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

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

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

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

Statement by the Board of Directors and Managing Director

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

CEO and Board of Reach Subsea ASA

Haugesund 15 April 2024

Rachid Bendriss (S)
Chairperson of the Board

Martha Kold Monclair (S)
Board member

Kristine Skeie (S)
Board member

Espen Gjerde (S)
Board member

Arvid Pettersen (S)
Board member

Ingunn Ø. Iveland (S)
Board member

Anders Onarheim (S)
Board member

Jostein Alendal (S)
CEO

The Board of Directors

Rachid Bendriss

Chairperson of the Board

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

Kristine Skeie

Board member

Kristine Skeie (1974) has been a board member of Reach since 2018 and is Managing Director of HK Shipping Group AS which is a Shipping company trading in the shortsea bulk segment. Skeie is also a board member in Eidesvik Offshore ASA. She is a College graduate in Business administration from the Norwegian Business School and has attended a Maritime Executive Program directed by Norwegian Shipowners Association. Mrs. Skeie beneficially owns 505,588 shares through her fully owned company Vest-Norsk Handelskompani AS.

Ingunn Ø. Iveland

Board member

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

Martha Kold Monclair

Board member

Martha Kold Monclair (1962) has been a board member of Reach since 2020 and is the founder and managing partner of MKOLD AS and a non-executive director of public listed companies as Hexagon Purus, Edda Wind and BW LPG. Prior to that Ms. Bakkevig served two years as Chief Executive Officer of Steinsvik Group, an equipment and service provider for fish farming industry worldwide and ten years as Chief Executive Officer of DeepWell, an oil service company operating in the North Sea. Ms. Bakkevig has extensive experience in management, strategy and business development, and a broad academic background with a doctor's degree in both technical and business strategical subjects. She holds a master's degree and PhD from the Norwegian University of Science and Technology (NTNU) and a Doctorate in Economics from BI Norwegian Business School. Bakkevig beneficially owns 949,534 shares through her fully owned company Kold Invest AS.

The Board of Directors

Anders Onarheim

Board member

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

Arvid Pettersen

Board member

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

Espen Gjerde

Board member

Espen Gjerde (1981) has been a board member of Reach since 2022 and holds a Master of Science degree in Naval Architecture and Marine Technology from Norwegian University of Science and Technology (NTNU). He is a Shipping, Offshore & Renewable Energy investment professional with offshore operational experience. In addition, he has broad experience from the international equity capital, bond debt and bank financing markets. Background from leadership education in the Norwegian Armed Forces, as a maritime management consultant in DNV, experience with shipping/offshore financing from DVB Bank and has been responsible for investments and portfolio management in Ship Finance International Limited (SFL Corp). Experience within maritime and energy sectors from insight gained through work for different shipping, offshore and oil & gas companies. Wilhelmsen New Energy AS, where Mr. Gjerde is Senior Vice President, owns 52,136,636 shares.

Corporate Governance & Management

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

Corporate Governance & Management

1. Implementation & Reporting on Corporate Governance

Implementation & Regulations

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

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

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

2. Business activity

Objective

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

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

Values, objectives and strategies

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

The Company has established their own Code of Conduct and guidelines for Corporate Social Responsibility (CSR). The Board of directors evaluates objectives, strategies and risk profiles yearly, with the goal to create value for shareholders in a sustainable way. The Company's strategy and key metrics related to environment, social factors, and governance (ESG) are described in the Sustainability section of this annual report.

Corporate Governance & Management

3. Equity and dividend

Equity

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

Dividend

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

Authorizations to the Board

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

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

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

4. Equal treatment of shareholders & transactions with close associates

Rights

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

Transactions with related parties

Any transactions, agreements or arrangements between the Company and its shareholders, members of the Board, members of the executive Management team or close associates of any such parties shall only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall comply with the procedures set out in the Norwegian Public Limited Liability Companies Act or similar provisions, as applicable. The Company's financial statements shall provide further information about transactions with related parties. Board members and members of the Executive Management team shall immediately notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

5. Shares & negotiability

Transfer of shares

The Shares are freely transferable and there is no limit to own, trade or vote for shares in the Company. The Company's Articles of Association do not contain any provisions imposing limitations on the ownership of the Shares and there are no limitations under Norwegian law on the rights of non-residents or foreign owners to hold or vote for the Shares.

Corporate Governance & Management

6. The General Meeting

The annual general meeting of Reach Subsea ASA

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

Preparations for the AGM

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

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

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

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

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

Agenda and conduct of the AGM

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

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

7. Nomination committee

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

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

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

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

Corporate Governance & Management

8. The Board of directors - composition and independence

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

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

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

9. The work of the board of directors

Responsibilities and duties

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

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

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

Further details on the duties of the Board are included in the instructions to the Board. All members of the Board receive information about the Company's operational and financial development on a monthly basis. The Company's strategy shall regularly be subject to review and evaluation by the Board.

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

Related parties

The Board ensures that members of the Board and executive personnel make the Company aware of any material interest that may have in items to be considered bvy the Board.

Corporate Governance & Management

10. Risk management and internal control

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

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

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

Routines

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

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

Audit committee

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

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

Corporate Governance & Management

11. Remuneration of the Board of directors

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

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

12. Remuneration of executive personnel

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

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

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

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

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

13. Information & communication

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

Corporate Governance & Management

13. Information & communication (cont.)

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

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

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

14. Take-overs

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

15. Auditor

Reach Subsea is audited by PricewaterhouseCoopers in Stavanger, Norway.

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

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

The auditor shall be present at Board meetings where the annual accounts are on the agenda. Whenever necessary, the Board shall meet with the auditor to review the auditor's view on the Company's accounting principles, risk areas, internal control routines etc. At least one time per year, the Board and the auditor shall meet without the presence of anyone from the Executive Management.

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

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

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

Definitions

EBIT
Earnings before interest and taxes (operating result).

Liquidity
Cash and cash equivalents plus unutilized revolving credit facility.

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

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

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

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

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

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

LTIs
Number of loss time incidents (number of 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.

