

Report on remuneration to the Board of Directors, CEO and Executive Management for Reach Subsea ASA in 2024

1.1 Introduction

This report describes Reach Subsea ASA's (the "Company", or "Reach") remuneration to executive management during the financial year 2024. 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 2024 summary (NOK 000)

	2024	2023	2022	2021	2020
Revenue	2,717,702	1,995,903	1,162,821	686,601	628,030
EBIT	363,756	331,786	105,255	79,064	51,317
EBIT margin	13%	17%	9%	12%	8%
Profit/loss for the year	205,434	225,791	72,185	93,806	43,103
Profit per share	0.75	0.89	0.35	0.65	0.31
Total assets	3,247,702	2,687,882	952,085	746,529	363,014
Equity	1,091,913	928,005	579,442	286,806	210,154
Equity ratio	0.34	0.35	0.61	0.38	0.58
Market value at 31 December	2,227,444	1,222,962	948,049	440,620	289,500
Market value per share at 31 December	7.88	4.50	4.20	3.04	2.02
Dividend paid per share	0.42	0.36	0.18	0.15	-
Cash and cash equivalents	278,022	436,423	191,591	149,035	105,396
Net working capital	136,102	(105,260)	70,810	57,745	25,078
Net interest bearing debt, excl IFRS 16 leases	(133,433)	(368,829)	(163,573)	(118,277)	(79,806)

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 31.05.2024. 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 2024 has been decided according to the Guidelines. This report includes disclosure of the actual remuneration for 2024 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 2024

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 2024

2.1 Total remuneration for 2024 and 2023

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	Multi-year variable			Fixed	Variable
Jostein Alendal, CEO	2024	2 385	15	-	688	105	3 193	78%	22%
	2023	2 189	15	565	230	99	3 098	74%	26%
Birgitte W. Johansen, CFO	2024	2 385	15	-	688	116	3 203	79%	21%
	2023	2 177	15	713	115	109	3 128	74%	26%
Bård Thuen Høgheim, CCO	2024	2 407	15	138	585	98	3 243	78%	22%
	2023	2 177	15	753	230	93	3 267	70%	30%
Inge Grutle, COO	2024	2 385	15	459	344	99	3 301	76%	24%
	2023	2 177	15	565	230	93	3 079	74%	26%
Audun Brandtzæg, CTO	2024	2 478	15	-	688	103	3 283	79%	21%
	2023	2 028	14	565	-	89	2 696	79%	21%

- 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

2.2.1 Stock Option Scheme (2021-2024)

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.

2.2.2 Long Term Incentive Program (est. 2024)

In 2024 the Board of directors of Reach Subsea ASA establish a long-term incentive program for senior executives and key personnel in accordance with the Group's Remuneration Guidelines. The incentive program encompasses up to 15,000,000 new share options. Under the incentive program, participants will receive share options, which, if certain predefined performance criteria are met within a performance period, can be exercised by paying the predefined strike price. The strike price is set as the nominal value, NOK 1.00. One share option gives a contingent entitlement to one share after paying the strike price. Participants in the incentive program can elect to have up to 50% of their options settled in cash to finance any potential tax expenses. 50% of the options issued will vest after 3 years given a share price above NOK 9.00. 50% of the options issued will vest after 5 years given a share price above NOK 12.00. The share price hurdles of NOK 9.00 and NOK 12.00 are subject to adjustments for dividends paid during the vesting period.

The table below summarizes the amounts and terms of warrants for applicable executive management in 2024.

