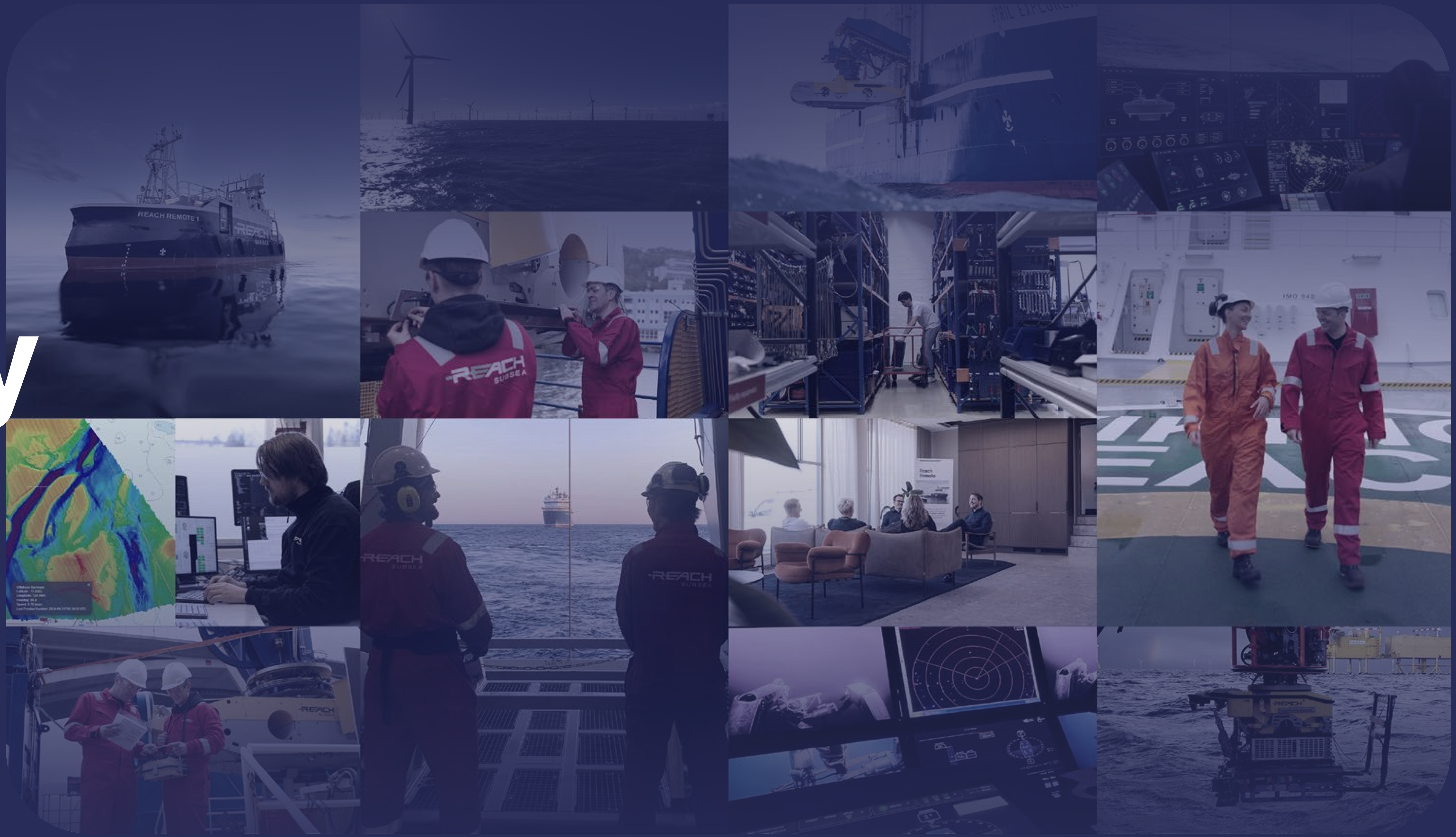
2024

Everything within Reach

Annual & Sustainability Report

Sustainable access to ocean space



Find out more at reachsubsea.com

Contents

2024 Highlights

Financial

- Record high revenues of NOK 2,717.7 million (NOK 1.995,9 million in 2023) driven by increased capacity, high utilization, successful project execution and strong market conditions.
- EBIT was NOK 363.8 million (NOK 331.8 million in 2023). Pre-tax result was NOK 230.0 million (NOK 289.5 million in 2023).
- Total equity per year end was NOK1,091.9 million (NOK 928.0 million in 2023).
- The Board proposes a dividend of NOK 0.42 (0.36) per share, in accordance with the company's dividend policy, to be resolved at the AGM on 28 May 2025.

HSEQ

- Despite all time high activity Reach has maintained a spotless reputation through 2024.
- 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.
- Preparing for CSRD/ESRS compliant reporting.

Operations

- High client satisfaction score (based on post-job surveys).
- Increased capacity and high utilization.
- Performed several integrated projects in 2024 covering in-house survey, monitoring and subsea operations.
- On track for the delivery of first Reach Remote USVs in 2025, 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.

Our Business

1 Our service capabilities

Delivering tailored solutions and specialised services for the global offshore industry.

SUBSEA SERVICES

Ranging from construction and decommissioning services to specialized inspection, maintenance, and repair operations.

SURVEY

Cost-efficient high-end seabed mapping and pipeline inspection survey services.

MONITORING

Innovative services for hydrocarbon production, CCS projects and environmental monitoring.

2 Serving a range of industries

Our expertise supports multiple industries, ensuring efficient and reliable operations.

OIL & GAS

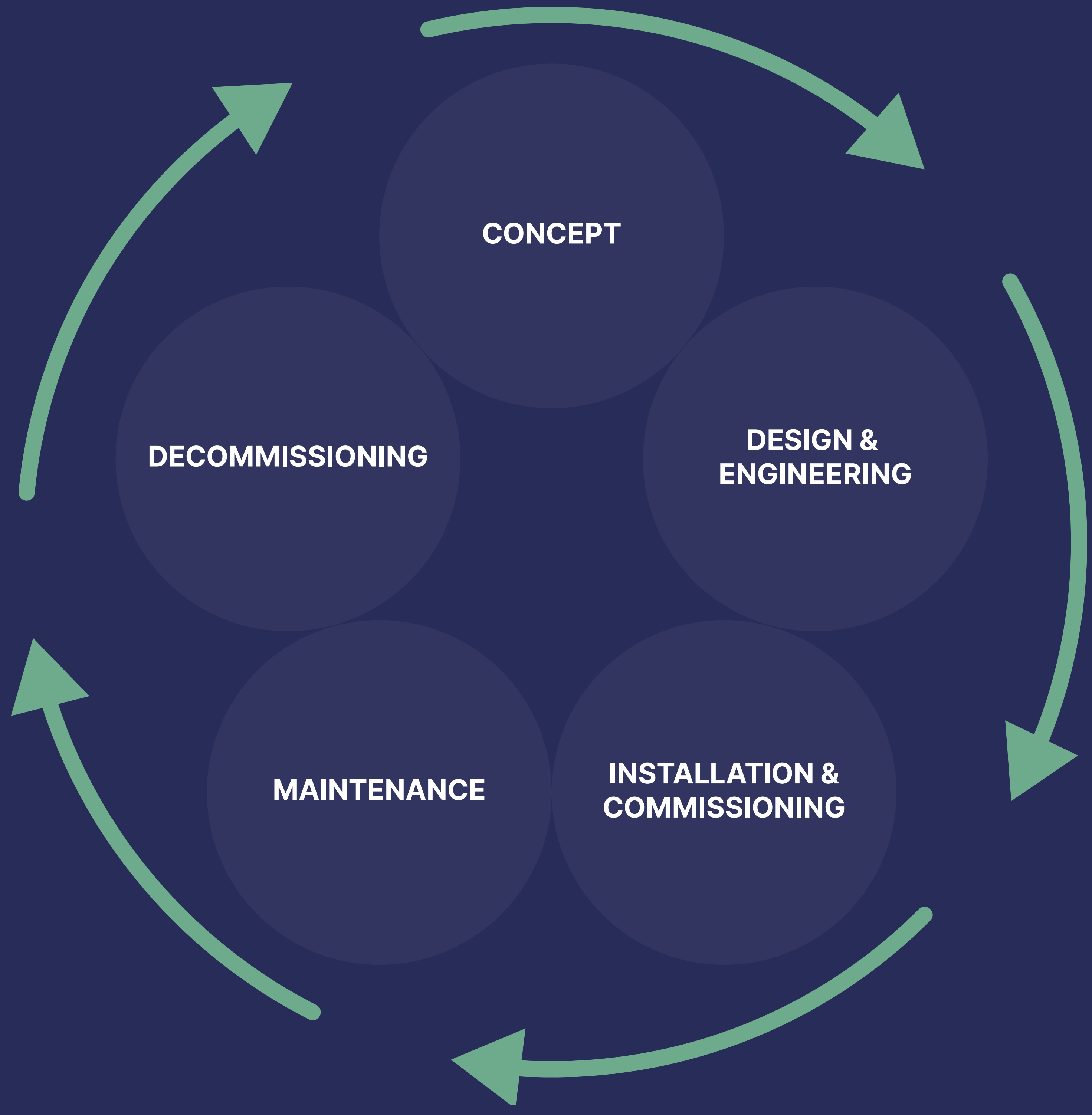
OFFSHORE WIND

OFFSHORE CABLES

EMERGING SECTORS

3 Supporting projects, start to finish

We assist clients at every stage of their projects, from initial concept to decommissioning.



CEO Letter

As we move further into 2025, we look back at 2024 in a world that continues to shift — geopolitically, economically, and environmentally. Uncertainty seems to be the new constant. But through it all, we at Reach Subsea have remained focused on what we do best: delivering high-quality subsea services that enable access to ocean space in a sustainable and forward-leaning way.

2024 was a year of solid progress. We continued to grow our operations and strengthen our position in key markets, supported by a dedicated team and a clear strategy.

Once again, we are breaking records – delivering solid revenues of NOK 2.7 billion in 2024 and an EBIT of NOK 364 million. Over the past two years, we have more than doubled our revenues while maintaining strong and consistent EBIT margins.

Our investments in innovation, including the continued development of Reach Remote, reflect our commitment to leading the industry toward safer, more efficient, and low-emission offshore operations. Going forward our fleet includes a mix of conventional subsea vessels, remote-controlled vehicles, and unmanned surface vessels (USVs), ensuring we have the capacity, but also the flexibility, to meet the demands of an evolving subsea industry.

In this year's annual report, you will notice a refreshed layout for our sustainability reporting, reflecting the initial steps we have taken toward aligning with the ESRS standard. While the EU's "omnibus package" will impact the requirements one way or the other, we have chosen to proactively continue strengthening our reporting structures. This reflects our commitment to transparency, responsibility, and staying ahead of evolving regulatory requirements — not just to comply, but to drive better performance and more sustainable operations.

This year also brought important milestones in how we work as a group. Through organic growth and integration of acquired companies we have welcomed several new members to Reach Subsea, and we continue to build a strong, unified company culture — one that reflects our values of Learn, Teach, Reach. Our one-company vision is more than just a concept; it is becoming a reality.

We have seen strong engagement across the organisation, and I am proud of how our teams — both offshore and onshore — have delivered. Our offshore specialists, ROV crews, survey and monitoring personnel, engineers, and project support staff all contribute to making Reach Subsea a trusted partner for our clients and a meaningful place to work for our people.

As we move further into 2025, we carry momentum, but we do not take anything for granted. We will keep learning, keep adapting, and keep reaching — together. Thank you to our clients, partners, shareholders, and most of all, our employees. Let's continue building a sustainable future.

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 2025 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.

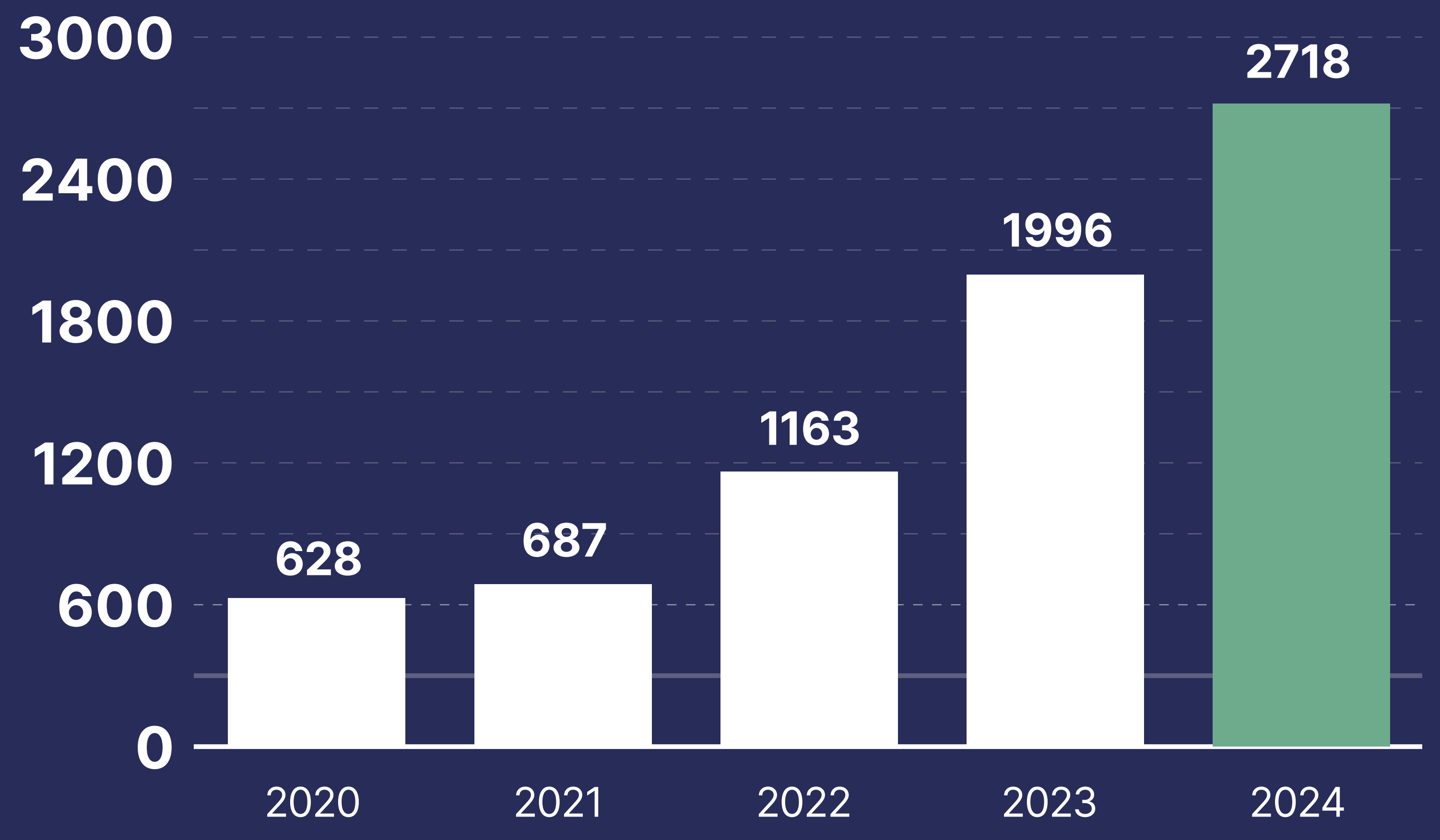
Directors Report

Business Performance

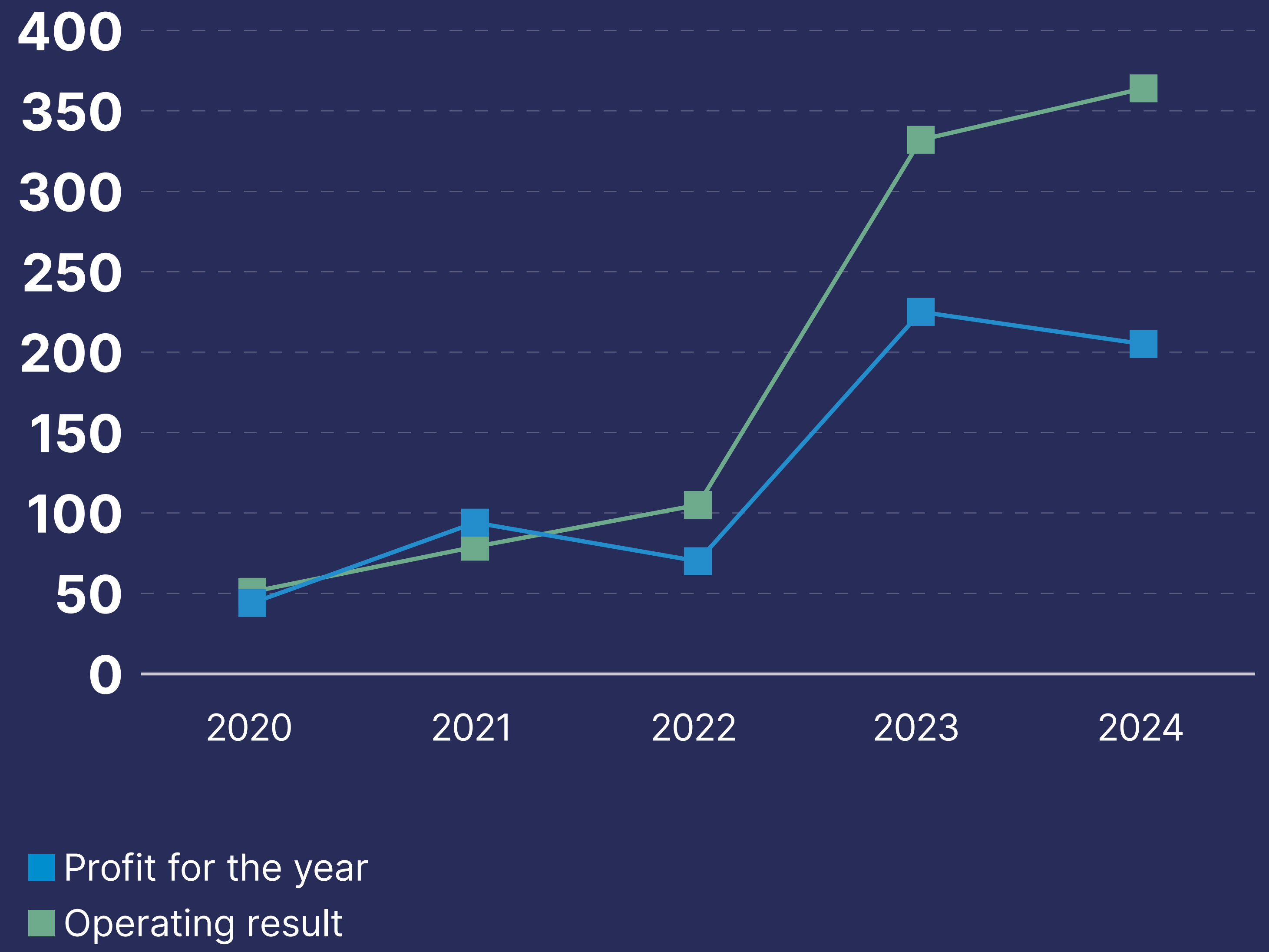
The Reach Subsea Group's business concept is to offer high quality solutions and technology to clients in need of ocean data and services.