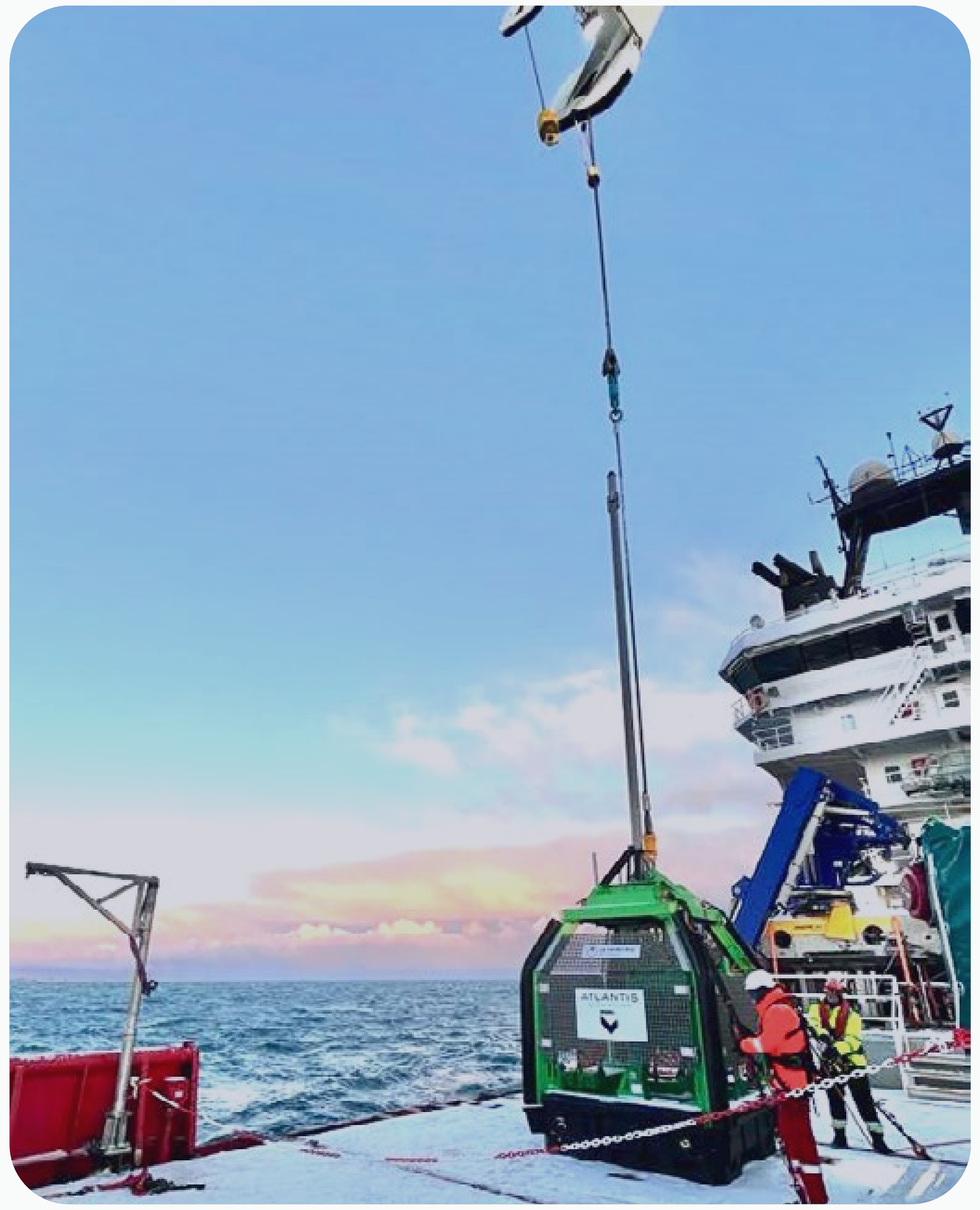
Spittal & Peterhead transmission connection

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

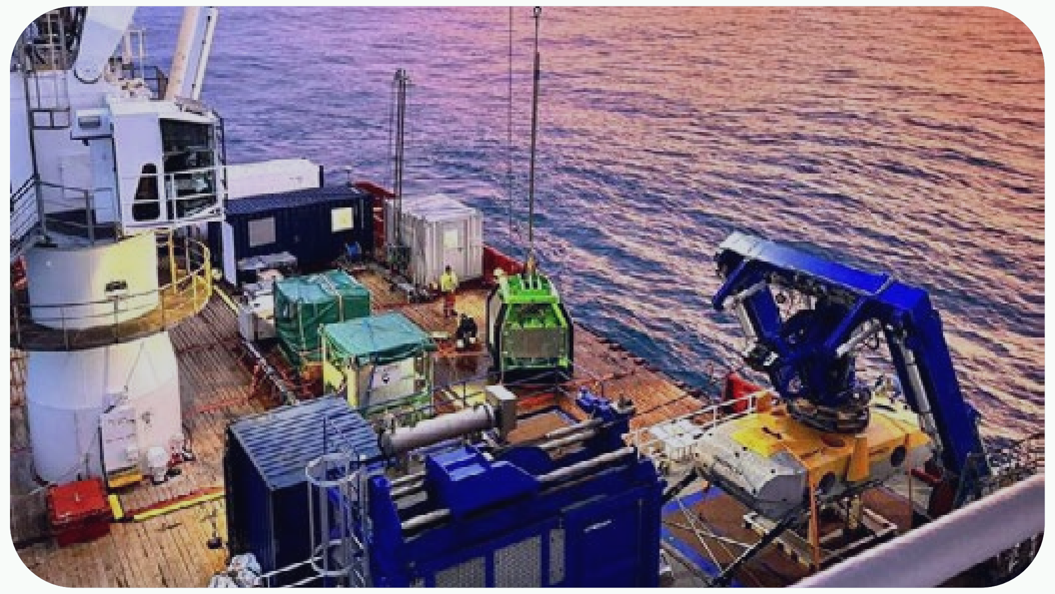
This link will enable the efficient high volume power transmission from generators in the far north of Scotland to the network at Peterhead.

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

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



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



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

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

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

Geotechnical Investigation Nearshore and Offshore (CPT & Vibrocoring)

Report Delivery with Charting and GIS Package

Vessel

Geophysical Survey: 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

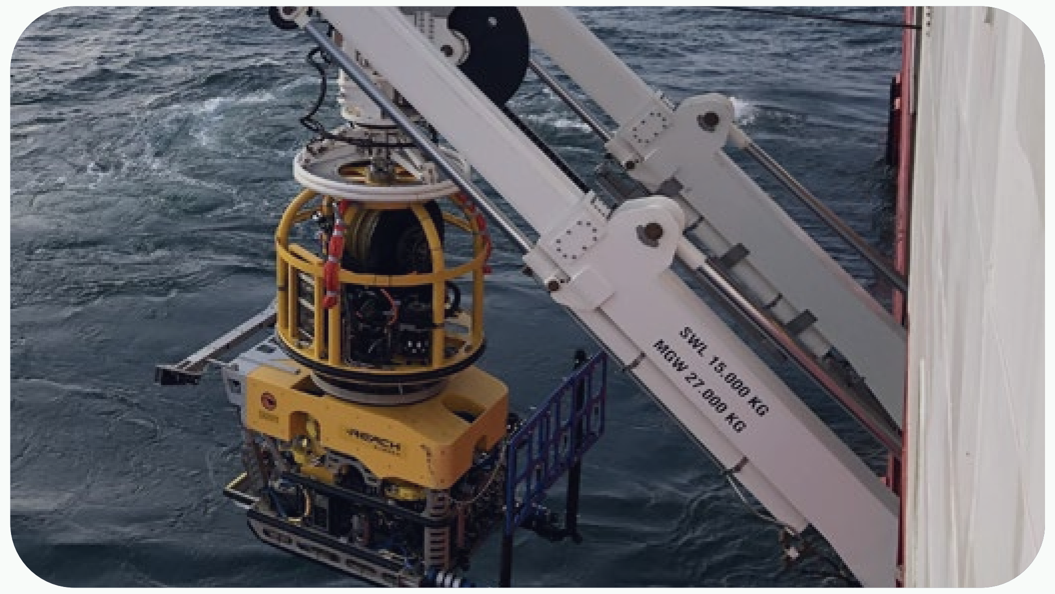
NBOS Hollandse Kust west Beta

Optimized cable route survey through ROV integration.