	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	150,000	(150,000)	-
	Value							-
	Warrants	Aug 2024		15.04.2027	1.00	-	-	1,800,000
	Value							-
Birgitte W. Johansen, CFO	Warrants	Dec 2021		31.12.2024	2.64	150,000	(150,000)	-
	Value							-
	Warrants	Aug 2024		15.04.2027	1.00	-	-	1,800,000
	Value							-
Bård Thuen Høgheim, CCO	Warrants	Dec 2021		31.12.2024	2.64	150,000	(150,000)	-
	Value							-
	Warrants	Aug 2024		15.04.2027	1.00	-	-	1,800,000
	Value							-
Inge Grutle, COO	Warrants	Dec 2021		31.12.2024	2.64	150,000	(150,000)	-
	Value							-
	Warrants	Aug 2024		15.04.2027	1.00	-	-	1,800,000
	Value							-
Audun Brandtzaeg, CTO	Warrants	Apr 2024		31.12.2024	2.64	150,000	(150,000)	-
	Value							-
	Warrants	Aug 2024		15.04.2027	1.00	-	-	1,800,000
	Value							-
						600,000		9,000,000

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

Remuneration to the CEO and Senior Executives for 2024 has been decided based on the current guidelines as adopted by the Annual General Meeting 31.05.2024. The notice period for senior executives is 6 months. No 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	2024 vs 2023		2023 vs 2022		2022 vs 2021		2021 vs 2020		2020 vs 2019	
		Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %
Jostein Alendal	CEO	94	3%	341	12%	578	27%	452	26%	116	7%
Birgitte W. Johansen	CFO	75	2%	518	20%	660	34%	429	28%	139	10%
Bård Thuen Høgheim	CCO	(25)	-1%	637	24%	680	35%	434	29%	116	8%
Inge Grutle	COO	222	7%	449	17%	674	34%	441	29%	139	10%
Audun Brandtzæg	CTO	587	22%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Company performance	2024 vs 2023		2023 vs 2022		2022 vs 2021		2021 vs 2020		2020 vs 2019	
	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %
Revenue change										
Revenue	721 799	36%	833 082	72%	476 220	69%	58 571	9%	119 499	23%
EBIT and Profit/loss before taxes change										
EBIT	31 970	10%	226 531	215%	26 191	33%	27 747	54%	67 639	-414%
Profit/loss before taxes	(59 525)	-21%	191 511	195%	24 977	34%	29 943	69%	78 788	-221%

Average total remuneration of employees - full time equivalent	2024 vs 2023		2023 vs 2022		2022 vs 2021		2021 vs 2020		2020 vs 2019	
	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %	Change in NOK 1000	Change in %
Average change in remuneration for employees excluding senior management	161	17%	121	3%	(103)	-11%	31	3%	112	14%

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 31.05.2024 according to the majority vote.

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 2024 and previous board members for comparison purposes. The amounts are not annualized.

Name and title	Remuneration														
	2020			2021			2022			2023			2024		
	BoD fee	com fee	Total	BoD fee	com fee	Total	BoD fee	com fee	Total	BoD fee	com fee	Total	BoD fee	com fee	Total
Rachid Bendriss, chairman	145	35	180	325	36	361	405	53	458	452	51	503	435	54	489
Kåre Johannes Lie, board member	423	-	423	183	-	183	118	-	118	N/A	N/A	N/A	N/A	N/A	N/A
Anders Otnarheim, board member	263	-	263	183	-	183	231	-	231	255	-	255	244	-	244
Martha K. Monclair, board member	100	-	100	183	-	183	231	-	231	255	-	255	244	75	319
Arvid Ståle Pettersen, board member	N/A	N/A	N/A	N/A	N/A	N/A	113	-	113	255	-	255	244	45	289
Espen Gjerde, board member	N/A	N/A	N/A	N/A	N/A	N/A	113	-	113	255	-	255	244	-	244
Sverre B. Mikkelsen, board member	288	50	338	183	52	235	47	14	61	N/A	N/A	N/A	N/A	N/A	N/A
Kristine Skeie, board member	263	-	263	183	-	183	231	25	256	255	51	306	243	54	297
Ingunn Ø. Iveland, board member	245	35	280	183	36	220	231	56	287	255	77	332	244	127	371

The BOD Fee is fixed for a certain number of Board Meetings, whereafter there is a fee per meeting. The remuneration for 2023 includes fee for three extra meetings. There were no extra meetings in 2024.

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 2024. The report will be proposed to the Annual General Meeting 28.05.2025, for advisory vote.

Haugesund, 07.05.2025

/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 2024 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 2025

PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read "Arne Birkeland".

Arne Birkeland
State Authorised Public Accountant

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