Financial Results

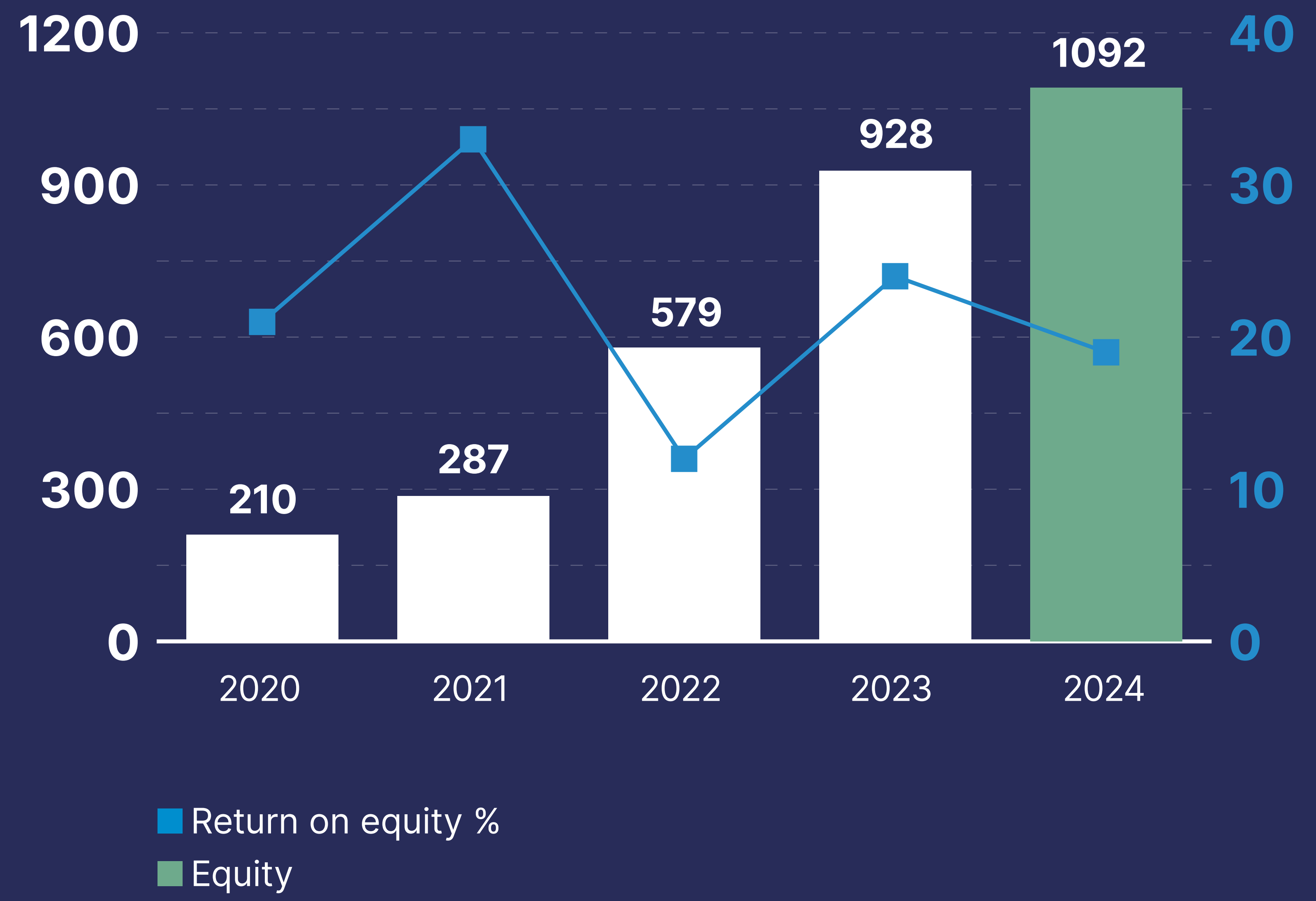
Total turnover
Million NOK



Operating result
Million NOK

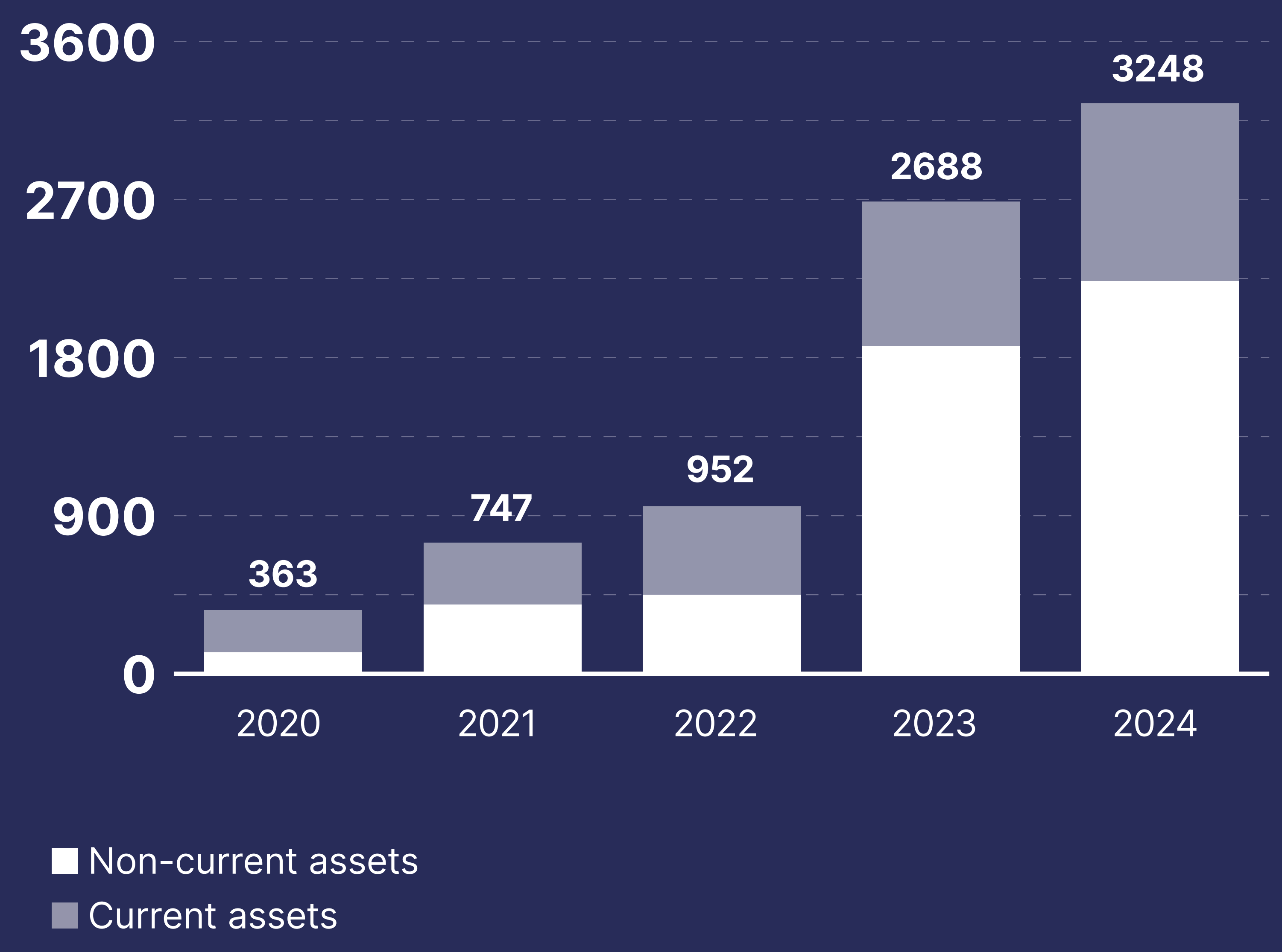


Return on equity
Million NOK

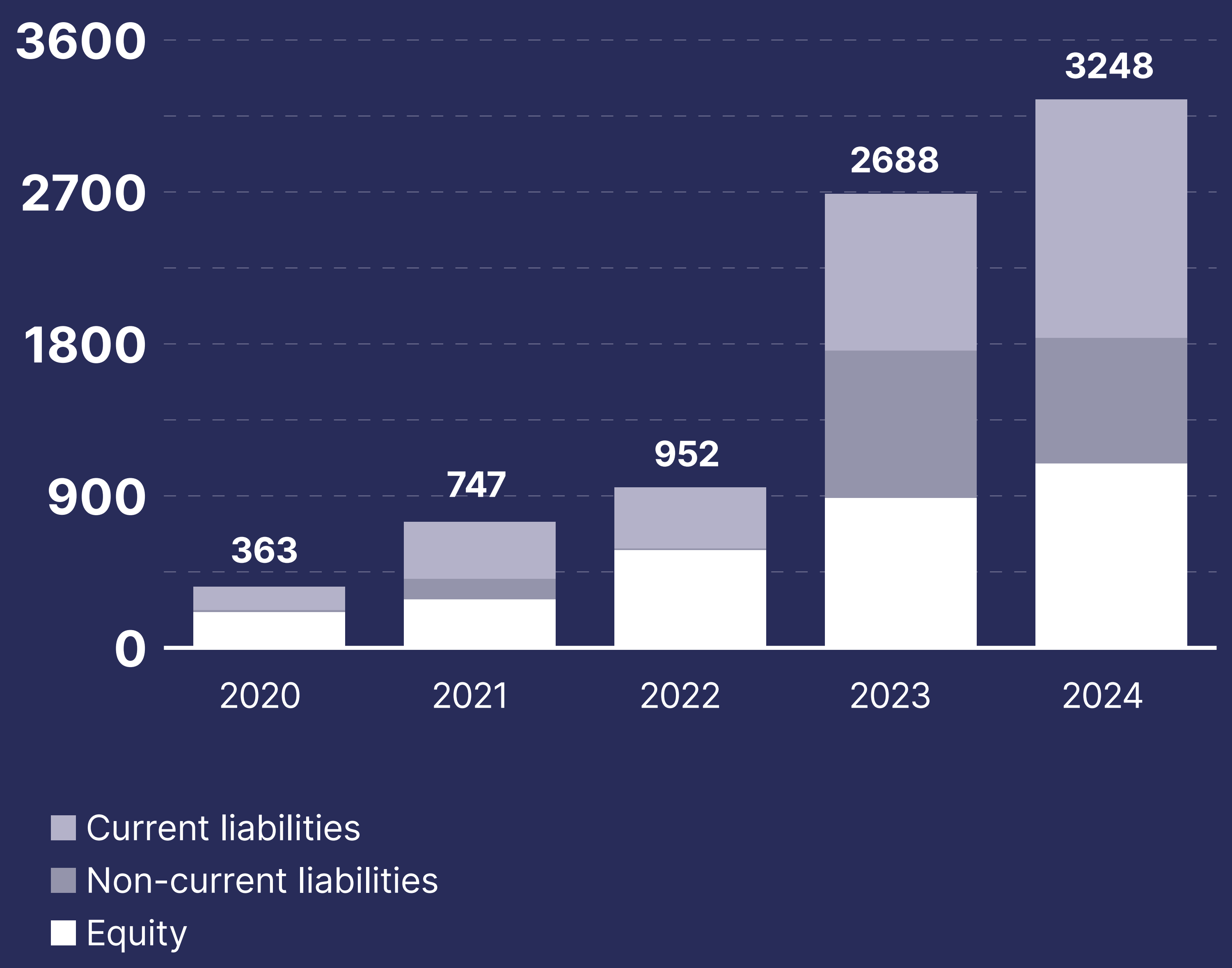


Financial Results

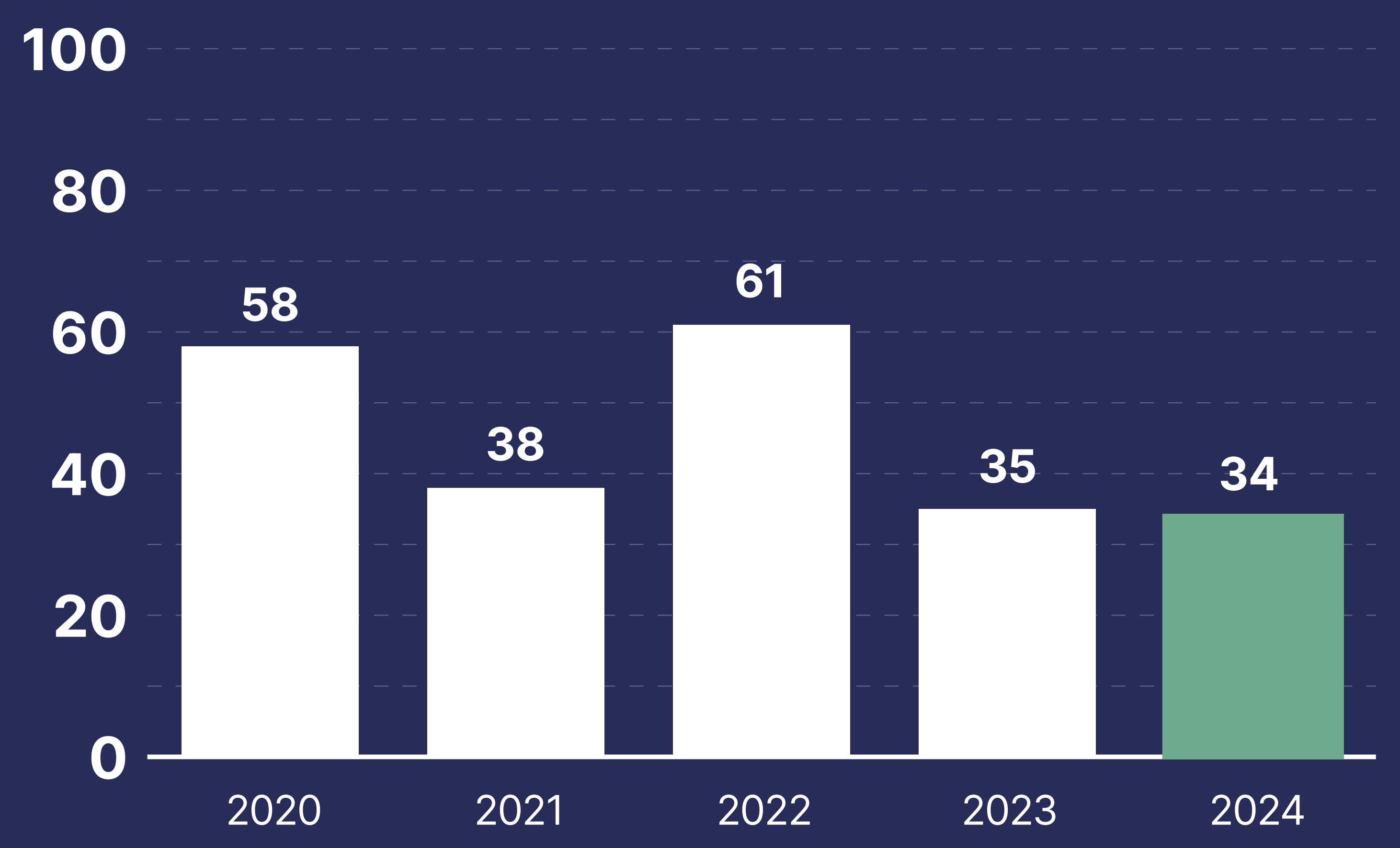
Assets
Million NOK



Equity & Debt
Million NOK



Equity share
%



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 2025-2027 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 2023 are presented in brackets.

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 2024, the parent company turnover was NOK 26.4 million (NOK 21.2 million). The main activity in the parent company is consultancy services to Group companies. Operating expenses in 2023 was NOK 35.6 million (NOK 27.3 million). The increased operating expense is primarily related to salary cost, hereunder a new share based incentive program.

Interest income from Group companies and Other financial and interest income totalled NOK 35.7 million (NOK 31.4 million). Profit for the year was NOK 14.9 million (NOK 20.6 million).

The parent company has an equity of NOK 589.8 million (NOK 671.1 million), representing 66.9 % (59.4 %) of the total balance sheet. The parent company has a strong liquidity position, with cash and bank deposits of NOK 169.5 million (NOK 352.9 million). Net cash flow in 2024 was NOK -181.5 million (NOK 19.3 million). See further details in the full Parent Company Accounts, including Notes, in this report.

Reach Subsea Group total Revenue for the full year 2024 was NOK 2,717.7 million (NOK 1,995.9 million), with the increase from last year explained by higher project activity as well as increased reimbursable cost compared to the last year.

Operating expenses for 2024 were NOK 2,353.9 million (NOK 1,664.1 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 a higher activity in 2024 as well as increased reimbursable cost, compared to last year and a general market cost increase. Details about depreciations and impairment sensitivity are presented in the Notes.

Operating result (EBIT) for 2024 was NOK 363.8 million (NOK 331.8 million). The increased EBIT is primarily driven by high activity and strong project margins, partly offset by the sale of one ROV in 2Q2023 with a net gain of NOK 29.8 million.

Net financial items for 2024 were NOK –147.5 million (NOK –59.0 million). The main year-over-year differences are (i) increased interest expenses primarily due to the higher level of IFRS 16 related debt, which amounted to NOK –122.2 million (NOK –77.8 million) and (ii) currency effects, which amounted to NOK –32.9 million (NOK 13.9 million). Our charter hires are in USD, EUR, NOK, GBP and AUD. Result from associated companies was NOK 13.8 million (NOK 16.7 million). Project income in 2024 was primarily in NOK, USD, EUR and AUD.