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

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

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



Vessel

Viking Reach

Client

NBOS

Location

Netherlands

Period

May 2023

Water Depth

13m - 50m

Positioning of an Offshore Wind Farm

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

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

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

Vessel

Jumbo Javelin

Client

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

Location

Yunlin Offshore Wind Farm, Taiwan

Period

April 2023 +7 months

Water Depth

7m - 35m

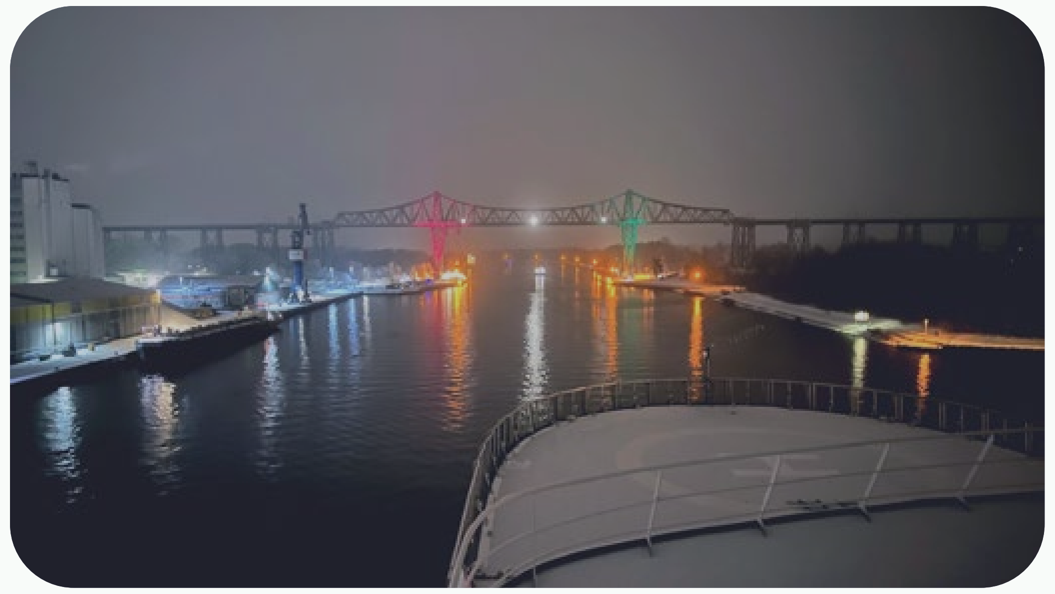
Wind farm support at Hollandse Kust Noord and Baltic Eagle

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

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

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

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



Vessel

Deep Cygnus

Client

Van Oord, Equans

Location

Netherlands and Germany

Period

November -December 2023

Water Depth

50m - 70m

Financial Statements

Reach Subsea ASA Group

Consolidated statement of comprehensive income

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

(NOK 1000)	2023	2022	Notes
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation differences	(1 116)	(2 503)	
Total comprehensive income for the year	**224 675**	**69 682**	
Earnings (loss) per share	0.89	0.35	11
Diluted result (loss) per share	0.88	0.34	11

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

Consolidated statement of financial position

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

Consolidated statement of financial position, continued

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

Haugesund, 15. april 2024

Rachid Bendriss (S)
Chairman of the Board

Martha Kold Monclair (S)
Board member

Kristine Skeie (S)
Board member

Espen Gjerde (S)
Board member

Arvid Pettersen (S)
Board member

Ingunn Ø. Iveland (S)
Board member

Anders Onarheim (S)
Board member

Jostein Alendal (S)
CEO

Consolidated statement of cash flow

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

(NOK 1000)	2023	2022	Notes
Cash flow from financing activities			
Net interest received/paid	2 001	(1 061)	
Proceeds from issuance of ordinary shares	123 040	152 270	
Proceeds from bank loan	27 500	-	21
Payment of dividends	(45 981)	(40 484)	
Repayment of borrowings	(23 300)	(13 448)	21, 24
Repayment of leases (including interests)	(571 042)	(311 814)	21, 24
Net cash flow from financing activities (3)	**(487 781)**	**(214 537)**	
Net cash flow for the year (1+2+3)	**256 556**	**47 070**	
Cash and cash equivalents in the start of the period 1/1	191 591	149 035	
Translation differences	(11 723)	(4 514)	
Cash and cash equivalents 31/12	436 423	191 591	

Consolidated statement of changes in equity

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

Notes

Note 1 - General Information

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

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

Note 2 - Summary of significant accounting policies

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

Basis of preparation

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

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

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

New & amended standards adopted by the Group

Certain new standards, amendments to standards, and annual improvements to standards and interpretations are effective for annual periods beginning after January 1, 2023 and have been applied in preparing these consolidated financial statements. These applications did not materially impact the Group's consolidated financial statements.

New standards & interpretations not yet adopted

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

Notes

Basis of consolidation

Subsidiaries

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

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

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

Associates

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

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

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

Joint arrangements

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

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

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

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

Notes

Segment reporting

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

Foreign currency translation

Functional currency and presentation currency

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

Transactions and balances

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

Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

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

Notes

Impairment of non-financial assets

General

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

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

Godwill

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

Customer contracts

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

Onerous contracts

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

Notes

Leases

Accounting as lessee

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

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

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

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

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

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

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

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

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

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

Notes

Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

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

Notes

Bunkers

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

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

Financial assets

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

Derecognition

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

Impairment

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

Trade receivables

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

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

Government grants

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

Cash and cash equivalents

Cash equivalents are ordinary bank deposits.

Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares is shown in equity as a deduction, net of tax, from the proceeds.

Trade payables

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

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

Notes

Taxes

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

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

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

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

Borrowings

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

Share-based payments

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

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

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

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

It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

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

Notes

Provisions, contingent liabilities and contingent assets

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

Recognition of revenue

General

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

Sales of services

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

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

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

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

Incremental costs of obtaining a contract is recognized as an asset if we expect to recover these costs. However, incremental costs are limited to the costs that would not have incurred if the contract had not been successfully obtained.

