

Report on remuneration to the Board of Directors, CEO and Executive Management for Reach Subsea ASA in 2023

1.1 Introduction

This report describes Reach Subsea ASA's (the "Company", or "Reach") remuneration to executive management during the financial year 2023. The report shall provide relevant information in accordance with the requirements of the Public Limited Liability Companies Act (§6-16 b) and be presented to the General Meeting. The report includes Group Executive Management, which in addition to the CEO, counts four people as of the date of this report, and the Board of Director's fees.

1.2 Financial year 2023 summary (NOK 000)

	2023	2022	2021	2020	2019	2018
Revenue	1 995 903	1 162 821	686 601	628 030	508 531	675 265
EBIT	331 786	105 255	79 064	51 317	(16 322)	(3 985)
EBIT margin	17%	9%	12%	8%	-3%	-1%
Profit/loss for the year	225 791	72 185	93 806	43 103	(35 709)	(9 655)
Profit per share	0.89	0.35	0.65	0.31	(0.25)	(0.07)
Total assets	2 687 882	952 085	746 529	363 014	445 378	494 342
Equity	928 005	579 442	286 806	210 154	165 831	211 249
Equity ratio	0.35	0.61	0.38	0.58	0.37	0.43
Market value at 31 December	1 222 962	948 049	440 620	289 500	206 606	292 187
Market value per share at 31 December	4.50	4.20	3.04	2.02	1.44	2.04
Dividend paid per share	0.18	0.18	0.15	-	0.07	-
Cash and cash equivalents	436 423	191 591	149 035	105 396	38 657	63 277
Net working capital	(105 260)	70 810	57 745	25 078	32 446	54 907
Net interest bearing debt, excl IFRS 16 leases	(368 829)	(163 573)	(118 277)	(79 806)	2 582	2 176

1.3 Guidelines for management compensation

Guidelines for remuneration to the CEO and senior executives ("Guidelines") were approved by the Annual General Meeting in Reach Subsea 31.05.2022. The remuneration shall aim to stimulate a strong and sustainable result-oriented culture that contributes to increasing share values, in addition to provide incentives for good management and control of the company's risk and counteract excessive risk taking. Remuneration for all employees includes fixed salary, benefits in kind and pension and insurance schemes. Key employees have variable remuneration and participates in a share-based option program.

The Guidelines are reviewed annually to ensure compliance with the requirements of the Public Limited Liability Companies Act (§6-16 a) and the Regulations for guidelines for and reporting of remuneration to leading persons for public companies. The Guidelines are available on the Company's website.

The actual remuneration for 2023 has been decided according to the Guidelines. This report includes disclosure of the actual remuneration for 2023 as required by the Public Limited Liability Companies Act (§6-16 b) and the Regulations for guidelines for and reporting of remuneration to leading persons for public companies.

The Board of Directors has established a Remuneration Committee consisting of three Board members. The Remuneration Committee discusses and recommends specific matters concerning the various remuneration elements. The Nomination Committee follows up matters related to the Board's remuneration and proposes remuneration for the coming year to the Annual General Meeting.

1.4 The Board of Directors' follow-up of remuneration in 2023

The Board of Directors has reviewed the Guidelines for remuneration to the CEO and senior executives. The Board of Directors has further reviewed the remuneration to the CEO and senior executives to comply with the current guidelines. The Board has also reviewed this report to comply with the Public Limited Liability Companies Act (§6-16 b) and the Regulations for guidelines for and reporting of remuneration to leading persons for public companies.

2. Remuneration to the CEO and Senior Executives 2023

2.1 Total remuneration for 2023 and 2022

Name, position	Financial year	1 Fixed remuneration		2 Variable remuneration		3 Pension expense	4 Total remuneration	5 Proportion of fixed and variable remuneration	
		Base salary	Fringe benefits	One-year variable	Extraordinary items			Fixed	Variable
Jostein Alendal, CEO	2023	2189	15	795	-	99	3098	74%	26%
	2022	2039	9	616	-	94	2758	78%	22%
Birgitte W. Johansen, CFO	2023	2177	15	827	-	109	3128	74%	26%
	2022	1919	9	583	-	100	2610	78%	22%
Bård Thuen Høgheim, CCO	2023	2177	15	983	-	93	3267	70%	30%
	2022	1919	9	616	-	87	2630	77%	23%
Inge Grutle, COO	2023	2177	15	795	-	93	3079	74%	26%
	2022	1919	9	616	-	87	2631	77%	23%
Audun Brandtzæg, CTO	2023	2028	14	565	-	89	2696	79%	21%
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- 1) Fixed remuneration includes base salary. Fringe benefits include free telephone and health insurance.
- 2) Variable remuneration includes bonuses to the executive management approved by the Board of Directors. Variable remuneration levels are based on the Company's performance on certain Key Performance Indicators, including ESG and profitability.
- 3) Pension expenses are equal to the pension premium paid for each individual.
- 4) Total remuneration is the total of items 1)-3) above.
- 5) The proportion of fixed remuneration includes base salary, fringe benefits and pension expense relative to the total remuneration. The proportion of variable remuneration includes variable remuneration and extraordinary items relative to the total remuneration.

Audun Brandtzæg started in his position February 1, 2023.