The total comprehensive income for 2024 was NOK 205.9 million (NOK 224.7 million). For 2024, Oil & Gas revenues constituted 65 % (68 %) while Renewable/ Other constituted 35 % (32 %) of total revenues.

For 2024, items the Board regard as transitory (other net financial items and disposal gains/ losses, adjusted for 22 % tax rate) impacted comprehensive income by NOK -25.6 million, while transitory items impacted 2023 comprehensive income by NOK 33.7 million. Thus, comprehensive income adjusted for items the Board regards as transitory (basis for dividend policy) for 2024 was NOK 231.5 million (NOK 190.9 million), representing an increase of 21 %.

Capital structure

The Group's equity as of 31 December 2024 was NOK 1,091.9 million (NOK 928.0 million), which represents 33.6 % (34.5 %) of the total balance sheet. The increased equity is explained by generated comprehensive income over the last 12 months, and partly offset by dividends paid in 2Q2024. The increase in total assets resulted in a marginally reduced equity ratio compared to the same period last year.

Total current assets at the end of the year were NOK 1,013.1 million (NOK 820.9 million), of which cash and cash equivalents amounted to NOK 278.0 million (NOK 436.4 million). Including the unutilized revolving credit facility, available liquidity was NOK 308.0 million (NOK 466.4 million).

Receivables and inventories were NOK 735.0 million (NOK 384.5 million). Total non- interest-bearing current liabilities were NOK 598.9 million (NOK 489.7 million). This leaves a net working capital of NOK 136.1 million (NOK –105.3 million).

Total non-current assets at the end of the year were NOK 2,234.6 million (NOK 1,867.0 million). The increase is mainly a result of increased (i) Property, plant and equipment of net NOK 115.3 million, (ii) Right of use assets (leases capitalized under IFRS 16) of net NOK 106.4 million and (iii) Assets under construction of net NOK 102.8 million, which is mainly related to the Reach Remote project. For details related to vessel commitment, please see the Notes.

Net interest-bearing debt (total interest-bearing debt, including capitalized leases under IFRS 16, less cash) stood at NOK 1,278.8 million (NOK 823.1 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 –133.4 million (NOK –368.8 million), i.e. cash positive.

Net cash flow from operating activities for 2024 was NOK 867.5 million (NOK 952.7 million) with the main year on year differences explained by a NOK 362.6 million difference in working capital movements.

Net cash flow from investing activities for 2024 was NOK –297.1 million (NOK –208.4 million) and includes investments in equipment, vessel upgrades and Reach Remote.

Net cash flow from financing activities for year 2024 was NOK –746.7 million (NOK –487.8 million) and includes vessel charter hire classified as "Repayment of borrowings and leases" according to IFRS 16.

Net change in cash and cash equivalents for 2024 was NOK –176.3 million (NOK 256.5 million).

Reach has per 31 December 2024 no major debt maturities to credit institutions falling due the next three years. Details about cashflow can be found in the Cash flow statement and the Notes.

The Reach Remote project is expected to amount to approximately NOK 449 million. As of 31 December 2024 the company has capitalized NOK 333 million as Asset under construction. In addition, the company has financed two eROVs through leasing. As of 31 December the ROVs are under construction, and costs not recognised related to the ROVs amounts to NOK 65 million. The ROVs will be recognised in the balance sheet at commencement date.

Besides the Reach Remote project, Reach has taken multiple steps to secure vessel capacity at competitive terms during 2024. The additions to Right of use assets and liabilities in 2024 include the vessels Olympic Taurus, Northern Maria, Offshore Surveyor and Havila Subsea (extension). Investments associated with these vessels and other capex projects is expected to amount to approximately NOK 224.3 million, and encompass equipment, upgrades and mobilization activities for vessels.

As of 31 December 2024 remaining investments related to these investments is estimated to NOK 85 million. Reach has secured bank and lease financing of NOK 67 million to partly fund these investments.

Share information

Reach Subsea ASA is listed on the Oslo Stock Exchange (Euronext). The Company has per 31 December 2024 issued 282,670,609 (271,769,245) shares, of which the majority is owned by Norwegian shareholders. The increased number of shares compared with 31 December 2023 is related to (i) a share increase of 9,886,364 new shares related to a warrant exercise by Wilhelmsen New Energy and (ii) a share increase of 1,015,000 new shares related to a share incentive program for employees exercised in December 2024. More information about the capital increase can be found www.reachsubsea.no/investors.

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 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. In the event of any distribution to the company's shareholders by way of dividend payment, share capital reduction or share premium fund reduction, the subscription price is adjusted correspondingly.

The effect of such adjustments is that the number of warrants is adjusted so that the aggregate number of warrants gives a total consideration as close as possible to the total consideration for which the investor could acquire shares pursuant to the warrants prior to the relevant adjustment.

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. On 4 December 2024 Wilhelmsen New Energy AS exercised 9,886,364 out of its total warrants of 54,593,737. As of 31 December 2024 Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,844,009. The remaining warrants were exercised 5 March 2025, see further information under “News after year end”.

The Board proposes a dividend of NOK 0.42 per share, to be resolved at the AGM on 28 May 2025. 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 2024 of 14 companies; Reach Subsea ASA and the fully owned subsidiaries Reach Subsea AS, Connect Offshore AS, Reach Subsea International AS, Reach Subsea Shipping 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 Geomatics Arabia Ltd, an entity owned together with our local partner in Saudi Arabia. Reach Subsea International is an owning entity for all international entities. Connect Offshore AS has provided hired offshore personnel to Reach Subsea and other clients, but was liquidated after year end (2024) with the activity moved into other parts of the Group.

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.

2024 Market Highlights

Increased client base
Reach Subsea is an established provider of survey and subsea services. Increased our client base and service offering significantly.

Oil & Gas Norway
Record level of call-offs under our frame agreements.

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.

Diverse service portfolio
Executed several projects within survey, gravimetric and monitoring as well as other emerging sectors. Significant breakthrough of selling full service within gravimetric monitoring solutions to our existing client base, mostly for execution in 2025.

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

Strong Growth and Diversification in 2024

Expanding Revenues and Services

Reach Subsea has once again increased its annual revenues, driven by a growing and diverse service portfolio across our three key segments: Subsea Services, Survey, and Monitoring.

Broadening Industry Reach

While our services are often associated with the oil and gas sector, they are highly transferable to other industries operating in the ocean space. In 2024, approximately one-third of our revenue came from projects in the Renewable/Other sector, with the remaining two-thirds from Oil & Gas-related projects.

Global Expansion

Our operations span across Europe, the Americas, Asia, and Oceania, reflecting our strong international presence. Over the past year, we have further expanded globally with new offices in Australia, Singapore, and Aberdeen.

Growing Client Base

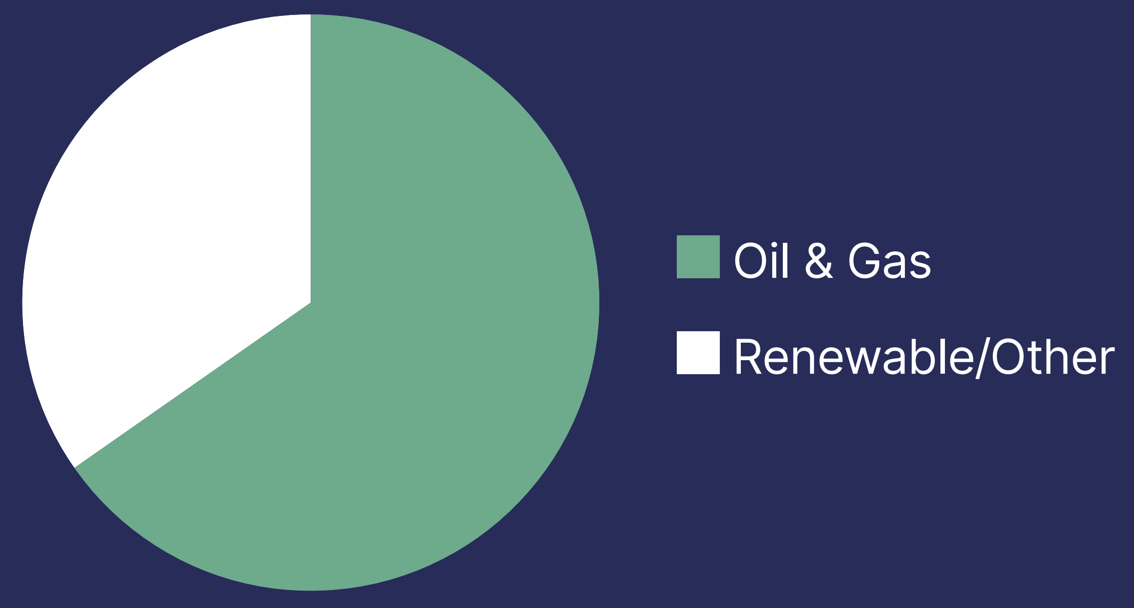
In 2024, we welcomed new clients while strengthening relationships with existing ones. We secured contract awards in the US, Brazil, and Trinidad & Tobago, among other regions. Additionally, we achieved a record number of call-offs under our frame agreements in Norway's oil & gas sector.

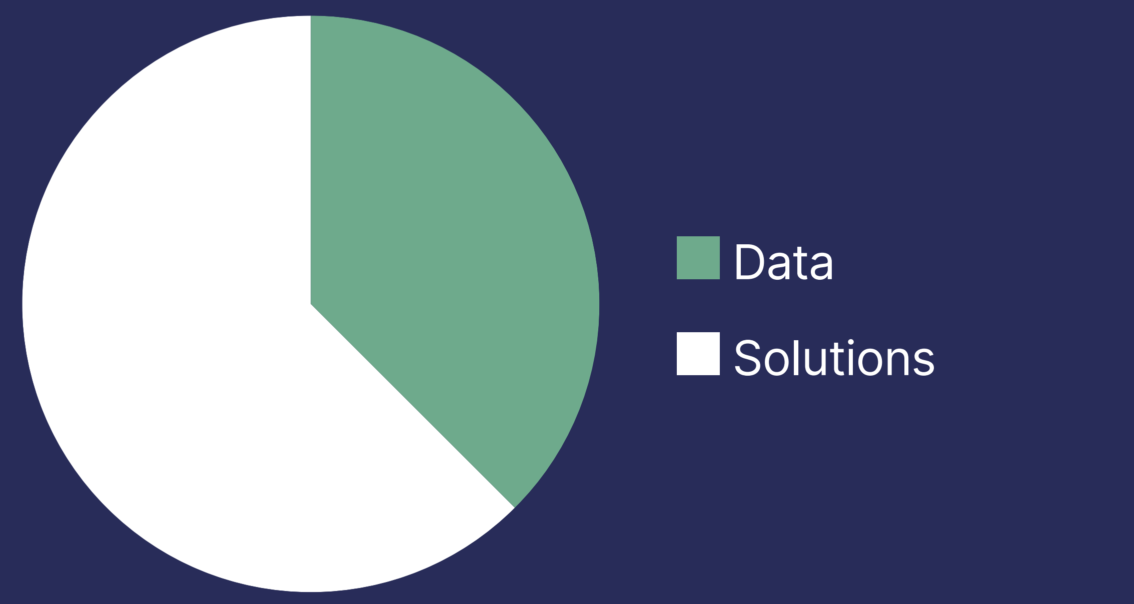
Fleet and Operational Strength

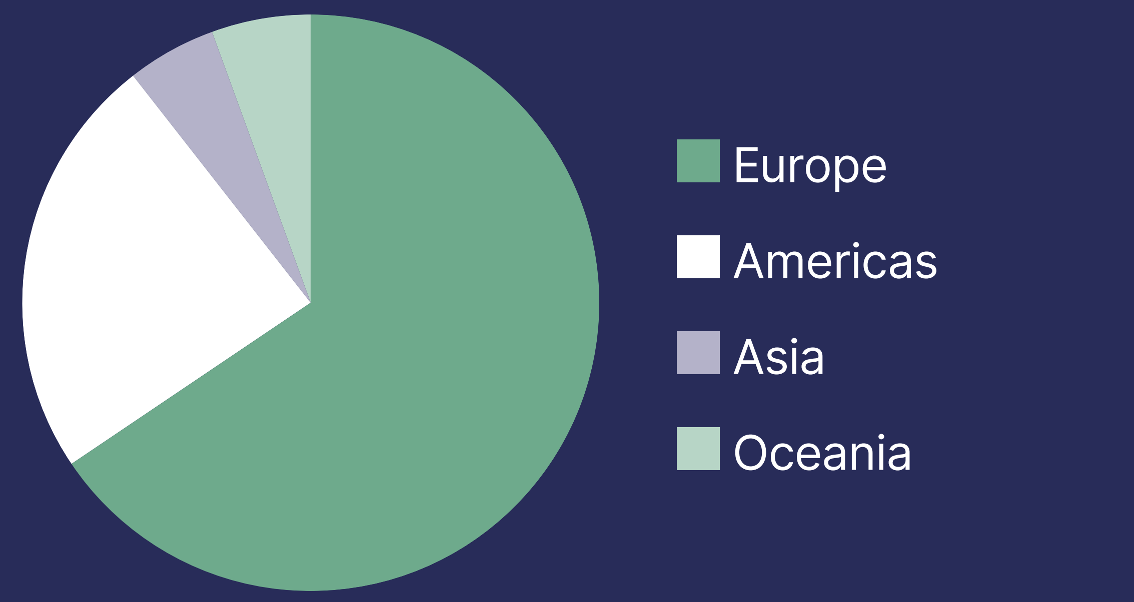
By the end of the year, Reach Subsea operated and marketed eight subsea spreads plus two USV spreads. The total number of vessel days passing through our P&L reached 2,315 (compared to 1,759 the previous year), with a strong 92% utilization rate (same previous year). Our fleet includes 11 WROV systems, two Surveyor Interceptor systems, and a comprehensive suite of high-quality survey and monitoring assets.

Innovation in People & Technology

Beyond vessel operations, Reach Subsea continues to deliver survey, positioning, and monitoring services across multiple vessels and platforms. In 2024, we successfully executed projects in survey, gravimetry, and monitoring, with increasing activity in emerging sectors. A key milestone was the breakthrough in delivering full-service gravimetric monitoring solutions to our client base, with most projects set for execution in 2025.







Operating areas for 2024

This map shows the areas we have operated in for 2024 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.

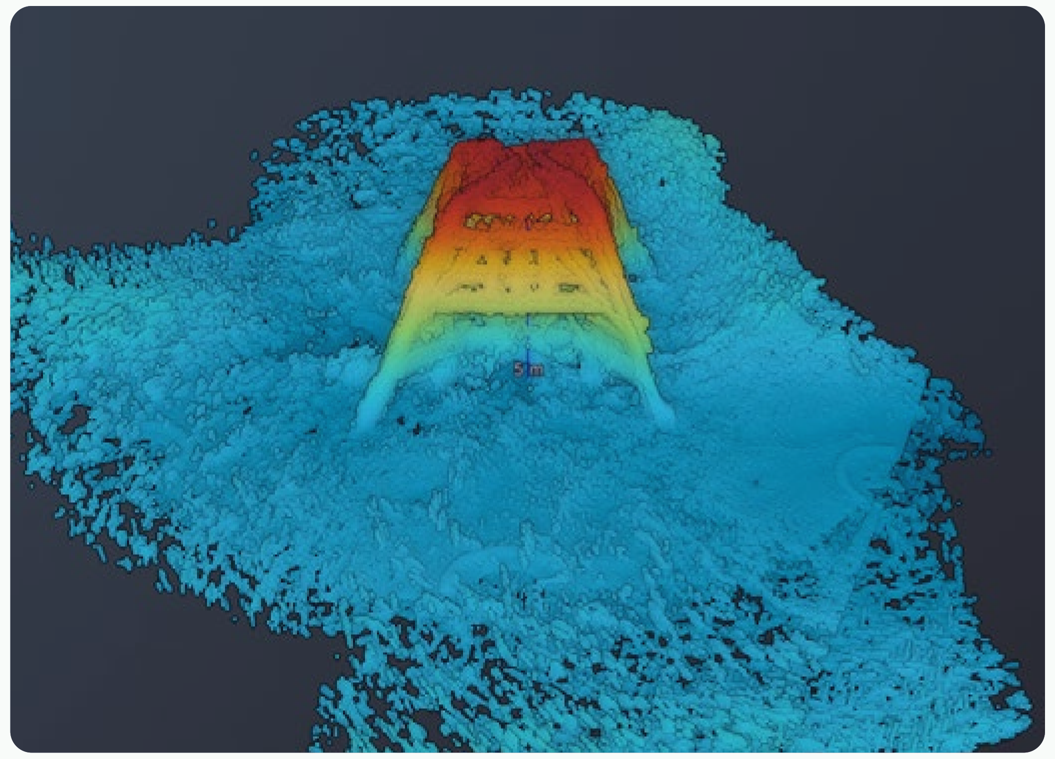
Areas of operation include Brazil, US Gulf, Caribbean, Atlantic, Mediterranean, Ivory Coast, Singapore, Taiwan, Japan, Australia/Oceania, Saudi and the Baltic.

Projects

Preparations for Jack-up rig at Eldfisk

Reach Subsea was awarded a contract to prepare the seabed at Eldfisk field for a Jack-up rig by relocating cement from the spud can locations, using the Olympic Triton, equipped with a 150Te AHC crane and two work-class ROVs.