Revenue from leases

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

Cash flow statement

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

Notes

Note 3 – Financial Risk Management

3.1 Financial Risk Factors

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

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

3.1.1 Market Risk

Foreign exchange risk

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

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

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

The following table demonstrates the sensitivity to a reasonably possible change in USD, GBP and EUR, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Inc/dec USD	Effect on profit before tax
2023	Increase 5 %	(17 971 438)
	Decrease 5 %	17 971 438
2022	Increase 5 %	5 703 008
	Decrease 5 %	(5 703 008)

	Inc/dec EUR	Effect on profit before tax
2023	Increase 5 %	4 260 713
	Decrease 5 %	(4 260 713)
2022	Increase 5 %	1 509 462
	Decrease 5 %	(1 509 462)

	Inc/dec GBP	Effect on profit before tax
2023	Increase 5 %	2 122 662
	Decrease 5 %	(2 122 662)
2022	Increase 5 %	3 754 376
	Decrease 5 %	(3 754 376)

Notes

3.1.1 Market Risk - continued

Price risk

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

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

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

3.1.2 Credit Risk

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

3.1.3 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Group aims to maintain flexibility in its liquidity by keeping committed credit lines available. The need for working capital is continuously being considered based on payment terms and financial status of clients and the Group's firm expenses (including loan instalments and interest). Refer to note 21 for maturity analyses.

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

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

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

Annual Report 2023

3.1.4 Cash Flow and Fair Value Interest Rate Risk

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

3.1.5 Capital Management

The Group's objectives when managing capital are to

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

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

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

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

Annual Report 2023

Note 4 – Accounting Estimates and Judgments

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

4.1 Critical Accounting Estimates and Assumptions

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

Impairment of property, plant and equipment

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

Assessment of leases under IFRS 16

The application of IFRS 16 requires significant judgements and certain key estimations. Critical judgements required in application of IFRS 16 may include, among others, the following:

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

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

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

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

Annual Report 2023

Income taxes

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

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

Business combinations

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

Changes in presentation

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

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

Notes

Note 5 - Segment information

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

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

Note 6 - Procurement Expenses Specified

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

Note 7 - Other Operating Costs Specified

(NOK 1000)	2023	2022	Notes
Rental cost	16 346	12 021	**23**
Consultant cost	31 583	72 751	
Operating equipment and maintenance	58 940	45 919	
Administration costs	81 689	49 509	
Other operating costs, in total	**188 558**	**180 200**	

Notes

Note 8 - Personel Expenses

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

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

Compensation and benefits to Management

Guidelines for remuneration

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

Compensation to CEO, CFO, CCO, CTO and COO (NOK 1000)	Salary	Pension costs	Other comp.	Shared options to be vested
2023				
Jostein Alendal, Managing Director CEO	2 189	99	809	150
Birgitte W. Johansen, CFO	2 177	109	842	150
Bård Thuen Høgheim, CCO	2 366	93	809	150
Audun Brandtzæg, CTO	2 028	89	579	150
Inge Grutle, COO	2 177	93	809	150
Total	**10 937**	**483**	3 849	750
Audun Brandtzæg started in his position 1 February 2023.				
2022				
Jostein Alendal, Managing Director CEO	2 039	94	616	300
Birgitte W. Johansen, CFO	1 919	100	583	300
Bård Thuen Høgheim, CCO	1 919	87	616	300
Inge Grutle, COO	1 919	87	616	300
Total	**7 795**	**367**	**2 431**	**1 200**

Managing director has no agreement regarding early retirement. Managing director will receive NOK 2.3 million in payment if employment is terminated. CFO has no agreement regarding early retirement and no agreement on payment in case of termination of employment.

Notes

Note 8 - Personel Expenses - continued

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

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

All amounts are exclusive of value added tax.

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

Notes

Note 8 - Personel Expenses - continued

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

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

Notes

Note 9 - Finance income and Expenses

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

Note 10 - Taxes

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

Notes

Note 10 - Taxes - continued

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

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

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

Notes

Note 11 - Earnings per share

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

Note 12 - Shares in Subsidiaries

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

Notes

Note 13 - Climate Risk

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

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

Risks related to the transition to a low-carbon economy

Demand

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

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

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

Impairment/stranded assets

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

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

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

Financing and capital

Reach Subseas future development and investments depend on multiple sources, including operational cash flow, capital, and borrowings. Increased concern over climate change could lead to increased cost of capital. To mitigate such risk, the group works closely with financial institutions and investors and continuously evaluates its investment strategy
to optimize a strong balance sheet.

Risks related to the physical impacts of climate change

Reach Subsea is exposed to changing weather conditions caused by climate change as a result of its operation activities offshore. Impact of severe climate change could cause damage to assets, disrupt operational activities and result in significant costs increased. The company maintain insurance to protect its physical assets and also manage the risk of lost revenue due to weather conditions through its contracts with customers.

Notes

Note 14 - Property, plant & equipment

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

Notes

Note 14 - Property, plant & equipment - continued

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

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
Net book value 31.12.23	**266 658**

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

Notes

Note 14 - Property, plant & equipment - continued

Asset category	Assets under construction	Property, plant and equipment	Property, plant and equipment	Property, plant and equipment	Right-of-use assets	
Assets under construction (NOK1000)	**Assets under construction**	**ROV and ROV equipment**	**Right of use asset ROV, leased from financial institutions**	**Equipment and office mashinery**	**Right of use asset Vessels and other equipment***	**Total**
Year ended 31 December 2022						
Opening net book amount	-	46 709	13 340	13 720	277 212	350 974
Additions	150 499	3 453	-	13 437	126 717	294 106
Additions from business combination (note 27)	-			39 837	10 327	50 163
Disposals	-	-	-	-	-	-
Adjustment of commitment	-	-	-	-	(17 203)	(17 203)
Other reclassification	-	-		-	-	-
Depreciation	-	(21 640)	(5 394)	(18 459)	(306 795)	(352 288)
Impairment	-	-	-	-	-	-
Closing net book value	150 499	**28 530**	**7 945**	**48 535**	**90 258**	**325 768**

At 31. December 2022						
Cost 1.1.22	-	155 068	113 844	25673	601 143	895 768
Additions	150 499	3 453	-	53 274	119 841	327 066
Other reclassification	-	-	-	-	-	-
Disposals at cost	-	-	-	-	-	-
Adjustment fully depreciated items	-	-	-	-	(335 183)	(335 183)
Cost 31.12.22	**150 499**	**158 521**	**113 884**	**78 947**	**385 800**	**887 651**

Notes

Note 14 - Property, plant & equipment - continued

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

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

Notes

Note 14 - Property, plant & equipment - continued

Impairment

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

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

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

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

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

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

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

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

Sensitivity on total fixed assets

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

Notes

Note 15 - Intangible assets

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

Notes

Note 15 - Intangible assets - continued

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

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

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

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

Notes

Note 16 - Trade receivables and other current receivables

(NOK 1000)	2023	2022
Invoiced receivables	149 209	216 328
Revenue recognised, not billed	164 958	67 451
Less: provision for impairment of trade receivables	-	-
Current portion trade receivables	**314 166**	**283 778**
Prepayments	15 370	5 782
Other receivable	26 535	13 019
Current portion other receivables	**41 904**	**18 801**
Non-current positions	-	-