2.2 Share based remuneration

In 2021 the Board of directors of Reach Subsea ASA approved a stock option scheme to further align the interests of the participating employees in Reach Subsea with those of the shareholders. The stock option scheme was finalized with a signed agreement between the company and Management and certain key employees on 15.12.2021. Management and certain key employees of the Reach Subsea group are granted the right to acquire up to a certain maximum number of shares in the Company at a fixed strike price ("the Option").

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

The table below summarizes the amounts and terms of warrants for applicable executive management in 2023.

	The main conditions of share options plans					Information regarding the reported		
						Opening balance	During the year	Closing balance
	Specification	Award date	Exercise date	End of exercise period	Strike price of the share	Share options awarded at the beginning of the year	Share options exercised	Outstanding share options
Jostein Alendal, CEO	Warrants	Dec 2021		31.12.2024	2.64	300,000	(150,000)	150,000
	Value					-	-	
Birgitte W. Johansen, CFO	Warrants	Dec 2021		31.12.2024	2.64	300,000	(75,000)	150,000
	Value					-	-	
Bård Thuen Høgheim, CCO	Warrants	Dec 2021		31.12.2024	2.64	300,000	(150,000)	150,000
	Value					-	-	
Inge Grutle, COO	Warrants	Dec 2021		31.12.2024	2.64	300,000	(150,000)	150,000
	Value					-	-	
Audun Brandtzæg, CTO	Warrants	Apr 2024		31.12.2024	2.64	-	-	150,000
	Value					-	-	
						1,200,000		750,000

3. Exceptions from the remuneration guidelines and the procedures for implementation

Remuneration to the CEO and Senior Executives for 2023 has been decided based on the current guidelines as adopted by the Annual General Meeting 11.06.2021. The notice period for senior executives are 6 months. No other exceptions from the current guidelines have been identified.

4. Annual changes in remuneration to the CEO and Senior Executives and the Company's financial results

Name	Position	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
Jostein Alendal	CEO	12%	27%	26%	7%	1%	9%
Birgitte W. Johansen	CFO	20%	34%	28%	10%	20%	4%
Bård Thuen Høgheim	CCO	24%	35%	29%	8%	11%	14%
Inge Grutle	COO	17%	34%	29%	10%	20%	4%
Audun Brandtzæg	CTO	N/A	N/A	N/A	N/A	N/A	N/A

	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
Company performance						
Revenue change in %						
Revenue	72%	69%	9%	23%	-25%	87%
EBIT and Profit/loss before taxes change in NOK						
EBIT	226 531	26 191	27 747	67 639	(12 337)	23 501
Profit/loss before taxes	191 511	24 977	29 943	78 788	(26 530)	21 609

	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017
Average total remuneration of employees - full time equivalent						
Average change in remuneration for	3%	-11%	3%	14%	14%	0%
	2023	2022	2021	2020	2019	2018
Number of employees (full year equivalent)	328	249	105	101	91	115

*) Important note: In 2022 and 2023 the Group has acquired businesses with employees in other position categories, and operations in other segments and regions, having a lower salary level than the existing employees. This has a disruptive effect on average remuneration percentage figures. The average salary increase for each employee in the Group corresponds with local consumer price index and market salary levels. This is further described in the Sustainability Report, available on www.reachsubsea.com.

5. Information about shareholder votes

The Company's current guidelines for remuneration to the CEO and senior executives were adopted by the Annual General Meeting in 11.06.2021.

6. Remuneration to the Board of Directors and committees

Remuneration to the members of the Board of Directors, Audit committee and Nomination Committee is proposed by the Nomination Committee and approved by the Annual General Meeting.

The table below contains historical information about fees paid to those who were members of the board per 31 December 2023 and previous board members for comparison purposes. The amounts are not annualized.

Name and title	Remuneration																				
	2017			2018			2019			2020			2021			2022			2023		
	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total	BoD fee	Sub-com fee	Total
Rachid Bendriss, chairman	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	145	35	180	325	36	361	405	53	458	452	51	503
Anders Onarheim, board member	150	-	150	150	35	185	150	-	150	263	-	263	183	-	183	231	-	231	255	-	255
Martha K. Monclair, board member	150	-	150	150	35	185	N/A	N/A	N/A	100	-	100	183	-	183	231	-	231	255	-	255
Arvid Ståle Pettersen, board member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	113		113	255		255
Espen Gjerde, board member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	113		113	255		255
Kristine Skeie, board member	N/A	N/A	N/A	N/A	N/A	N/A	150	-	150	263	-	263	183	-	183	231	25	256	255	51	306
Ingunn Ø. Iveland, board member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	245	35	280	183	36	220	231	56	287	255	77	332

DECLARATION BY THE BOARD OF DIRECTORS

The Board has reviewed and approved the report on remuneration to the Board and Executive Management for the year 2023. The report will be proposed to the Annual General Meeting 31.05.2024, for advisory vote.

Haugesund, 07.05.2024

/s/ Rachid Bendriss

/s/ Espen Gjerde

/s/ Anders Onarheim

/s/ Martha Kold Monclair

/s/ Kristine Skeie

/s/ Ingunn Øvereng Iveland

/s/ Arvid Pettersen



To the General Meeting of Reach Subsea ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Reach Subsea ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".



We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 7 May 2024
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant
(electronically signed)