Vessel	Olympic Triton
Client	Conoco Phillips
Location	Southern Norwegian North Sea
Depth	70m



Decommissioning in shallow and low visibility conditions

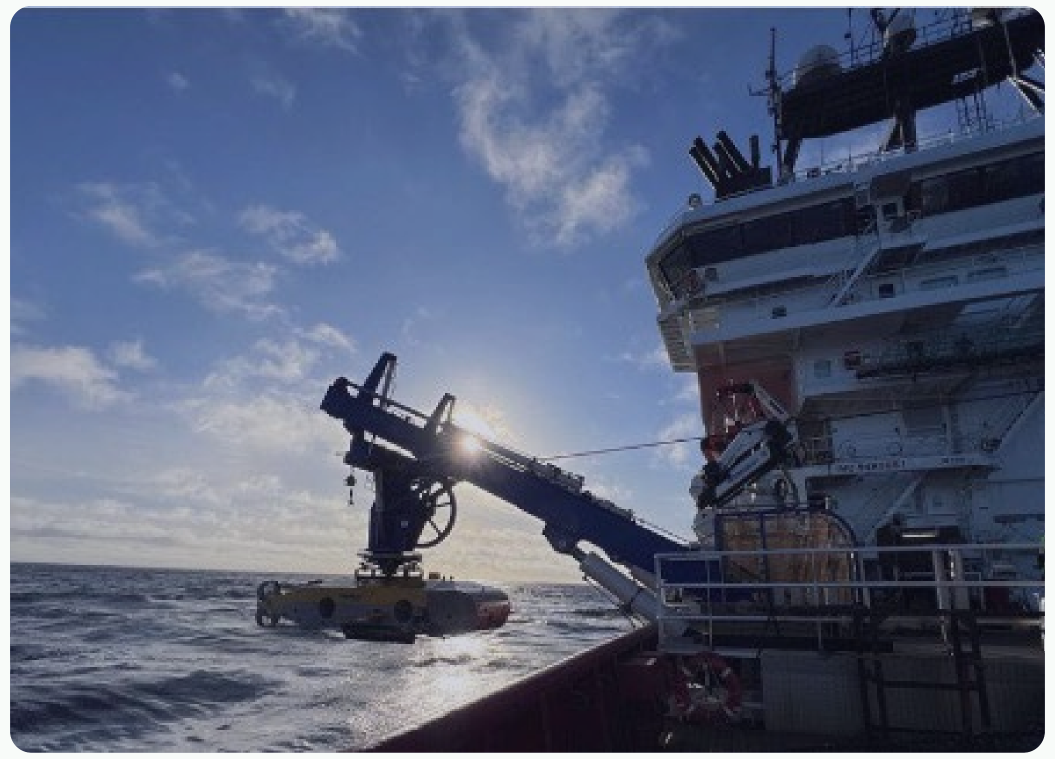
Reach Subsea performed inspection and valve operations for Perenco UK at the Arthur and Durango fields in the southern UK.

Vessel	Olympic Triton
Client	Perenco UK Ltd
Location	Southern UKCSa
Depth	30- 40m

Guardian Geomatics and Nudhum deploy USVs for hydrographic survey

Guardian Geomatics along with its partner Nudhum LLC, was awarded Hydrographic Survey Project (HSP18) by GEOSA. HSP18 cover an area of 8,600 km² in the Arabian Gulf.

Vessel	Exail DRIX Orca 1 & 2
Client	GEOSA
Location	Arabian Gulf
Depth	15 - 70m



Viking Reach - Light Construction Vessel Campaign 2024

Services Frame Agreement with Equinor, Reach Subsea has been called off for performance of various work packs to be performed in the North Sea, NCS.

Vessel	Viking Reach
Client	Equinor
Location	North Sea, Norwegian Sector
Depth	-

Projects

Havila Subsea - Nodes Positioning Survey

The works were performed with Havila Subsea, equipped with 1x Schilling HD45 System and 1x Schilling HD46 System work class ROV's and manned with full ROV And Survey Crew.

Vessel Havila Subsea
Client -
Location Gulf of Mexico
Depth -

Cable Trenching at Revolution Wind, USA

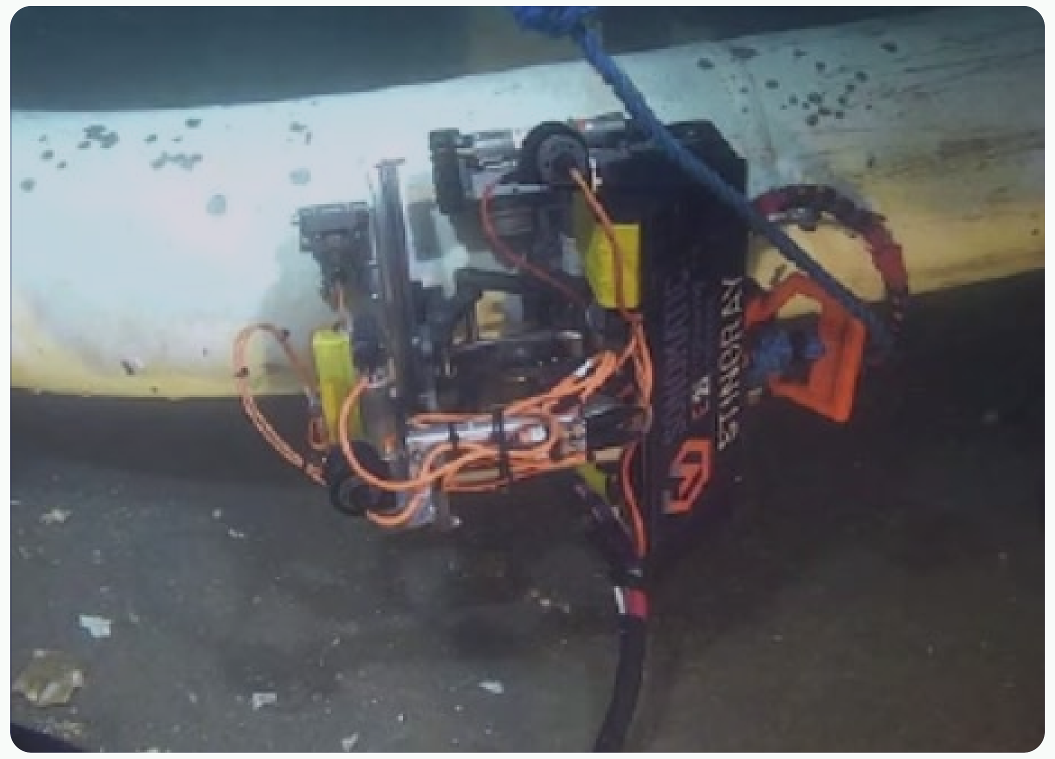
Reach Subsea was awarded a contract to deliver ROV and Survey services for Nexan's cable installation project Revolution Wind, using the Deep Cygnus, equipped with a 150Te AHC crane, work-class ROV and Nexans Capjet cable trencher.

Vessel Deep Cygnus
Client Nexans
Location Providence, USA
Depth 12 - 50m

HydroScheme Industry Partnership Program (HIPP)

Reach Subsea is part of the HydroScheme Industry Partnership Program (HIPP) which is run by the Australian Hydrographic Office (AHO) who is responsible for charting Australian waters.

Vessel Offshore Surveyor
Client Australian Hydrographic Office (AHO)
Location Offshore Darwin, Australia
Depth 21 - 100m



Survey and integrity management for Triton FPSO

Reach Subsea was awarded the contract by Dana Petroleum Ltd as part of their ongoing integrity management of the Triton FPSO and its associated subsea infrastructure.

Vessel Olympic Taurus
Client Dana Petroleum Ltd
Location Triton FPSO
Depth ~95m

People, assets and technology

At Reach Subsea, our success is built on three fundamental pillars: people, assets, and technology. These pillars form the backbone of our business, ensuring that we deliver exceptional services and solutions to our clients worldwide.

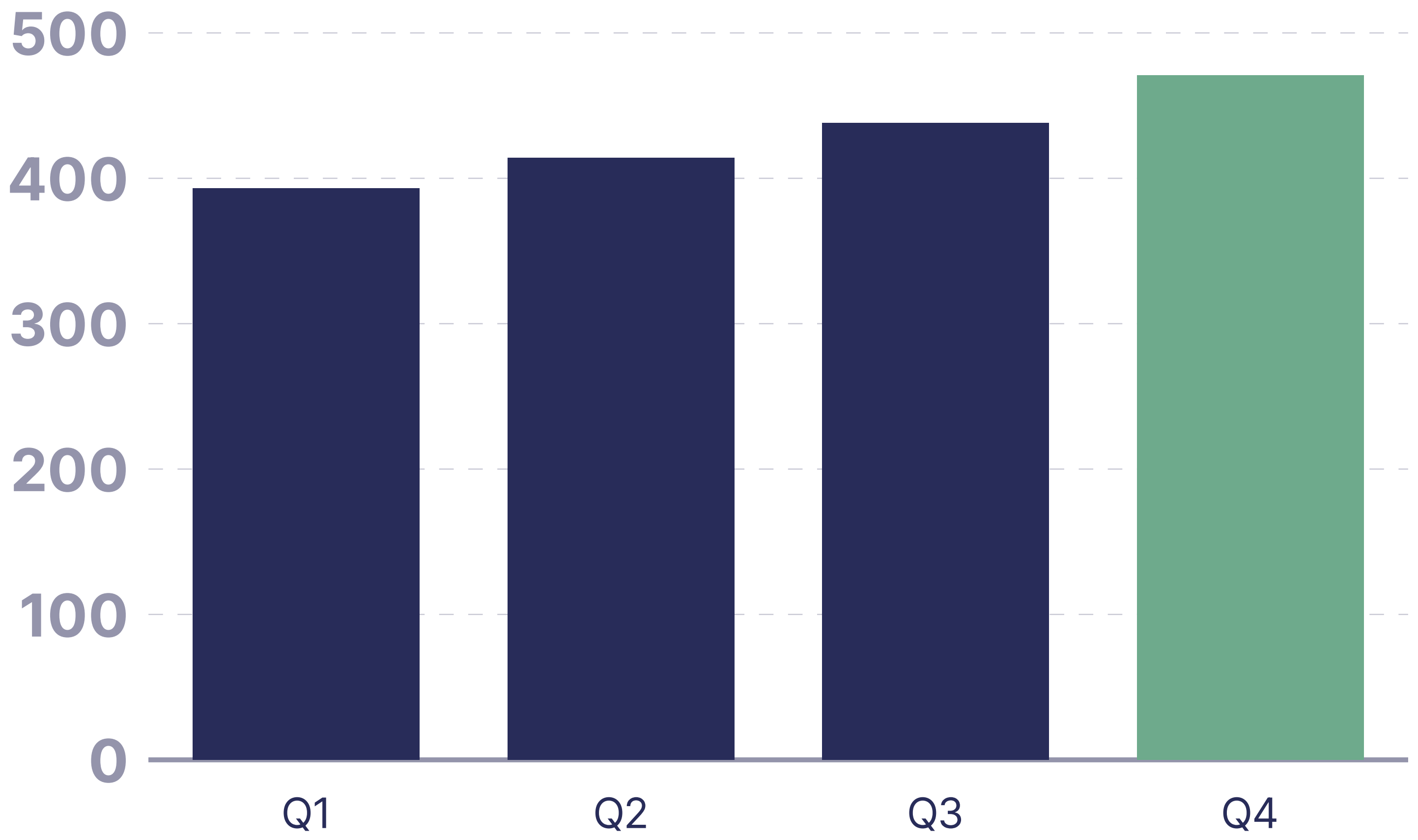
Our dedicated team of professionals, coupled with cutting-edge technology and robust assets including vessels, ROVs, sensors, and software, enables us to innovate and excel in the dynamic field of ocean exploration and services. Together, these pillars reinforce our commitment to quality, safety, and sustainable practices, driving our mission forward to redefine possibilities in underwater operations.

People

Our people drive Reach Subsea's success, turning technology and assets into world-class solutions through expertise, dedication, and teamwork.

At Reach Subsea, we take pride in delivering high-quality services through our highly skilled offshore resources, who operate with precision and expertise in challenging marine environments. Their efforts are seamlessly supported by our dedicated technical onshore team, providing real-time guidance, advanced planning, and innovative solutions to ensure smooth and efficient operations.

People growth through 2024

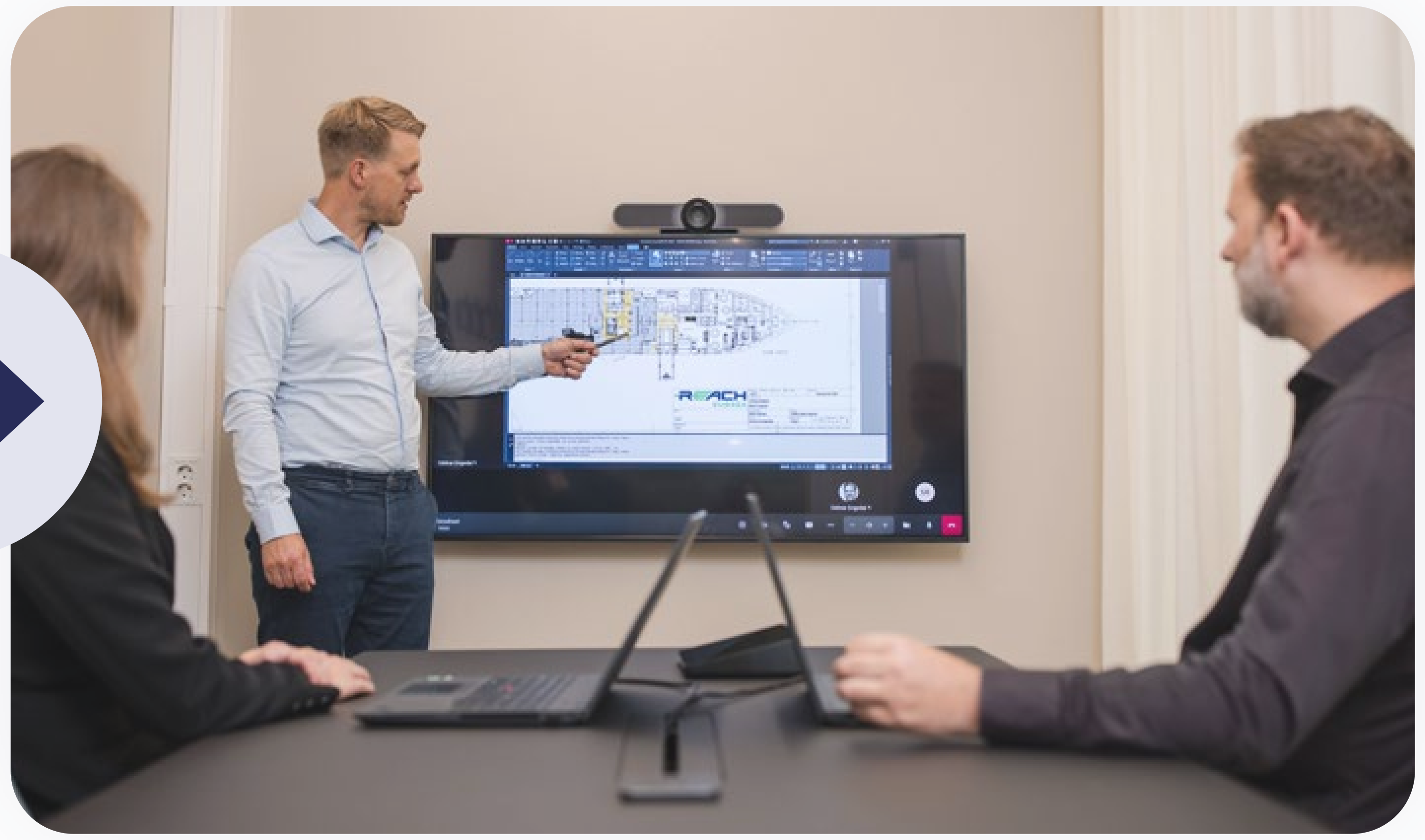


With a culture built on learning, collaboration, and continuous improvement, we empower our team to challenge boundaries and find smarter ways to deliver value to our clients. By investing in our people, we ensure that innovation, safety, and operational excellence remain at the heart of our business.

Offshore resources

Our offshore resources include experienced specialists within subsea services and ROV operations, as well as dedicated personnel for survey, inspection, and environmental monitoring. Together, they ensure safe, efficient, and high-quality execution across all offshore activities.

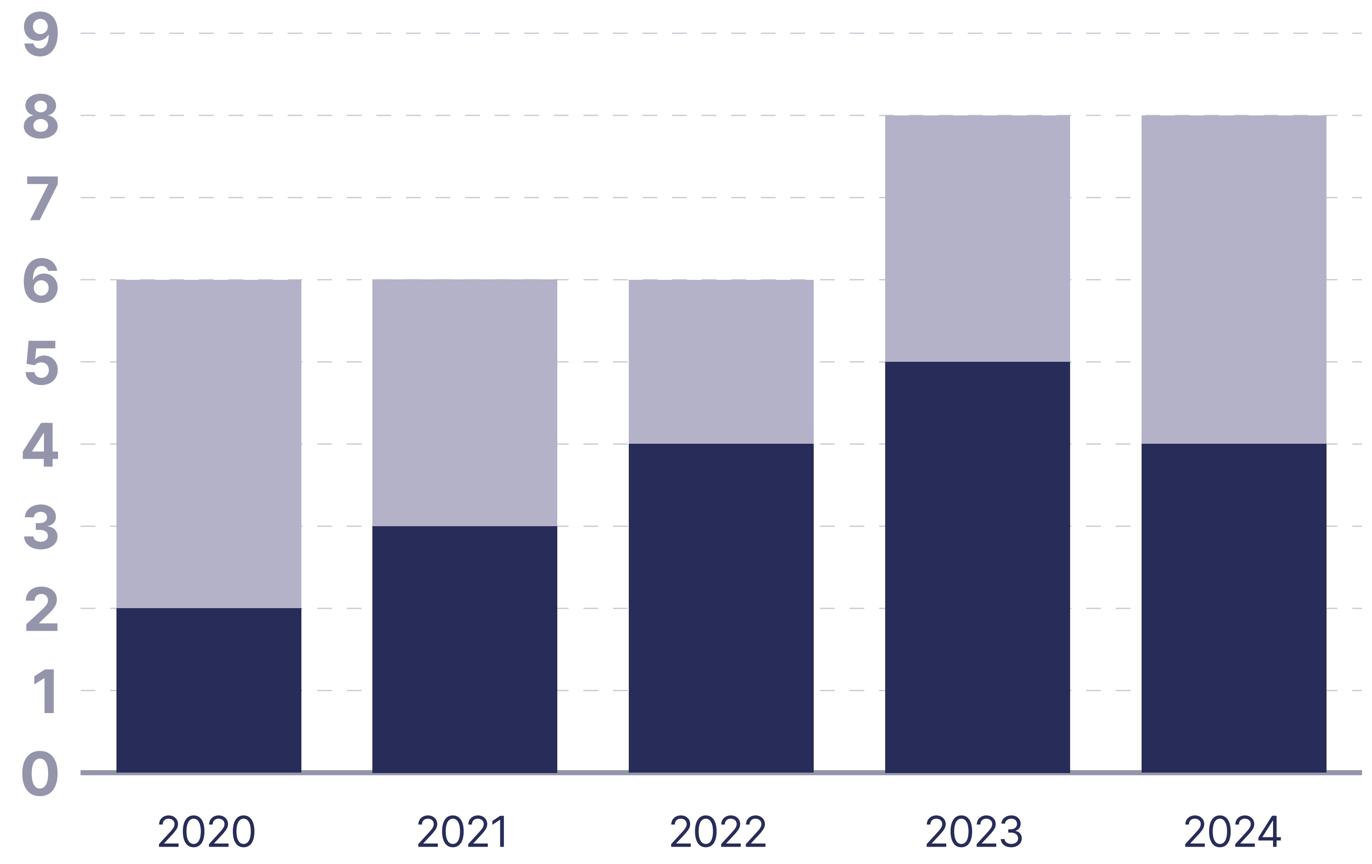
Technical onshore resources



Our onshore services provide engineering, project planning, and operational support within subsea, ROV, survey, and monitoring disciplines. This ensures seamless coordination and strong technical backing throughout all phases of a project.