The fair values of trade receivables are as follows:

Invoiced receivables	149 209	216 328
Revenue recognised, not billed	164 958	67 451
Receivables from related parties	-	-
Loans to related parties	-	-
Total trade receivables	**314 166**	**283 778**

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

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

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

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

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

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

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

The carrying amounts of the group's trade receivables are denominated in the following currencies:

NOK	45 043	74 323
EUR	18 331	2 477
USD	62 679	83 556
GBP	22 490	54 714
SGD	-	148
DKK	-	1 110
AUD	666	-
Total trade receivables	**149 209**	**216 328**

Notes

Note 17 - Cash and cash equivalents

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

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

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

Notes

Note 18 - Share capital and information about shareholders

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

Reach Subsea's share capital amounts to NOK 271,769,245 divided into 271,769,245 shares, each with a nominal value of NOK 1.

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 received the right to subscribe for and be allocated an additional 44,766,864 new shares in Reach Subsea ASA at a subscription price of NOK 4.00 per share. The warrants have a duration of three years and can be exercised at any time. The private placement and the issuance of the warrants was approved on an extraordinary general meeting in Reach Subsea ASA, held on 15 March 2022. As of 31 December 2023 Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,903,500.

On February 15 2023 Reach Subsea announced and successfully executed a private placement. A total of 29,411,000 new shares was allocated by the Board of Directors. In addition the company also 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. On October 6 2023 Reach Subsea announced the acqusition 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 in the transaction, 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 27 for further details.

Notes

Note 19 - Share based payments

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

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

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

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

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

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

Note 20 - Other current liabilities

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

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

Notes

Note 21 - Classification of financial assets and liabilities

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

Notes

Note 21 - Classification of financial assets and liabilities - continued

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

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

Notes

Note 21 - Classification of financial assets and liabilities - continued

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

Financial liabilities 2023

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

Financial liabilities 2022

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

Notes

Note 21 - Classification of financial assets and liabilities - continued

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

Distribution non-current and current debt	2023	2022
Non-current interest-bearing debt to credit institutions	57 418	4 932
Non-current interest-bearing debt, leases	805 931	4 310
Current interest-bearing debt to credit institutions	10 176	23 086
Current interest-bearing debt, leases	386 036	98 660
Closing balance	**1 259 561**	**130 988**

Notes

Note 22 - Borrowings

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

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

The financial covenants are as follows:

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

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

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

Notes

Note 22 - Borrowings - continued

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

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

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

Lease liabilities to credit institutions

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

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

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

Note 23 - Commitments

Short term leases

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

CAPEX and vessel capacity

The Reach Remote project is expected to amount to approximately NOK 400 million. As 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 year end Reach has entered into chartering agreements for the vessels Olympic Taurus and Northern Maria. Investments in the coming six months associated with these vessels and other capex projects is expected to amount to approximately NOK 170 million. Reach has secured bank and lease financing to partly fund these investments.

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

Notes

Note 24 - Leases (Group as a lessee)

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

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

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

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

Movement schedule for right of use assets and lease liabilities (NOK 1000)	Right of use asset	Interest-bearing debt, non-current	Interest-bearing debt, current
Opening balance 01.01.2023	90 258	4 310	98 660
Additions	1 656 186	-	1 656 186
Additions from business combination (note 27)	517	-	545
Disposals	-	-	-
Adjusted commitment	(2 094)	(2 094)	-
Depreciation	(581 645)	-	-
Impairment	-	-	-
Interests	-	-	74 892
Reclassed from short to long term	-	803 715	(803 715)
Currency adjustments	-	-	(12 685)
Payments	-	-	(627 846)
Ending balance 31.12.2023	**1 163 222**	**805 931**	**386 036**

Notes

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

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

Lease liabilities

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

Lease liabilities	2023	2022
Amounts due for settlement within 12 months (shown under current liabilities)	386 036	98 660
Amounts due for settlement after 12 months (present value)	805 931	4 310
Total	**1 191 967**	**102 970**
Maturity analysis		
Not later than 1 year	386 036	98 660
Later than 1 year and not later than 5 years	788 312	4 310
Later than 5 years	17 619	
Total instalments	**1 191 967**	**102 970**
Future finance charges	167 196	3 322
Total instalments and finance charges	**1 359 163**	**106 292**

Reconciliation of depreciation	2023	2022
Depreciations of long term right- of use assets	429 015	254 580
Depreciations of short term right- of use assets (Pay as you go contracts)	152 630	52 215
Depreciations of other assets (Note 14)	41 360	46 737
Total depreciations	**623 005**	**353 532**

Other Information related to leases:

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

Notes

Note 25 - Contract with customers

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

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

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

Revenue by region (NOK 100)	**2023**	**2022**
Ivory Coast	440 748	5 293
Norway	412 117	387 938
Netherlands	309 070	-
Brazil	244 141	-
UK	225 181	262 720
France	127 595	21 491
Singapore	53 890	29 499
US	33 636	156 730
Egypt	31 483	114 337
Australia	29 002	-
Germany	27 744	51 553
Finland	22 030	-
Greece	5 342	8 463
Sweden	3 446	77 753
Denmark	1 001	1 200
Trinidad og Tobago	95	39 856
Saudi Arabia	56	-
Malta	7	2 437
Morocco	-	1 963
Spain	-	932
Israel	-	631
Philippines	-	23
Total	**1 966 584**	**1 162 821**

Notes

Note 25 - Contract with customers - continued

Assets and liabilities related to contracts with customers

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

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

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

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

Notes

Note 26 - Investment in associated companies

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

The investments are accounted for using the equity method:

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

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

Significant associates

Financial figures for the associated company Eidesvik Reach AS (unaudited) (NOK 1000)	2023
Revenues	100 583
Operating result	41 782
Pre-tax profit	33 778
Liquidity	29 827
Net working capital	14 571
Equity	225 142

Eidesvik Reach AS is an associated company where Reach controls 49.9 % of the shares and voting rights. The associate is accounted for using the equity method. Eidesvik Reach AS owns and operates the vessel Viking Reach with headoffice in Bømlo, Norway. The vessel is on contract with Reach Subsea AS until april 2029. The group has not identified impairment indicators related to the investment in Eidesvik Reach AS.