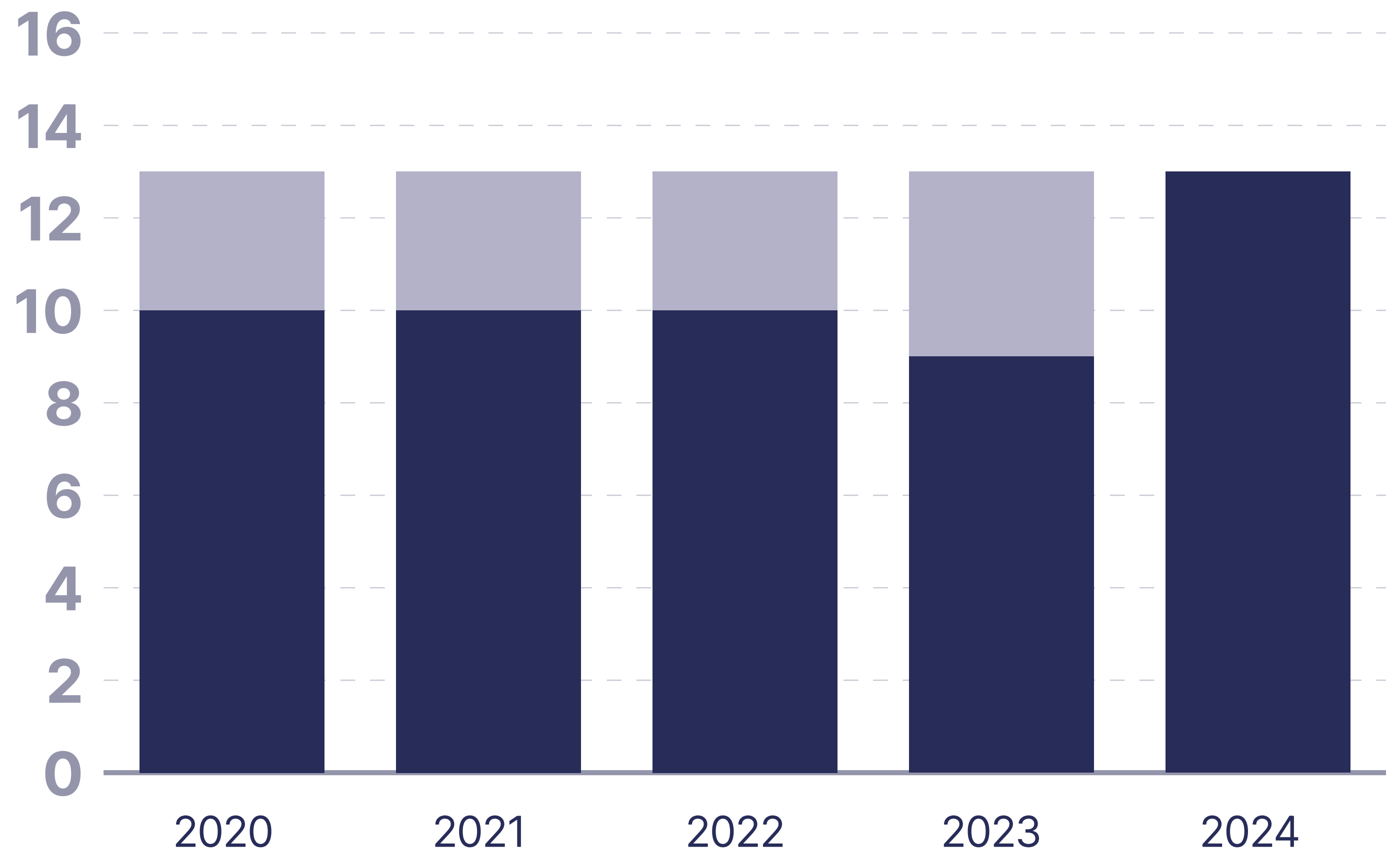
Balancing growth & flexibility

Vessels



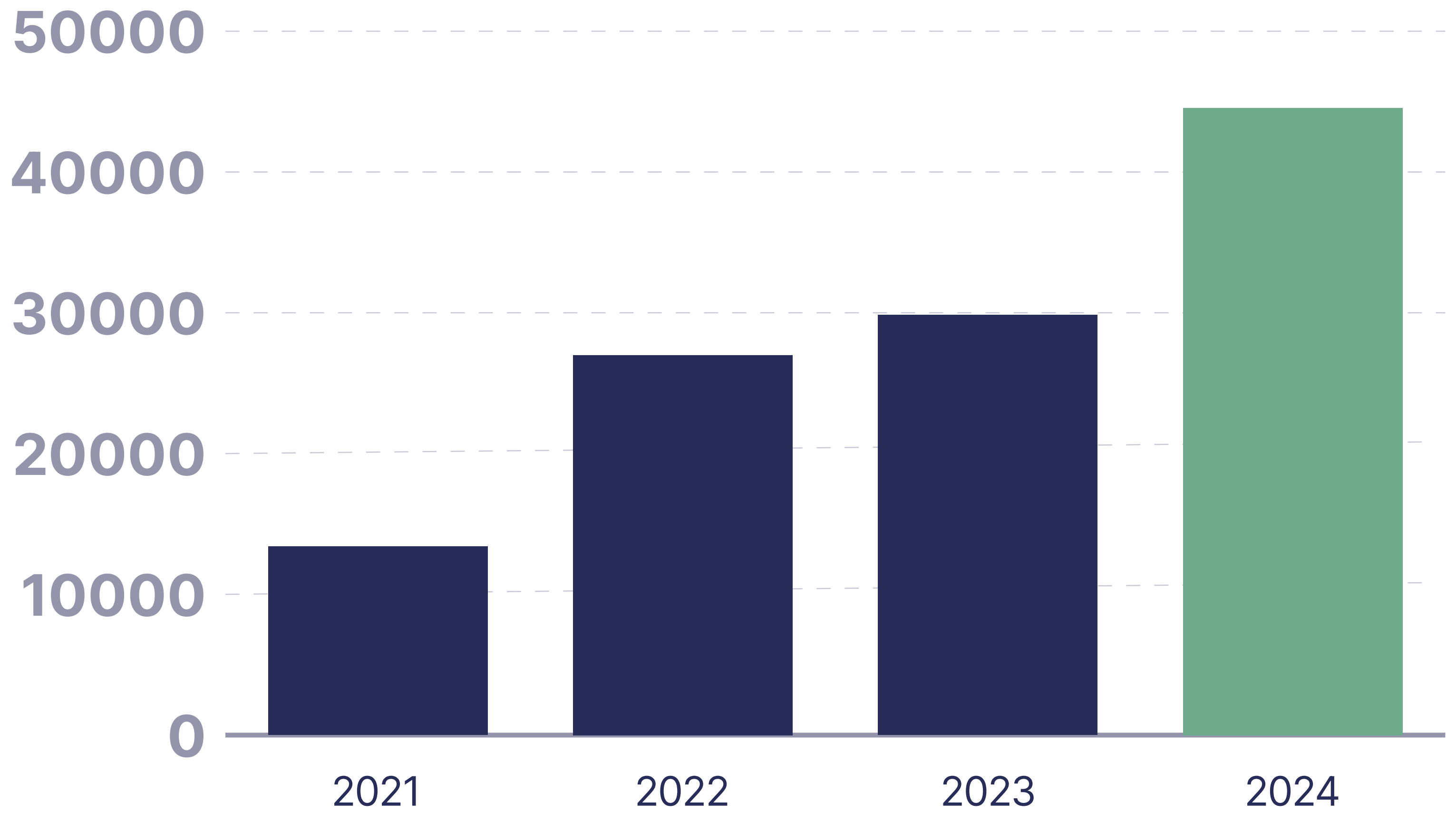
Fixed terms
Flexible terms

ROV Systems



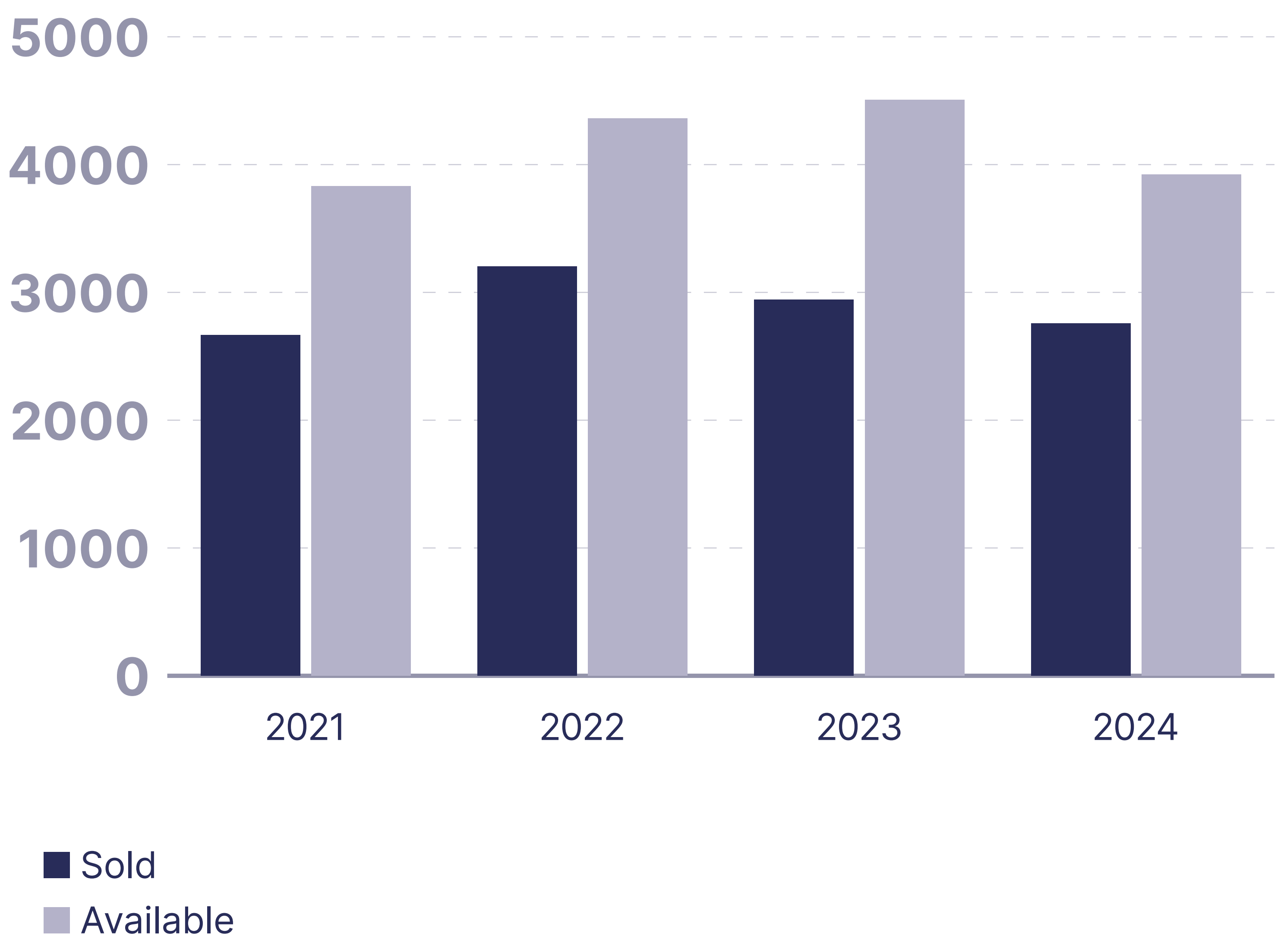
Owned
Hired in

Offshore personnel days sold

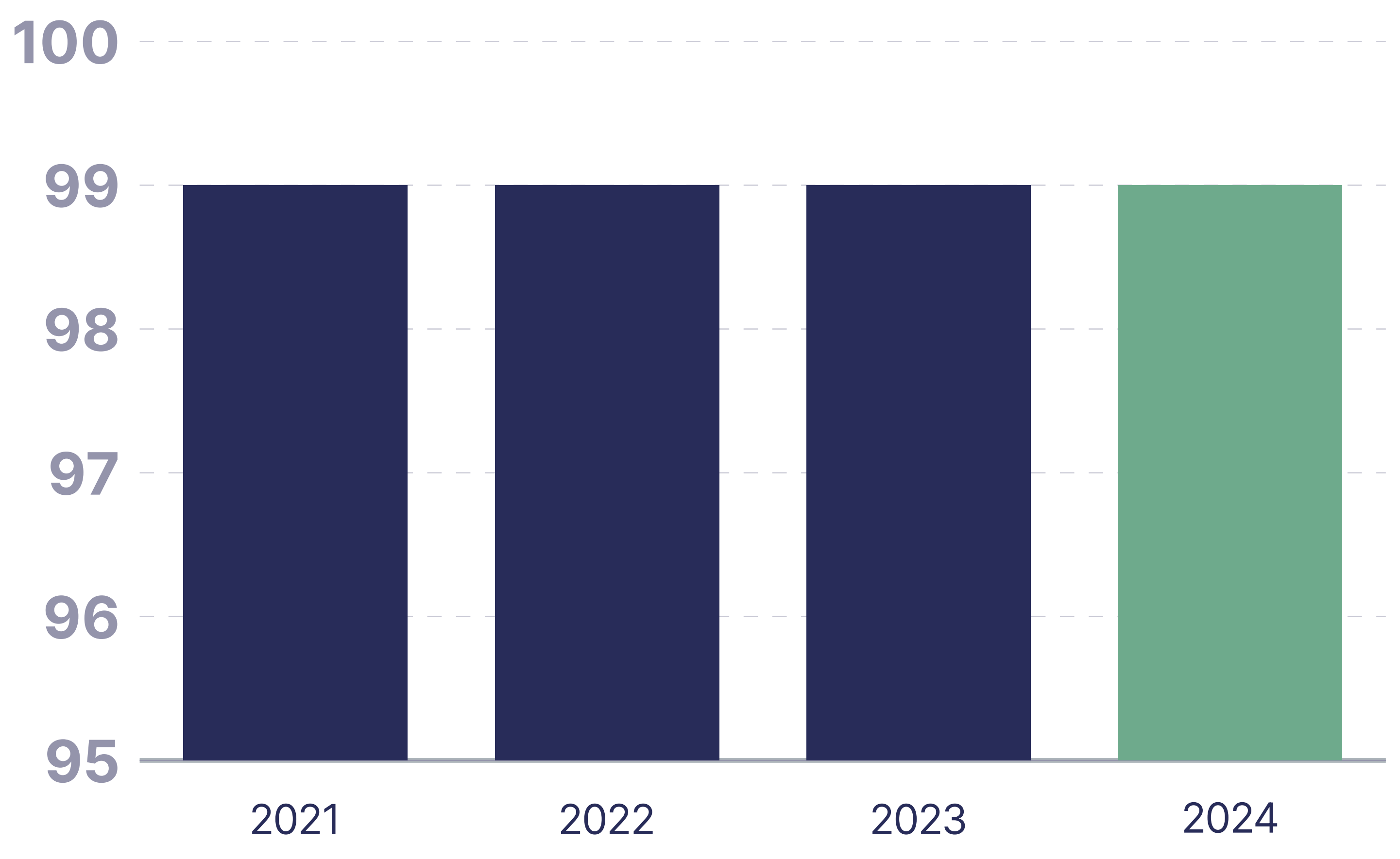


Balancing growth & flexibility

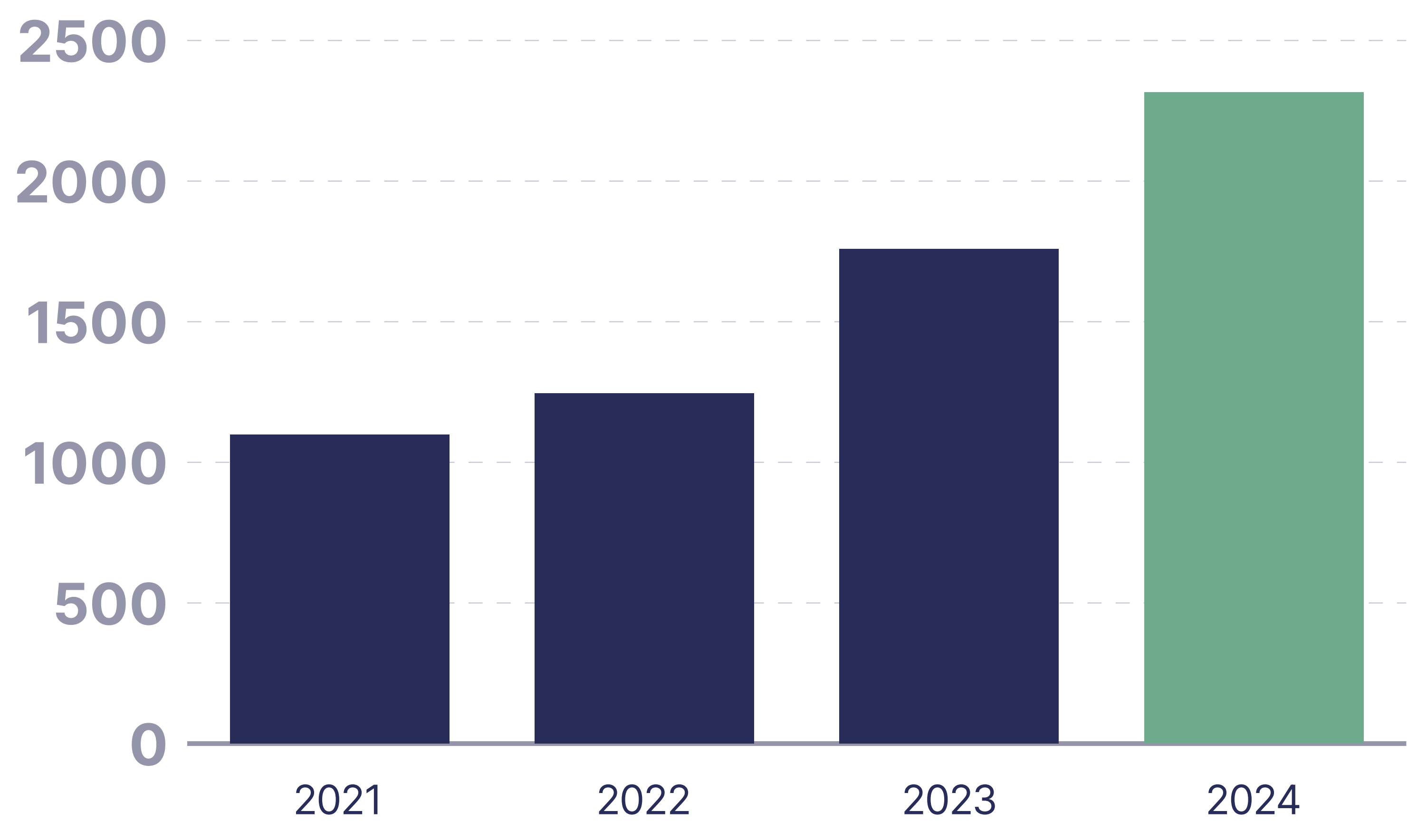
Number of ROV days – Annually



Technical uptime on ROVs

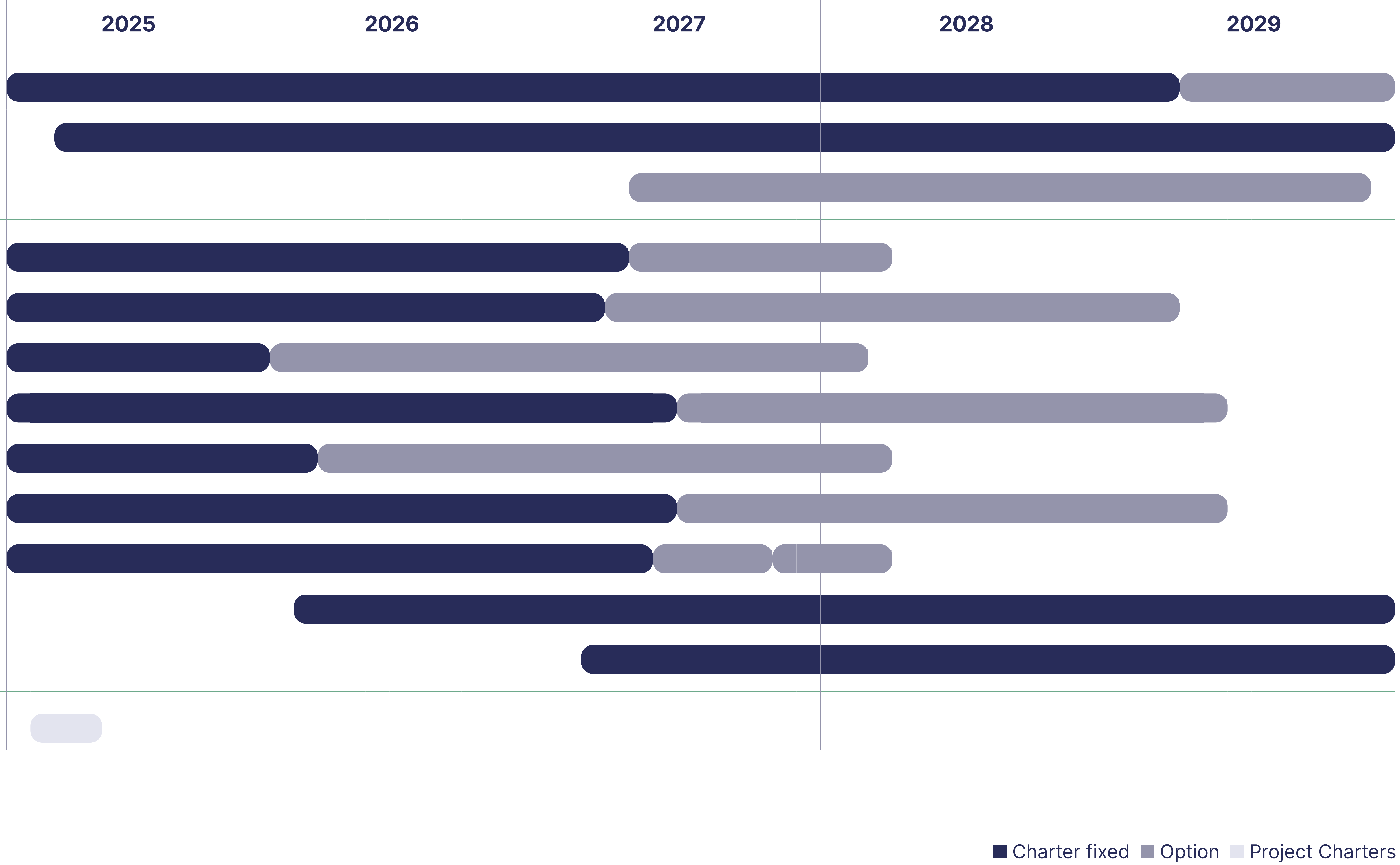


Vessel days sold



Vessel capacity for long-term growth

	Vessel	Type
Owned vessels	Viking Reach	Survey, IMR, Light Construction
	Reach Remote 1 & 2	Unmanned and Robotics
	Reach Remote 3 & 4	Unmanned and Robotics
Vessels on charter	Deep Cygnus	Construction
	Go Electra	Survey, IMR, Light Construction
	Olympic Triton	IMR, Light Construction
	Havila Subsea	Survey, IMR, Light
	Olympic Taurus	IMR, Light Construction
	Offshore Surveyor	Survey
	Northern Maria	Survey, IMR
	Viking Vigor	IMR, Light Construction
	Newbuild NB76	IMR, Light Construction
Project charter	Pacific Crest	Survey



Chartered vessels and assets

Viking Reach

Survey, IMR and Light Construction Vessel

Charter period: April 2023 - April 2029. 3-year option.

Vessel owner: Eidesvik Offshore ASA (50.1 %)
Reach Subsea ASA (49.9 %)

Crane: 70 ton

Assets: 1 Supporter WROV, 1 Surveyor Interceptor ROV, survey equipment

Havila Subsea

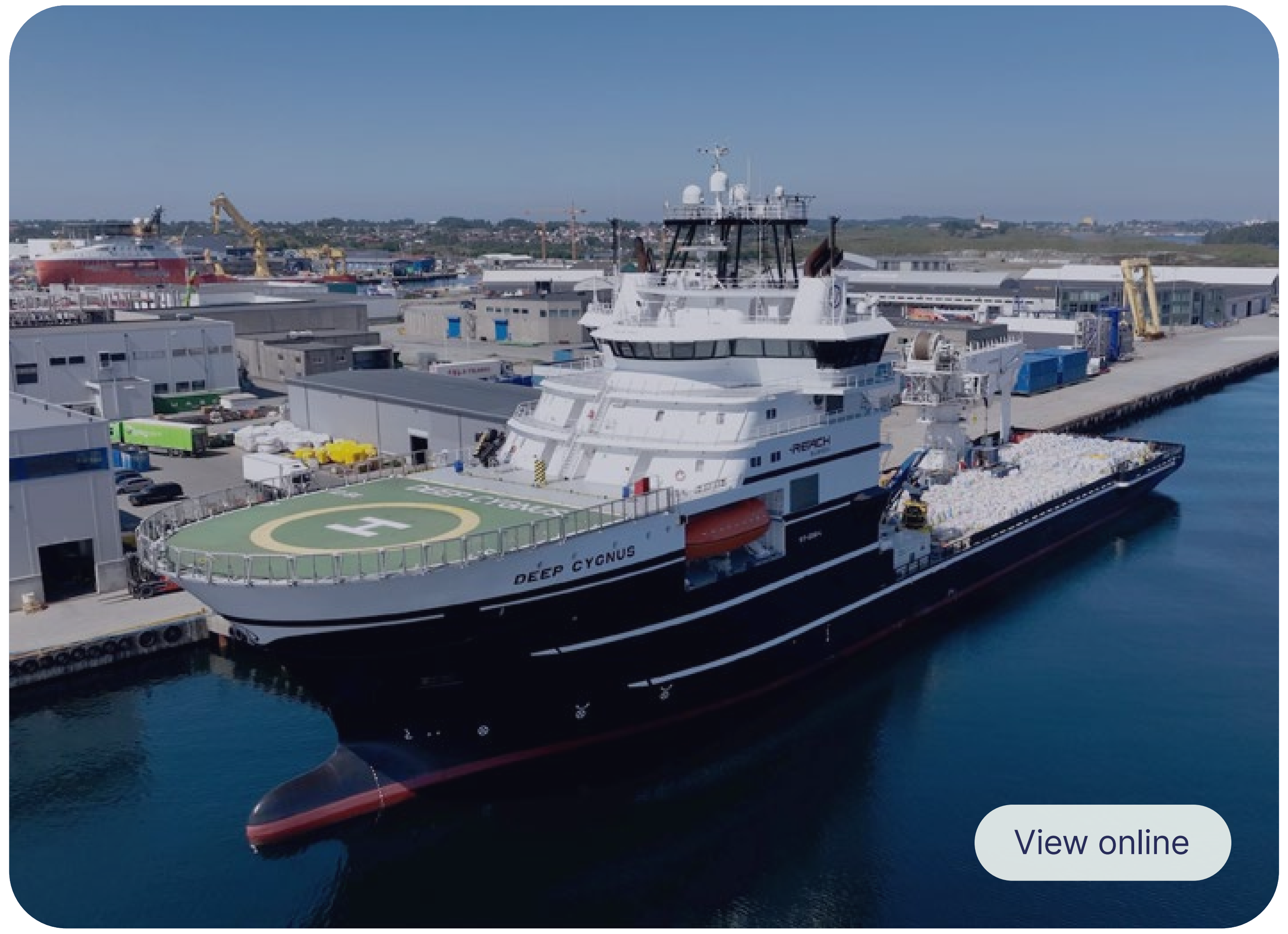
Survey, IMR and Light Construction Vessel

Charter period: June 2024 - June 2027. 2-year option.

Vessel owner: Havila Shipping ASA

Crane: 150 ton

Assets: 2 x Schilling HD WROV, survey equipment



Deep Cygnus

Construction Vessel

Charter period: April 2023 - April 2027. 1-year option.

Vessel owner: Volstad Maritime AS

Crane: 150 ton

Assets: 1 Supporter WROV, survey equipment

Chartered vessels and assets

Go Electra

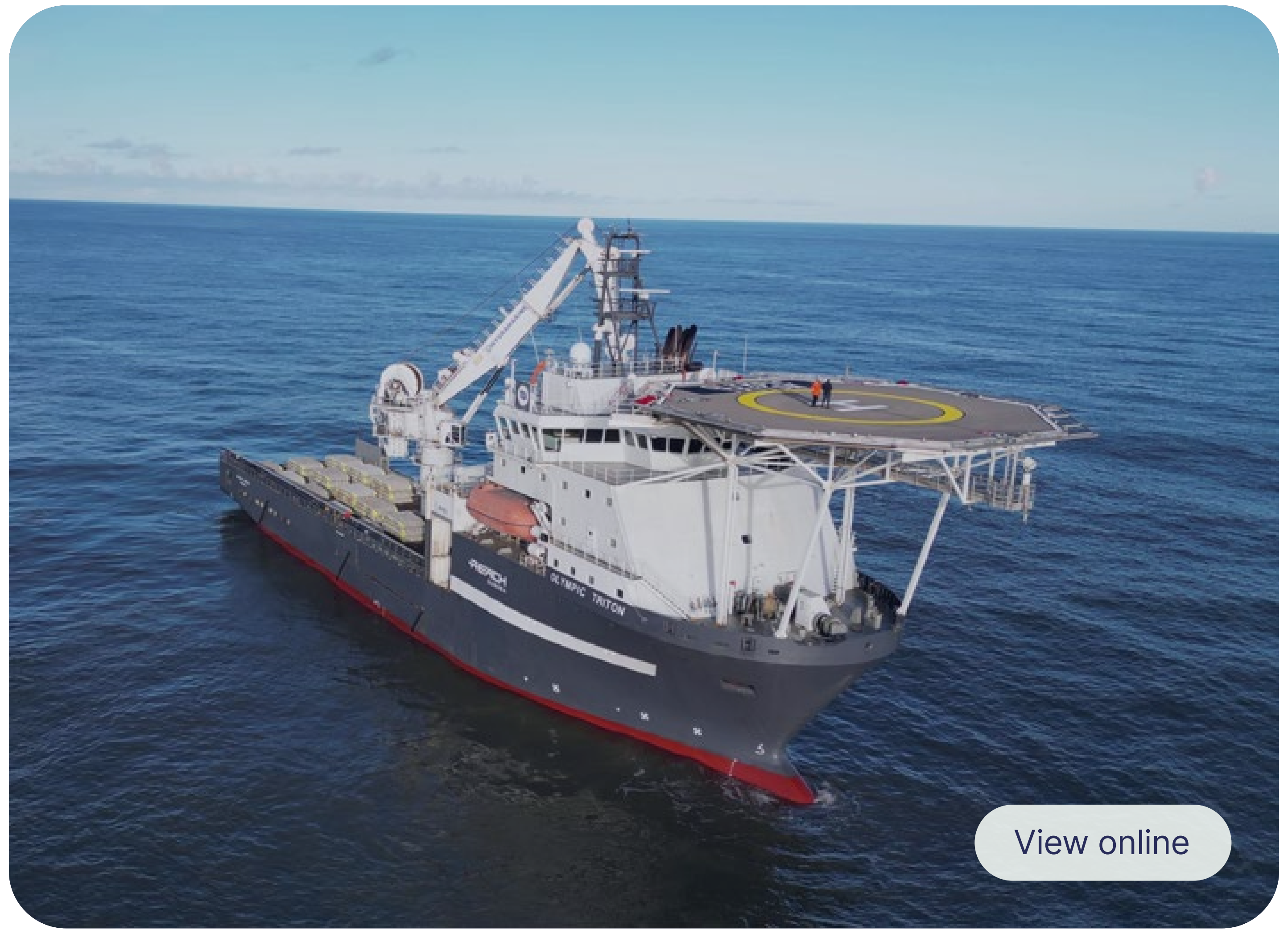
Survey, IMR and Light Construction Vessel

Charter period: March 2023 - March 2027. 2 year option.

Vessel owner: Go Offshore Pty Ltd.

Crane: 25 ton

Assets: 1 x Supporter WROV, survey equipment



Olympic Triton

IMR and Light Construction Vessel