Notes

Note 27 - Business combinations

Acquisition of Guardian Geomatics

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

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

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

Adjustments on the purchase price (NOK 1000)	
Agreed purchase price before adjustments	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)
Adjusted total consideration	**82 530**

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

Notes

Note 27 - Business combinations - continued

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

Summary

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

Acquired receivables

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

Revenue and profit contribution

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

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

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

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

Notes

Note 27 - Business combinations - continued

2022

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

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

Purchase price allocation (NOK 1000)	
Deferred tax assets	1 254
Property, plant and equipment	19 837
Fair value adjustments property, plant and equipment	20 000
Right of use assets	10 327
Trade receivables	27 944
Fair value adjustments customer relationships	10 000
Other receivables	12 639
Cash and cash equivalents	6 132
Total assets	108 133
Interest-bearing debt to credit institutions (non-current)	2 924
Interest-bearing debt, leases (non-current)	5 337
Other long-term debt	-
Interest-bearing debt to credit institutions (current)	7 784
Interest-bearing debt, leases (current)	4 990
Public duties a.o	5 060
Tax payable	4
Trade payables	8 636
Other current liabilities	18 912
Provisions	2 780
Total liabilities	**56 429**
Total identifiable net assets at fair value	51 704
Total consideration	138 427
Goodwill	**86 723**

Notes

Note 27 - Business combinations - continued

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

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

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

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

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

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

Note 28 - Subsequent events

New commitments

During the first quarter of 2024 Reach has been awarded several contracts and call-offs under frame agreements, involving inspection, survey and construction support projects across Europe, the Americas and in Asia Pacific. Clients represent major operators and 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. In March 2024 Reach extended the charter for Olympic Taurus for an additional 2 years with the potential for extension up to an additional 1+1 years. Charter commitments for vessels mobilized in 1Q24 will increase interest bearing debt (leases) with an estimated amount of NOK 506 million. Refer to press releases sent via Newsweb for further information.

Proposed dividends

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

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

Financial Statements

Reach Subsea ASA Parent Company

Income statement Reach Subsea ASA

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

Balance sheet Reach Subsea ASA

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

Balance sheet Reach Subsea ASA, continued

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

Haugesund, 15. April 2024

Rachid Bendriss (S)
Chairman of the Board

Martha Kold Monclair (S)
Board member

Kristine Skeie (S)
Board member

Espen Gjerde (S)
Board member

Arvid Pettersen (S)
Board member

Ingunn Ø. Iveland (S)
Board member

Anders Onarheim (S)
Board member

Jostein Alendal (S)
CEO

Cash Flow Reach Subsea ASA

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

Notes Reach Subsea ASA

Accounting principles

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

Use of estimates

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

Revenues

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

Classification of balance sheet items

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

Purchase costs

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

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

Investments in other companies

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

Asset impairments

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

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Notes Reach Subsea ASA

Debtors

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

Foreign currencies

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

Liabilities

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

Pensions

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

Taxes

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

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

Deferred tax is reflected at nominal value.

Cash flow statement

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

Options

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

Notes Reach Subsea ASA

Note 1 - Related-party transactions

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

Note 2 - Revenues

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

Note 3 - Options

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

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

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

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

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

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

	2023		2022	
(NOK 1000)	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At 1 January	2.82	2 000 000	3.00	3 000 000
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	2.64	850 000	2.82	812 500
Expired	-	175 000	-	187 500
At 31 December	**2.64**	**975 000**	**2.82**	**2 000 000**

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

Notes Reach Subsea ASA

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

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

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

(NOK 1000)	2023	2022
Remuneration to executives	**General manager**	**Board**
Salaries/board fee	2 189	2 161
Pension expenses	99	-
Other remuneration	809	-
Share options to be vested	150	-

Expensed audit fee	2023	2022
Statutory audit (incl. technical assistance with financial statements)	1 166	1 050
Other assurance services	119	-
Tax advisory fee (incl. technical assistance with tax return)	463	6
Other assistance	1 484	2 373
Advisory fee booked to equity		-
Total audit fees	**3 232**	**3 429**

VAT is not included in the audit fee.

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

Notes Reach Subsea ASA

Note 5 - Other financial income

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

Note 6 - Taxes

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

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

Note 6 - Taxes - continued

Basis for income tax expense, changes in deferred tax and tax payable (NOK 1000)	2023	2022
Result before taxes	25 198	65 088
Group contribution recognised	-	-
Basis for the tax expense for the year	**25 198**	**1 467**
Change in temporary differences	(9)	(12)
Permanent differences	(4 375)	157
Basis for payable taxes in the income statement	**20 813**	**65 234**
+/- Group contributions received/given	-	-
Use of tax losses carried forward	(20 813)	(65 234)
Taxable income (basis for payable taxes in the balance sheet)	**-**	**-**
Components of the income tax expense		
Payable tax on this year's result	-	-
Adjustment in respect of priors	-	-
Total payable tax	**-**	**-**
Change in deferred tax	4 615	14 323
Tax expense	4 615	14 323
Payable taxes in the balance sheet		
Payable tax in the tax charge	-	-
Tax effect of group contribution	-	-
Payable tax in the balance sheet	**-**	**-**

Notes Reach Subsea ASA

Note 7 - Subsidiaries, associated companies and joint venture

Subsidiaries	Location	Ownership/ voting right	Equity (100 %)	Result (100 %)	Balance sheet value
Reach Subsea AS	Haugesund	100 %	431 463	268 274	341 328

Investment in subsidiary is accounted for under the historic cost method.

Note 8 - Debtors and liabilities

Receivables	2023	2022
Trade debtors at nominal value from external parties	-	-
Receivables at nominal value from group companies	435 991	238 550
Bad debts provision	-	-
Receivables in the balance sheet	**435 991**	**238 550**
Debtors which fall due later than one year		
Loans to employees	-	-
Other non current assets	-	-
Total	**-**	**-**
Long term liabilities which fall due later than 5 years		
Liabilities to credit institution	-	-
Other long term liabilities (specify)	-	-
Total	**-**	**-**
Guarantees		
Mortgage loan guarantees	-	-

Notes Reach Subsea ASA

Note 9 - Balance with group companies, etc.

	Current assets		Non-current assets	
(NOK 1000)	2023	2022	2023	2022
Group companies	435 991	238 550	-	
Associated companies	-	-	-	-
Joint ventures	-	-	-	-
Total	**435 991**	**238 550**	**-**	**-**

The balances as of 31.12.23 includes group contributions of NOK 12.0 million (2022: 63.6 million).

	Current liabilities		Non-current liabilities	
(NOK 1000)	2023	2022	2023	2022
Group companies	347 677	125	-	-
Associated companies	-	-	-	-
Joint ventures	-	-	-	-
Total	**347 677**	**125**	**-**	**-**

Current liability to group companies in 2023 are related to debt within the group cash pool accounts which was established during 2023.

Note 10 - Restricted bank deposits, overdraft facilities

Restricted bank deposits (NOK 1000)	2023	2022
Withheld employee taxes	2 474	1 863

Note 11 - Shareholder's equity

Equity changes in the year (NOK 1000)	Share capital	Share premium	Other equity	Total
Equity 01.01.	225 726	245 396	75 389	546 511
Profit for the year	-	-	20 582	20 582
Share issue	46 043	154 928	-	200 971
Share issue, not registrered	-	-	-	-
Proposed dividend	-	(1 866)	(95 971)	(97 837)
Employee share-based payment cost	-	880	-	880
Equity 31.12.	**271 769**	**399 338**	**-**	**671 107**

Notes Reach Subsea ASA

Note 12 - Share capital and shareholder information

List of (20) major shareholders at 31.12.	Number of shares	Ownership
Wilhelmsen New Energy AS	52 136 636	19.2 %
North Industries 1 AS	50 832 449	18.7 %
Survey Holding AS	29 116 897	10.7 %
Citibank, N.A.	11 602 262	4.3 %
Sober AS	10 963 446	4.0 %
Holme Holding AS	6 644 000	2.4 %
JT Invest AS	5 739 539	2.1 %
Normand Drift AS	5 000 000	1.8 %
Pershing LLC	4 100 389	1.5 %
Lion Invest AS	3 769 928	1.4 %
Danske Invest Norge Vekst	3 187 815	1.2 %
Altea AS	2 973 658	1.1 %
Coruna AS	2 725 000	1.0 %
Næringslivets Hovedorganisasjon	2 499 799	0.9 %
Stava Invest AS	2 267 141	0.8 %
Avanza Bank AB	2 216 000	0.8 %
Barrus Capital AS	2 110 090	0.8 %
Rms Invest AS	2 000 000	0.7 %
Jakob Hatteland Holding AS	2 000 000	0.7 %
A-Å Invest AS	1 938 725	0.7 %
20 largest	**203 823 774**	**75.0 %**
The rest of shareholders	67 945 471	25.0 %
Total number of shares	**271 769 245**	**100.0 %**

Reach Subsea's share capital amounts to NOK 271,769,245 divided into 271,769,245 shares, each with a nominal value of NOK 1.

On 17 February 2022, Wilhelmsen New Energy AS, a wholly owned subsidiary of Wilh. Wilhelmsen Holding ASA, agreed to subscribe for, and be allocated, 46,126,567 new shares in Reach Subsea ASA at a subscription price of NOK 3.25 per share. The agreement also included the issuance of warrants, whereby Wilhelmsen New Energy AS have received the right to subscribe for and be allocated an additional 44,766,864 new shares in Reach Subsea ASA at a subscription price of NOK 4.00 per share. The warrants have a duration of three years and can be exercised at any time. The private placement and the issuance of the warrants was approved on an extraordinary general meeting in Reach Subsea ASA, held on 15 March 2022. Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,903,500.

On February 15 2023 Reach Subsea announced and successfully executed a private placement. A total of 29,411,000 new shares was allocated by the Board of Directors.

In addition the company also 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.

On October 6 2023 Reach Subsea announced the acqusition of 100 % of the shares in the Australian marine survey company Guardian Geomatics Ply. 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.

On December 8 2023 Reach Subsea announced the exercises of the share incentives program. Based on the applications received, the Board of Directors of the Company allocated a total of 850,000 new shares to the participants in the incentive program. The subscription price for the shares was NOK 2.64 per share. The shares was registered December 22 2023.

Notes Reach Subsea ASA

Note 13 - Profit (loss) per share

Profit (loss) per share is calculated on the profit (loss) divided by the average number of shares issued.

	2023	2022
Profit (loss)	20 582	50 766
Profit (loss) per share (NOK)	0.08	0.25
Diluted profit (loss) per share (NOK)	0.08	0.24
Average number of shares	252 610 567	206 966 734
Average diluted number of shares	256 131 566	209 835 227
Number of shares 1/1	225 725 928	144 940 708
Number of shares 31/12	271 769 245	225 725 928

Note 14 - Subsequent events

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

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

Auditors report

To the General Meeting of Reach Subsea ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reach Subsea ASA, which comprise:

- the financial statements of the parent company Reach Subsea ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Reach Subsea ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 12 years from the election by the general meeting of the shareholders on 18 December 2012 for the accounting year 2012. We were re-elected on 30 May 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Accounting for leases and impairment of right-of-use assets has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Accounting for leases and impairment of right-of-use assets	
The high activity level during 2023 has resulted in an increased need for vessels and ROVs, which management has secured through leasing. Management uses both short- and long-term leases, depending on the current needs of the operations. In line with the Group's accounting policies for leases, long and short-term leases of vessels and ROV's are capitalised as right-of-use assets and depreciated under IFRS 16. The high level of leasing requires management to prepare accurate and, to a degree, complex calculations to recognise assets and liabilities. This implies an inherent risk of material errors in the financial statements. Further, the use of IFRS 16, requires application of management judgement in evaluating indicators of impairment, and in performing impairment tests if such indicators are present. We focused on this area due to the importance the resulting figures have on several line items in the financial statements, and the level of complexity and use of judgement necessary to arrive at reasonable numbers. In 2023, the effects on the profit and loss statement are a total of NOK 581 645 thousand in depreciation of right-of-use-assets, NOK 74 892 thousand in interest cost and NOK 12 685 thousand in currency adjustments. The statement of financial position showed a total carrying value of right-of-use assets of NOK 1 163 222 thousand and a total lease liability of NOK 1 191 967 thousand at 31 December 2023. Refer to notes 14 and 24 to the consolidated financial statement for further details on management's accounting for leases and impairment of right-of-use assets.	We assessed management's accounting policy for leases and found it to be in line with IFRS requirements. We inquired with management about how they identify which lease contracts should be capitalised and which lease contracts should be expensed. We obtained management's schedule and reconciliation of expenses related to leases of vessels and ROVs. We tested the details in the schedule and reconciliation towards supporting documentation to inspect whether contracts were correctly identified and classified as either short- or long-term leases. Next, we obtained management's lease calculation models. We assessed whether the models contained the elements we expect from such models. To check whether all contracts were correctly identified and recorded in the model, we reconciled the model against the above-mentioned schedule. We assessed the key inputs in the lease calculation by testing the details towards the individual contracts and actual lease payments. Further we tested the logic and mathematical accuracy of the model itself, and whether it performed calculations of asset values, lease liabilities, depreciation, interest cost and currency effects as expected. No material errors were identified as a result of our audit procedures. We evaluated management's impairment memo and found that we were able to agree with management's assessment that no indicators of impairment were present at 31 December 2023. We evaluated the appropriateness of the related notes and found that they satisfied IFRS requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

Auditors report - continued

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Reach Subsea ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name REACH-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

4 / 5

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 15 April 2024

PricewaterhouseCoopers AS

Arne Birkeland

State Authorised Public Accountant

5 / 5

Appendix

(GRI Index)

Statement of use

Reach Subsea AS has reported in accordance with the GRI Standards for the period 01.01.2023 – 31.12.2023.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