Charter period: February 2023 - February 2026. 2-year option.

Vessel owner: Olympic Subsea ASA

Crane: 150 ton

Assets: 2 x WROV Constructor and Supporter, survey equipment

Northern Maria

Survey and IMR vessel

Charter period: April 2024 - April 2027. 1-year option.

Vessel owner: Northern Survey Aps

Crane: 20 ton

Assets: Survey equipment

Chartered vessels and assets

Olympic Taurus

IMR and Light Construction Vessel

Charter period: April 2024 - April 2026. 2-year option.

Vessel owner: Olympic Subsea ASA

Crane: 150 ton

Assets: 2 x WROV Constructors, survey equipment

Offshore Surveyor

Survey Vessel

Charter period: June 2024 - June 2027. 2-year option.

Vessel owner: Guardian Offshore AU

Crane: None

Assets: Survey equipment

Viking Vigor

IMR and Light Construction Vessel

Charter period: 2026 →

Vessel owner: Eidesvik Agalas AS

Crane: 150 ton

Assets: Will be mobilized with state-of-the-art WROVs and survey equipment

Remote vessels

Reach Remote 1 & 2

Setting new standards, Reach Remote introduces Norway's pioneering fleet of uncrewed 24-meter surface vessels (USVs), featuring hull-mounted survey sensors and a Work Class Electric ROV.

Scheduled for deployment under the Norwegian Flag, these vessels are poised to revolutionize offshore subsea operations, aligning with sustainability initiatives. Reach Remote offers secure, eco-friendly, and cost-effective solutions for global subsea inspection, survey, and intervention services. This ground breaking project integrates Uncrewed Surface Vessels (USVs) with Remotely Operated Vehicles (ROVs), paving the way for advancements in remote maritime technologies and marking a significant milestone in global maritime operations.

Pilot program Joint Industry Project

We are collaborating with Equinor and Total Energies and a few other major Client companies to carry out a technology qualification program for the Reach Remote, aiming to validate remote operations for various tasks offshore Norway. All the Clients are providing financial support for this initiative organized as a Joint Industry Project. Current operational areas are: Haugesund, Troll, Snorre, Gullfaks and Åsgard.

Proving the capabilities of the vessel

- Seabed mapping
- Pipeline inspection
- Subsea structure inspection
- Reservoir modelling by gravimetry measurements

Key features include

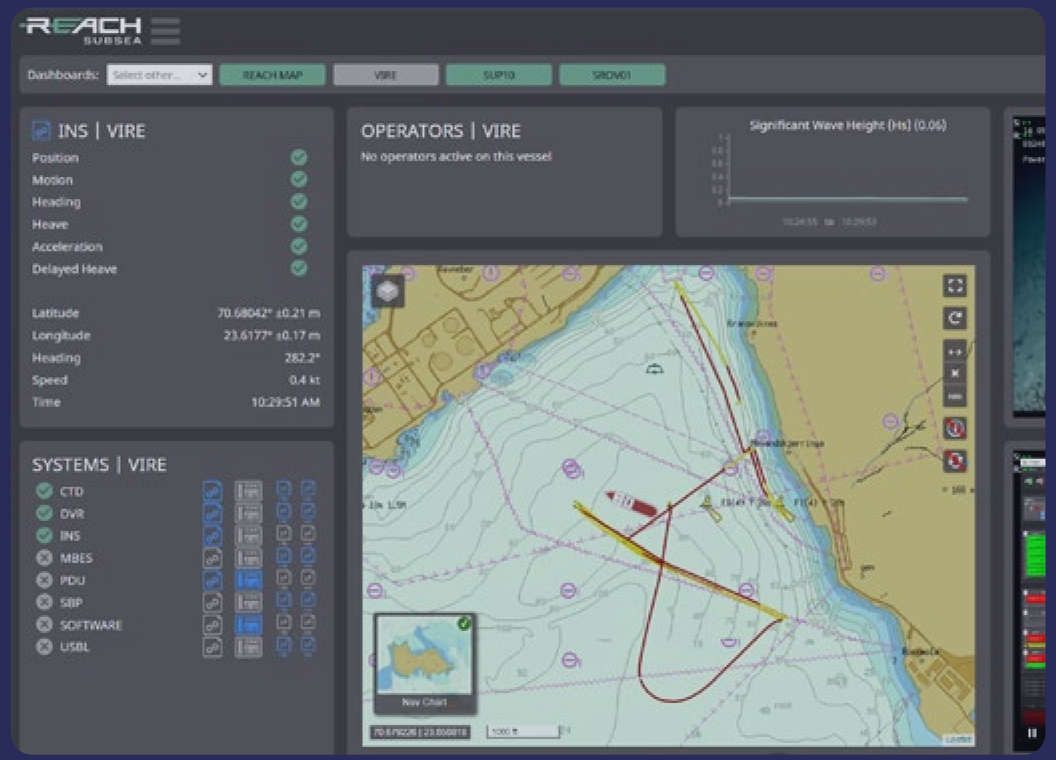
- Length: 23.9 meters
- Optimized for low energy consumption
- Electric Work Class ROV onboard
- Hull-mounted survey sensors
- Endurance of 30 days
- No personnel onboard

Reach Remote 2024 highlights

Completion of Sea Trials for Reach Remote 1

The successful completion of sea trials for Reach Remote 1 marks a significant milestone, testing navigation, dynamic positioning, sensor integration, and advanced functionalities in real offshore conditions. The results validated the system's reliability, fuel efficiency, and ability to perform with over-the-horizon control.

In recognition of its pioneering design and operational excellence, Reach Remote 1 was named "Ship of the Year 2024" by Skipsrevyen, establishing it as a benchmark for the future of autonomous marine operations.



Reach Horizon: Smarter Remote Operations

The Reach Horizon initiative represents the next evolution in Reach Remote's remote operations strategy. It focuses on optimizing remote control operations. Key advancements include improved data analytics and quality control, enabling greater efficiency and reducing operational costs.

Commissioning of Reach Remote 2

Following the success of RR1, the commissioning of Reach Remote 2 is on full speed ahead, including final integrations and validation tests, ensuring compliance towards authorities and class.

Remote Operations Center (ROC) Setup Complete

The completion of the Reach Remote Operations Center (ROC) establishes a central hub for real-time monitoring and control of remote vessels and ROVs. Designed with cutting-edge connectivity, decision support, and careful human-machine interface, the ROCs enables efficient mission execution.

Remote vessels

Reach Subsea DRIX (Orca 1 and Orca 2)

The DRIX is an 8-meter-long remotely controlled/autonomous survey vehicle designed for high-quality hydrographic surveys in shallow waters. Equipped with advanced sensors and multi-redundant communication systems, it ensures precise data collection and real-time transmission.

Its modular design enables versatile payload integration, supporting a range of missions from seabed mapping to subsea inspections. With exceptional seakeeping abilities and reduced fuel consumption, DRIX enhances efficiency while minimizing environmental impact, making it a cost-effective and sustainable solution for modern maritime operations.

2024 highlights

- Throughout the year, the Orca 1 and Orca 2 DRIX units have been actively engaged in hydrographic mapping projects, including a successful operation in Saudi Arabia. Across these missions, our two Drix units have collectively surveyed a total of 75,000 line km, demonstrating the efficiency and accuracy of our remote survey capabilities.
- These operations exemplify how innovative methodologies and advanced technology can significantly enhance operational efficiency. By setting new benchmarks in hydrographic surveys, we continue to provide crucial insights for safer navigation and maritime development.
- Through the deployment of our Drix units, Reach Subsea is strengthening its position at the forefront of the technological shift towards unmanned, environmentally friendly operations, reinforcing our commitment to sustainable and efficient offshore solutions.

Key features include

- Length: 7.7 meters
- Draft: 2 meters
- Beam: 0.82 meters
- MBES: EM2040

Reach technology 2024

Accelerating innovation

2024 was a landmark year for Reach Subsea's technology development, marked by continuous growth and the successful transition of several groundbreaking developments from concept to commercialization – the crown jewel being the Reach Remote USV.

Our team has expanded significantly mostly from the integration process of the wider Reach global group bringing unique competencies. But also new talent across engineering, data science and project management — each contributing to the acceleration of our innovation pipeline.

Reach will continue expanding the team in 2025 adding key expertise within software, increased autonomy and artificial intelligence primarily supporting the Reach Remote USVs and overall remote services platform.

Remote Services

With a lack of industry software solutions Reach concluded that there was a need for an in-house developed platform for command and control of sensors and systems – Reach Horizon was born.

In order to manage and maintain this development a new tech department 'Remote Services' was introduced. The main objective and focus for this team is to support development that targets remote and unmanned operations such as Reach Horizon.

In parallel the team leads the continuous work to further automate and streamline data processing and reporting which is another crucial pillar for the unmanned and autonomous future ensuring data and insights can be shared in time with stakeholders

Development within Reach

Reach has in recent years increased the efforts to work smarter across all disciplines within the group. This goes from every day tasks being automated to the major development projects such as Reach Remote.

Reach promotes and encourages the innovative solution coming from the internal experts but are also actively looking externally for new solutions or problems needing to be solved.

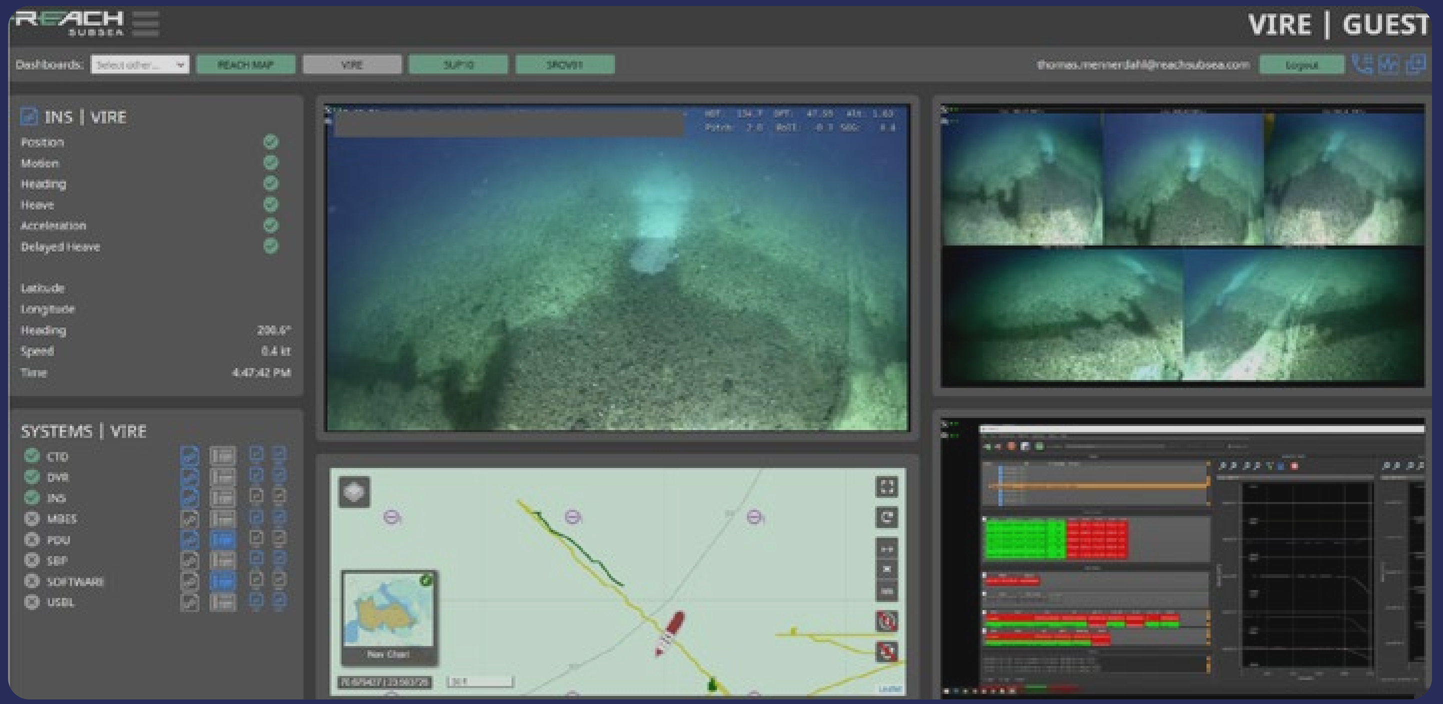
By fostering strong partnerships across academia, industry, and government bodies, we continue to position Reach Subsea as a leader in subsea innovation—delivering high-impact solutions that meet the evolving needs of the offshore energy and infrastructure sectors.

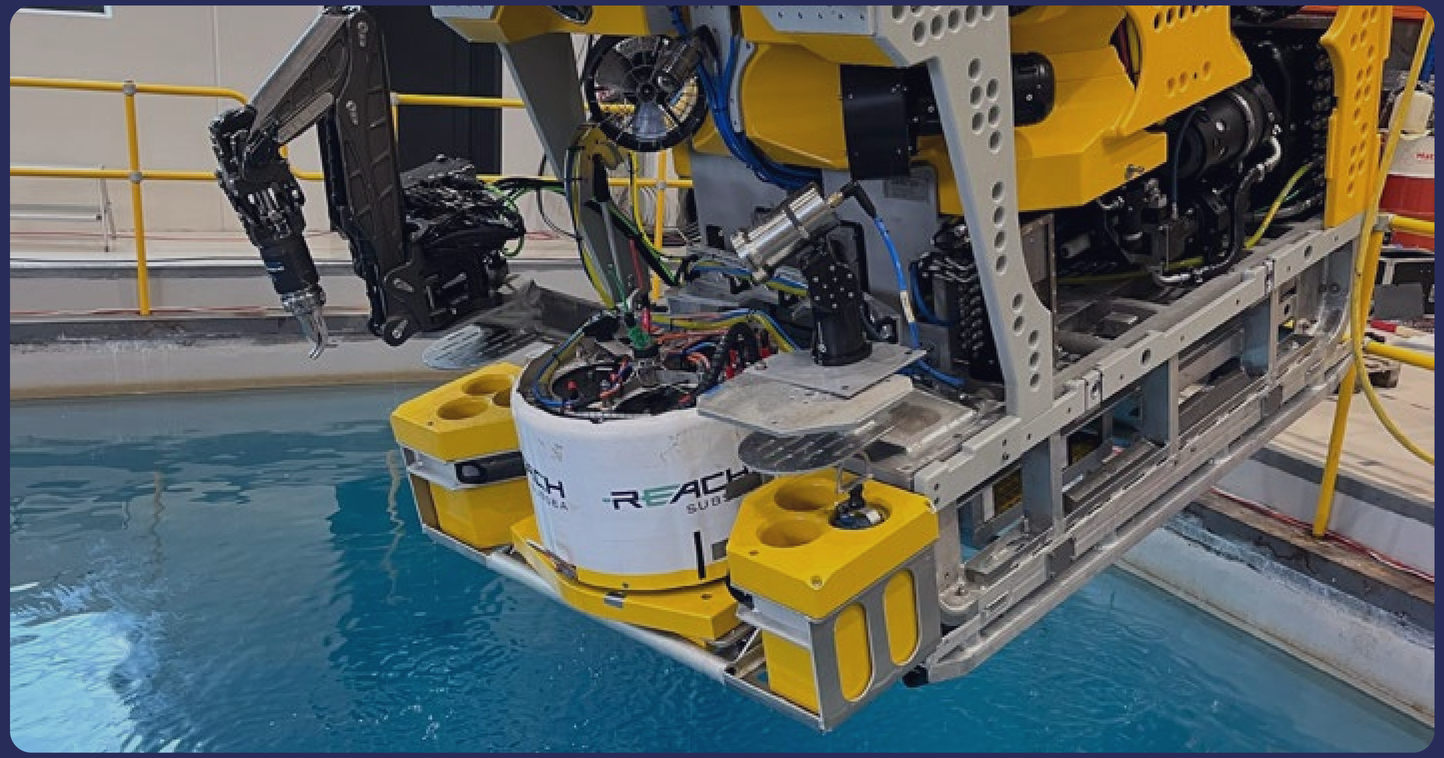
Launched in 2024

Dragonet - the new UXO system

The Reach Dragonet gradiometer system with integrated cameras provides full data set of geophysical and visual data.

Integrating all sensors used in pre-construction surveys into a single package reduces costs and significantly cuts the number of targets for identification and clearance.



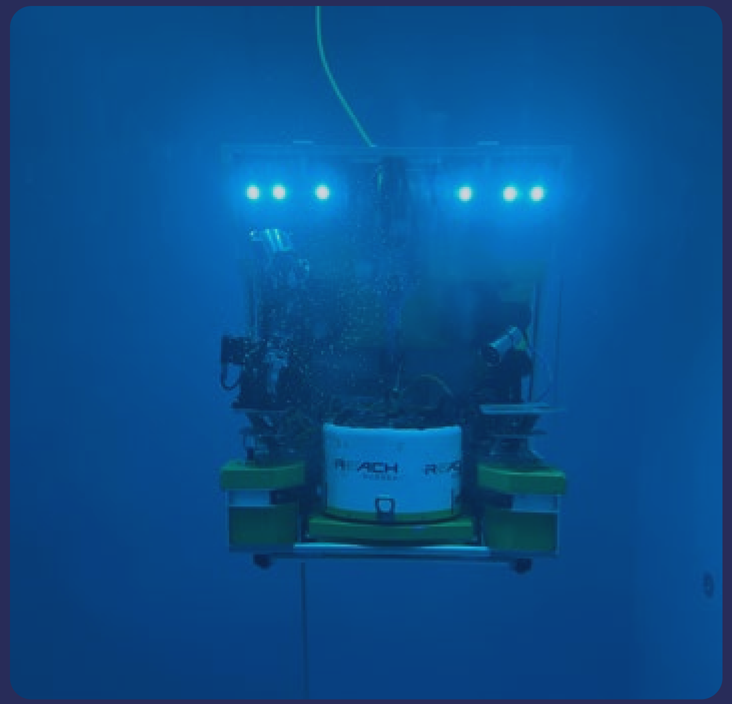


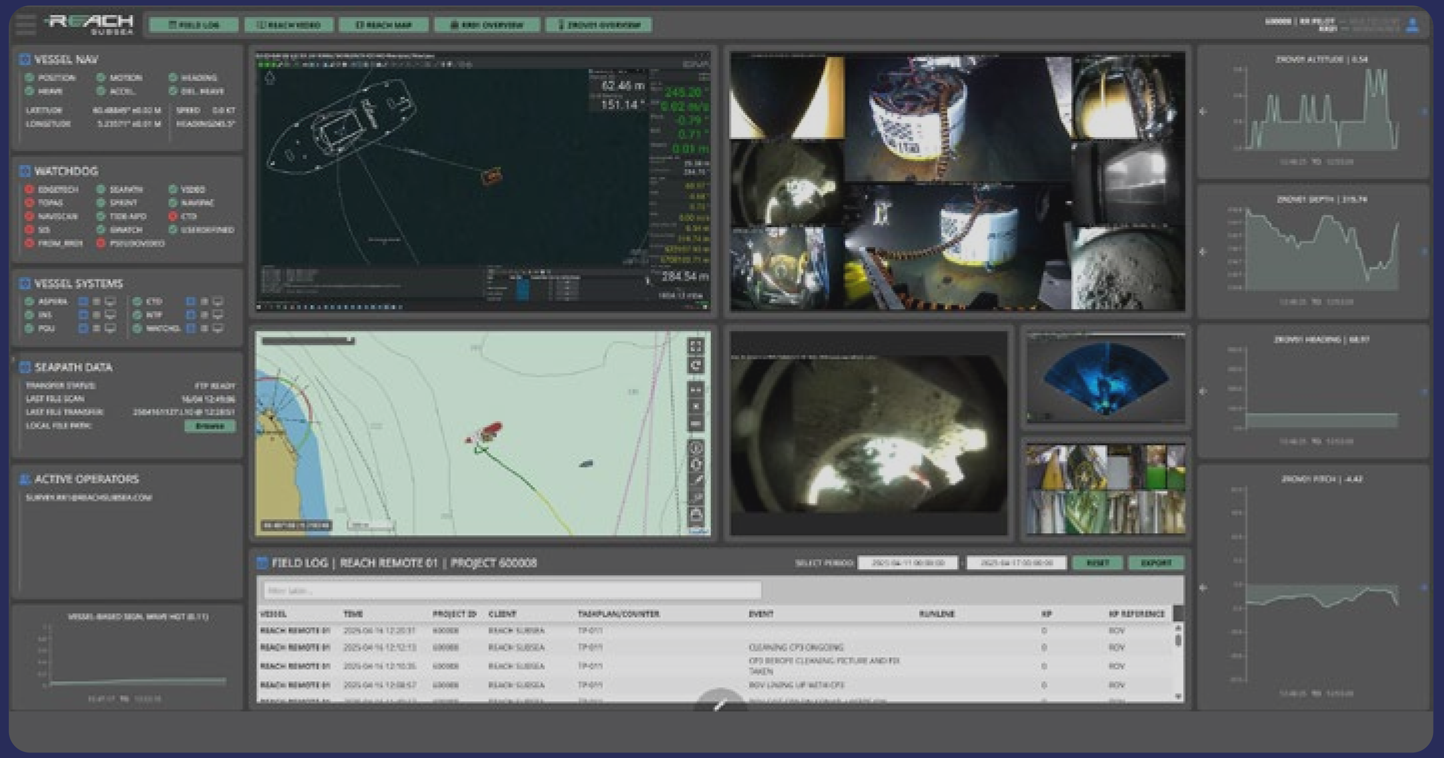
gWatch Remote

Reach's world-leading gravimetric monitoring technology goes remote for unmanned operations.