GRI 11: Oil and Gas Sector 2021

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI sector standard Ref. No
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	2-10	A green cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	7				
	2-3 Reporting period, frequency and contact point	53, 146, 157				
	2-4 Restatements of information	29				
	2-5 External assurance	Reach's sustainability reporting has not been externally assured beyond the board.				
	2-6 Activities, value chain and other business relationships	5-7, 15, 18, 52, and in Code of conduct p. 10				
	2-7 Employees	31, 32, 48-49				
	2-8 Workers who are not employees	48				
	2-9 Governance structure and composition	7, 15, 18, 28-29, 71-78				
	2-10 Nomination and selection of the highest governance body	8, 69-78				
	2-11 Chair of the highest governance body	69-70				
	2-12 Role of the highest governance body in overseeing the management of impacts	28-29				
	2-13 Delegation of responsibility for managing impacts	28-29				
	2-14 Role of the highest governance body in sustainability reporting	28, 29, 71-78				
	2-15 Conflicts of interest	28				
	2-16 Communication of critical concerns	Code of conduct p. 8				
	2-17 Collective knowledge of the highest governance body	28-29				
	2-18 Evaluation of the performance of the highest governance body	28-29				
	2-19 Remuneration policies	71-78				
	2-20 Process to determine remuneration	71-78				

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	102				
	2-22 Statement on sustainable development strategy	3, 27				
	2-23 Policy commitments	39, 41, 45-46, 49, 52, 55				
	2-24 Embedding policy commitments	47, 55				
	2-25 Processes to remediate negative impacts	41, 57				
	2-26 Mechanisms for seeking advice and raising concerns	55				
	2-27 Compliance with laws and regulations	53, 55				
	2-28 Membership associations	Reach Subsea has memberships in IMCA and Rederiforbundet				
	2-29 Approach to stakeholder engagement	30-32				
	2-30 Collective bargaining agreements	48				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30-32	A green cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	33				
Transition to renewable energy production						
GRI 3: Material Topics 2021	3-3 Management of material topics	35, 33, 38				
Risk related to climate change						
GRI 3: Material Topics 2021	3-3 Management of material topics	38				11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	38				11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	34-35				11.2.3

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Material topics						
Reducing our emissions						
GRI 3: General Disclosures 2021	3-3 Management of material topics	39-40				11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	39-40				11.1.2
	302-2 Energy consumption outside of the organization	39				11.1.3
	302-3 Energy intensity			Information incomplete	Working with it towards the report for 2024-2025	11.1.4
	302-4 Reduction of energy consumption	34, 40				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	39				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	34		Information incomplete	Working with it towards the report for 2024-2025	11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	34		Information incomplete	Working with it towards the report for 2024-2025	11.1.7
	305-4 GHG emissions intensity	34				11.1.8
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	37				11.3.2

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Material topics						
Reducing our impact on the sea						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				11.4.1, 11.5.1, 11.6.1
GRI 306: Waste 2020	3-3 Management of material topics	41				11.5.2
	306-1 Waste generation and significant waste-related impacts	40				11.5.3
	306-2 Management of significant waste-related impacts	41				11.5.4
	306-3 Waste generated	41				11.5.5
	306-4 Waste diverted from disposal	42		Information incomplete	Working with it towards the report for 2024-2025	11.5.6
GRI 306: Effluents and Waste 2016	306-3 Significant spills	41				11.8.2
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	39, 40				
	308-2 Negative environmental impacts in the supply chain and actions taken	56, 38, 36				

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Material topics						
The safety of our people						
GRI 3: Material Topics 2021	3-3 Management of material topics	45-46				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29, 45-46				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	45				11.9.3
	403-3 Occupational health services	23, 29, 44				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	47				11.9.5
	403-5 Worker training on occupational health and safety	45				11.9.6
	403-6 Promotion of work-er health	45-46				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-46 and in code of conduct p. 10- 11				11.9.8
	403-8 Workers covered by an occupational health and safety management system	46				11.9.9
	403-9 Work-related injuries	45, 49, 51				11.9.10
	403-10 Work-related ill health	47				11.9.11
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Information incomplete	Not documented in 2023. CSR Policy	11.18.2

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Development of skills and competences						
GRI 3: Material Topics 2021	3-3 Management of material topics	47				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turn-over	45, 47				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	48				11.10.3
	401-3 Parental leave	48				11.10.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	49				(11.11.3)
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	47				11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	47				11.10.6, (11.11.4)
	404-2 Programs for up-grading employee skills and transition assistance programs	47				11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	47				11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	49				11.10.9

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI sector standard Ref. No
Equal opportunities						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				11.11.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	48				
	202-2 Proportion of senior management hired from the local community			Information incomplete	The proportion of top management employed from the local community has not been calculated in 2023	11.11.2
GRI 401: Employment 2016	401-3 Parental leave	48				11.11.3 (11.10.4)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee			Information unavailable	The exact number of hours of training per employee has not been calculated in 2023	11.10.6, (11.11.4)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49				11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	48				11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	48				11.11.7

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Profitability and financial solidity						
GRI 3: Material Topics 2021	3-3 Management of material topics	53				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	53				11.14.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure in-vestments and services supported	65				11.14.4
	203-2 Significant indirect economic impacts	62				11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	19, 31				11.14.6
Quality services						
GRI 3: Material Topics 2021	3-3 Management of material topics	54				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	54				11.3.3
Anti-corruption and business ethics						
GRI 3: Material Topics 2021	3-3 Management of material topics	55				11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	55				11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	55				11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Code of conduct p. 8				11.20.4

Appendix (GRI Index)

GRI standard / Other source	Disclosure	Location	Omission			GRI sector standard Ref. No
			Requirement(s) omitted	Reason	Explanation	
Sustainability in the value chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	56				11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	56				11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	56, 57				11.12.3 (11.10.8)
	414-2 Negative social impacts in the supply chain and actions taken	57				(11.10.9)

Appendix (GRI Index)

Topics in the applicable GRI Sector Standards determined as not material	
Topic	**Explanation**
GRI 11: Oil and Gas Sector 2021	
Topic 11.4: Biodiversity 2016	Determined as not material for reporting based on the materiality assessment
Topic 11.6: GRI 303: Water and Effluents 2018	Determined as not material for reporting based on the materiality assessment
Topic 11.7 Closure and rehabilitation	Determined as not material for reporting based on the materiality assessment
Topic 11.13 Freedom of association and collective bargaining	Determined as not material for reporting based on the materiality assessment
Topic 11.15 Local communities	Determined as not material for reporting based on the materiality assessment
Topic 11.16 Land and resource rights	Determined as not material for reporting based on the materiality assessment
Topic 11.17: Rights of indigenous peoples	Determined as not material for reporting based on the materiality assessment
Topic 11.19 Anti-competitive behaviour	Determined as not material for reporting based on Reach are following the Norwegians laws
Topic 11.21 Payments to governments	Determined as not material for reporting based on Reach are following the Norwegians laws
Topic 11.22 Public policy	Determined as not material for reporting based on the materiality assessment

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