Reach's gWatch technology was commercialized in 2013. It is currently used on all large gas / oil & gas / condensate fields in Norway and is rapidly reaching other parts of the world.

In 2024 a new redesigned system for remote operations was introduced. This system also supports management of multiple tide gauges without any human interaction on board the vessel when reloading the ROV skid or storing the sensors.





Reach Horizon

Reach develops an internal platform for command & control of remote systems as well as supervising data acquisition.

Reach Horizon was launched in Q2 2024 as an early version on conventional manned vessels where QC functions was deployed allowing real-time, low bandwidth, data monitoring customized for onshore personnel. This has proven to be invaluable for the implementation of new survey solutions as key persons and management have been able to, in detail, follow the offshore work from their office desk in real-time

This proprietary software platform designed to perform remote operations also streamline data integration and decision-making for internal and external users.

At Reach Subsea, the safety and well-being of every team member, onshore and offshore, are our top priorities.

Through HSEQ excellence, advanced technology, and a culture of care, we ensure that everyone, whether at sea or on land, can work confidently and return safely to their loved ones.

HSEQ

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 re occurrence.

HSEQ

4.16/5

Average customer satisfaction

1.65 %

Sickness absence is maintained on low levels.

HSEQ Trends	2020	2021	2022	2023	2024
Exposed man hours	428 646	384 834	737 861	553 416	3 097 977*
Improvement reports	213	181	292	718	1535
Recordable cases	0	0	2	8	3
Sick leave	5.2 %	5.7 %	1.65 %	2.17 %	1.65 %

Reportable incidents	2021	2022	2023	2024
Fatalities	0	0	0	0
Lost-Time Injuries	0	1	1	0
Medical Treatment Injuries	0	2	9	3
Restricted Work Injuries	0	0	0	0

HSEQ Results

The overall HSEQ results for 2024 have been positive. The company have continued its expansion through organic and inorganic growth. The expansion is supported by a strong HSEQ culture and campaign program emphasising this in the onboarding processes and throughout our operations. There has been a continued positive trend in the reporting level of safety observations, both negative and positive.

*now including marine crew hours

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.

Risk Factors

The USV and the eROV will be operated from an onshore location. The risk factors related to the project include governmental regulations, market/commercial risk, operational risk, technical risk and financial risk.

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 2024 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 has entered into the 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 2024, Reach reviewed and updated compliance and routines, hereunder transfer pricing and other intercompany compliance topics. Reach has an in-house 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. The vessels have a competitive cost level and are scheduled for projects within the Reach Subsea Group. Most of our current order book is related to projects in the first six months of 2025. Vessel commitment as per 31 March 2025 is presented separately in this report.
- 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.

News after year end

New contracts

Reach has been awarded several contracts and call-offs under framework agreements for inspection, survey, and construction support projects across Europe, the Americas, and the Asia-Pacific region. Our clients include leading operators and Tier 1 contractors in both the oil & gas and renewable energy sectors.

Newbuild NB76

Reach Subsea has entered into an agreement with Eidesvik Offshore and Agalas to jointly own a new IMR/Survey vessel, with Reach holding a one-third stake. The vessel is set for delivery in spring 2027, and Reach has signed a five-year charter agreement with extension options.

Delivery of the first USV

Reach took delivery of the first USV, Reach Remote 1, on 16 January 2025. The second vessel is set to begin sea trials and is scheduled for delivery to follow shortly after. Reach Remote 1 has during the first quarter 2025 been prepared and outfitted with subsea equipment for the earlier announced pilot project with Equinor, TotalEnergies and other major energy companies.

This includes a variety of relevant survey, ROV intervention, IMR and monitoring related work scope which will demonstrate the full capacity of the REACH REMOTE spread.

The scope of work is part of a full-scale operation and will be executed offshore in the North Sea and Norwegian Sea on production fields such as Troll, Gullfaks, Snorre and Åsgard.

Our schedule shows strong utilization for all subsea spreads into early 2025.

Our order book stands at approximately NOK 1.85 billion (NOK 1.6 billion)

With projects extending well into the first six months of 2025 and beyond across oil & gas and renewables. These figures exclude 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 10.5 billion (NOK 10.0 billion).

Outlook

As we enter 2025, global political uncertainty highlights the need for agility. Reach Subsea is well-positioned to navigate this evolving landscape, with strong investments across ocean space sectors.

We support industries like oil & gas, offshore wind, offshore cables, and emerging markets such as carbon storage, environmental monitoring, and subsea minerals. Geopolitical tensions and energy security concerns are reshaping priorities across these sectors, demanding greater flexibility and responsiveness. In this context, our focus on remote, over-the-horizon technologies is increasingly relevant. The rising costs of conventional subsea operations highlight the value of cost-efficient solutions like Reach Remote.

These shifts in the industry are driving demand for advanced subsea capabilities in both the short and long term. Each sector presents unique challenges, but also significant opportunities for growth in subsea services. Reach Subsea's expertise and technology investments provide a competitive edge in data gathering, inspection, and monitoring.

To position ourselves for continued growth, we have taken key steps:

- **Technology & Remote Operations**
  Developing tools that enhance remote services across both our conventional fleet and Reach Remote USVs, increasing efficiency and expanding service offerings.
- **Fleet & Equipment Investments**
  Securing long-term vessel charters and making strategic upgrades to our subsea equipment pool, ensuring we remain agile and well-equipped.
- **Organizational Strength**
  Key recruitments have strengthened our ability to execute projects in an increasingly complex market.

A key milestone in 2025 is the full commercial launch of Reach Remote 1 and 2. Market interest in remote subsea operations is strong, driven by a successful pilot project with major clients. Rising subsea vessel charter rates further enhance the commercial appeal of Reach Remote.

Looking ahead, we will focus on:

- Scaling remote operations across both USV and conventional subsea spreads.
- Expanding our presence in new and high-growth subsea sectors.
- Delivering integrated services that combine our technology, expertise, and vessel capabilities.

With a strong financial foundation, a growing portfolio of remote services, and an industry shifting toward automation and sustainability, 2025 will be a pivotal year for Reach Subsea as we drive the future of subsea operations.

The Board and management are pleased to report another record EBIT for 2024. The strong outlook for 2025 is underpinned by strong margins in the current order backlog compared to previous years, as well as our solid prospect list.

Directors Report

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.

Ambitions

Environmental

Our ambition is a climate-neutral fleet by 2050, ensuring sustainable ocean access by minimizing pollution, achieving zero spills, and protecting marine biodiversity.

Social

We are committed to zero harm to people by ensuring a safe, inclusive workplace and fair, responsible working conditions throughout our value chain.

Governance

We aim to be a responsible, trusted market leader with the highest ethical standards, zero tolerance for violations, and zero cyber incidents through robust security and compliance.

BP-1

General Disclosures

Basis for preparation

Our 2024 sustainability statements mark a shift in our reporting on sustainability. We integrated our annual report and our sustainability report in 2023, and for 2024, we transition from reporting under the Global Reporting Initiative (GRI) to the European Sustainability Reporting Standards (ESRS).

An omnibus proposal has recently been introduced, suggesting amendments to the CSRD directive, which may impact the reporting obligations and time lines for companies. On 3 April 2025, the European Parliament approved amendments to the CSRD directive, introducing a two-year delay in reporting obligations for wave 2 companies. Reach Subsea ASA was initially expected to report sustainability information for the financial year 2025. Following the approved changes, our mandatory reporting is now expected to begin for the financial year 2027, pending formal adoption and transposition into Norwegian law.

This year's report is therefore a voluntary transition report, allowing us to align with some of the upcoming requirements while acknowledging that certain data points are still under assessment. We will continue to follow developments closely.

The financial year runs from January 1 to December 31, 2024

The content of this Statement is based on the results of a Double Materiality Assessment (DMA) for 2024.

The purpose of this reporting is to ensure that our stakeholders have access to relevant information and insight into the company's development and results related to sustainability efforts. Certain ESRS requirements have been omitted due to limited resources, including ESRS requirements for taxonomy reporting. Other requirements omitted are specifically indicated in the index on page 100. This section also shows how we address the individual requirements of each sustainability topic relevant to Reach and where in the sustainability report the relevant information can be found.

Where Reach does not comply with a given requirement, an explanation has been made.

The sustainability reporting is structured in accordance with ESRS 1 and 2, as we interpret the requirements.

The 2024 Sustainability Report has been prepared on a consolidated basis for the entire group. No part of the group has been excluded from the reporting on our sustainability performance.

The report includes information related to our own operations, as well as our upstream and downstream value chain. This is specified in the report where relevant. The methodology for data collection is also described under the respective sustainability topics where necessary to understand the criteria for the data.

The sustainability report has been approved by the Board of Directors of Reach Subsea ASA.

Reach reports in accordance with the Norwegian Transparency Act, and our due diligence statement is available here.

BP-2

General Disclosures

Disclosures in relation to specific circumstances

The reporting follows the time horizons defined in the ESRS sustainability standards:

Short-term horizon: **Until the end of 2024 (1 year)**

Medium-term horizon: **2–5 years**

Long-term horizon: **Over 5 years**

We have included data from the value chain where data has been available; however, retrieving data from the value chain remains challenging. 2024 is the first year we have been able to collect data for one of the categories in Scope 3 emissions reporting. We will continue to collaborate with partners in both the upstream and downstream value chain to improve the quality of the reported data in the coming years.

Some of the quantitative data is also based on estimates, which may be subject to change in future reporting. These estimates are clearly marked throughout the report. The 2024 results are presented in comparison with the previous year's figures, where data is available.

For Scope 2, we have estimated electricity consumption across our office locations. Due to office relocations and new facilities being added, it has been challenging to collect exact data. In cases where direct data was unavailable, we have used the best possible estimates.

The ESRS reporting standards represent a shift from previous reporting practices, where Reach Subsea's sustainability roadmap, with reference to GRI, formed the foundation. The sustainability reporting is primarily based on the requirements of ESRS. The reporting follows the recommended structure in ESRS 1 and is therefore included as part of the Board of Directors' report.

The standards impose a wide range of requirements for documenting impacts, value chains, governance, targets, and action plans, which the organization will need time to fully implement across all material areas. Additionally, there is a need to establish industry standards for calculation methods, data collection, and interpretation of various requirements. This will take time and will be part of the continuous development within the field of sustainability.

Our ISO certifications include 14001 and 9001, and our external quality assurance body is DNV.

GOV-1

General Disclosures

Governing bodies

The nomination and selection process for the Board of Directors ("the Board") follows the recommendations outlined in the Norwegian Code of Practice for Corporate Governance (NUES). The nomination committee evaluates candidates based on diversity, independence, and competencies.

As part of our annual report and corporate governance procedures, we assess and disclose any related party transactions, incapacities, cross-board memberships, or shareholdings. In the event of a conflict of interest during a Board meeting, the affected Board member is deemed incompetent to participate in discussions and voting on the relevant matter.

All Board members are non-executive.

Employee representation bodies

Work councils and union committees ensure employee voices are heard in decision-making, particularly concerning workplace conditions and policies.

Our employees are the cornerstone of our business, and Reach is committed to ensuring fair representation of employees and other workers within the organization. We have established employee representation bodies, such as work councils and union committees, providing a structured platform for voicing concerns and participating in decision-making processes.

These bodies play a crucial role in:

- Promoting a collaborative work environment
- Addressing workplace issues
- Ensuring compliance with labour standards

Employee representatives are actively engaged in discussions regarding workplace conditions, health and safety, and organizational policies. This inclusive approach fosters a sense of ownership and engagement among our workforce, contributing to overall employee satisfaction and productivity.

Board expertise and industry knowledge

The Board and executive leadership team bring extensive expertise relevant to our sectors, products, and geographic operations. The team includes professionals with backgrounds in Subsea and offshore industries, Marine engineering and Project management. With a strong track record in driving innovation and operational excellence, the leadership team ensures Reach delivers high-quality solutions that meet client needs.

Geographically, Reach has significant experience operating in key regions

This regional expertise enables us to navigate local challenges effectively and seize opportunities, supporting Reach’s strategic goals and enhancing value for stakeholders.

General Disclosures

Governing bodies

Board composition and diversity

The Board consists of seven members:

- Three women (43%) and four men (57%)
- Age range: 44 to 68
- All Norwegian citizens with international experience in finance, subsea, and/or maritime industries

The members of the Board have extensive knowledge in areas related to sustainable development. Skills and knowledge are acquired through positions held in various boards and committees, and through participating in relevant courses, events and forums. A comprehensive presentation of the Board of Directors, including details on diversity, background, experience, and education, is available at:

www.reachsubsea.no/investors

The Board holds the overall responsibility for sustainability reporting in Reach, as well as the Group's strategy and risk profile. To ensure effective oversight of impacts, risks, and opportunities, Reach has clear governance structures, involving dedicated administrative, management, and supervisory bodies.

Key governance bodies and responsibilities

Board of Directors

The Board of Directors is the highest governing body, responsible for overall strategic direction and oversight. The Board consists of both executive and non-executive members with diverse expertise and meets at least quarterly to address material sustainability matters.

Board Reporting Frequency and Topics:

- Monthly reports from all relevant departments with statistics
- Quarterly (e.g., Quarterly Reports)
- Bi-Annually (e.g., Corporate Strategy and Governance Updates)
  - Review of corporate strategy
  - Evaluation of the remuneration process
- Annually (e.g., Integrated Annual Report & Sustainability Statement)
  - Comprehensive sustainability performance review

Other material sustainability topics are discussed as needed, in collaboration with the Executive Management Team.

Executive Management Team

The Executive Management Team, led by the CEO, is responsible for daily operations and implementation of strategic initiatives. Key members include CFO, COO, CCO and CTO, as well as some department heads (e.g. Operations, HSEQ and Communications).

Audit and Risk Committee

The Audit and Risk Committee, comprising three Board members (one man, two women), meets 5–6 times annually. It oversees financial and sustainability reporting, risk management, and internal controls. The committee reviews sustainability reports, recommends changes before Board approval, and monitors double the materiality assessments. Quarterly sustainability performance updates are reviewed and publicly released.

Remuneration Committee

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.

The Executive Remuneration Policy describes the main principles for the Company's management remuneration policy. The work of the Remuneration Committee is further described in the Corporate Governance & Management chapter in this report.

ESG Task Force Group

In December 2023, we established Reachs ESG Task Force Group, in addition to create a dedicated full-time position to strengthen our sustainability efforts. The group meets regularly and includes representatives from all relevant departments and leadership, and it features a balanced gender and age composition.

Supervisory Bodies

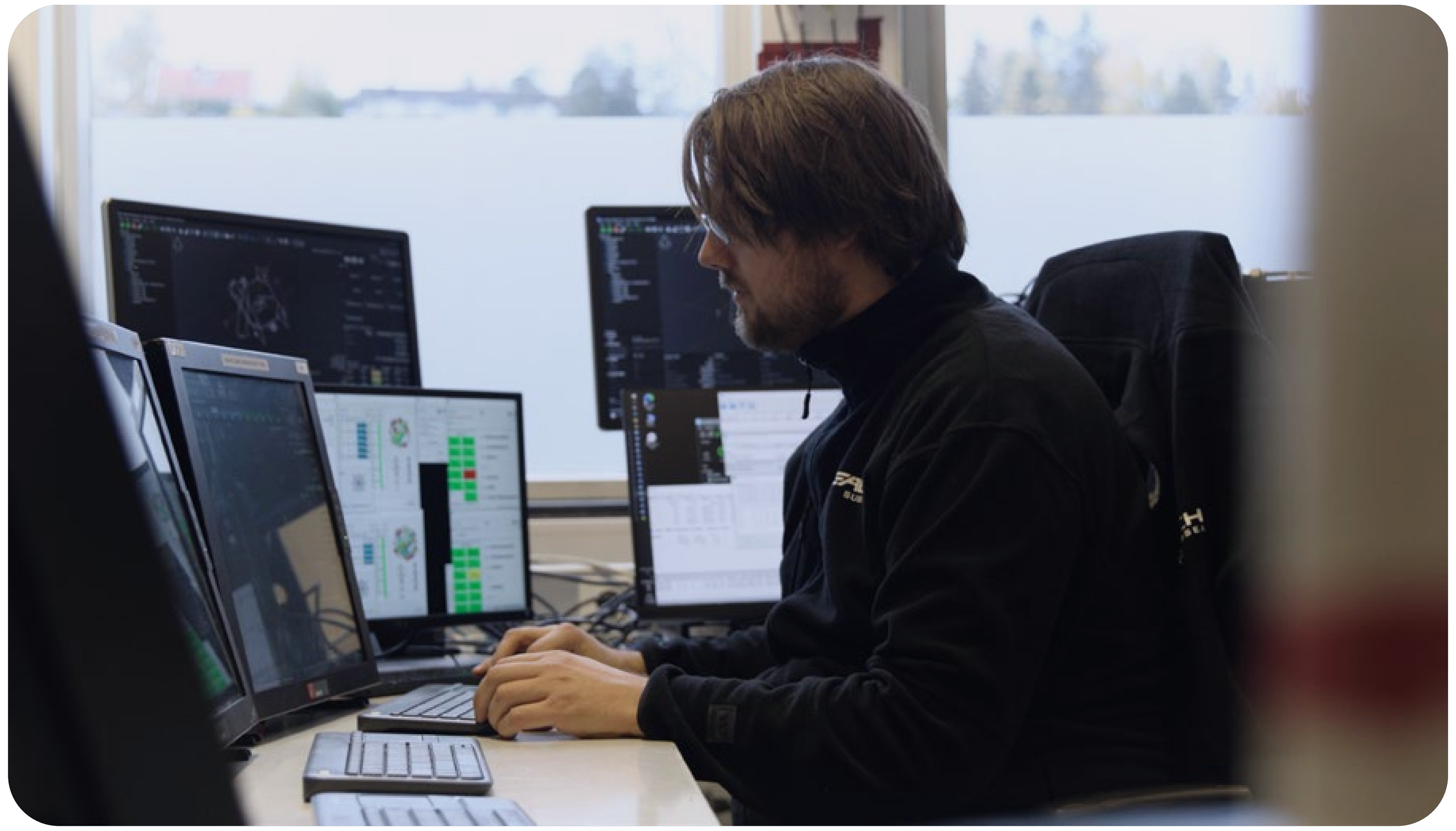
Independent supervisory bodies, such as consultants, provide additional oversight and ensure compliance with regulations and best practices.

These governance structures work collaboratively to ensure Reach effectively manages its impacts, risks, and opportunities, maintaining a strong commitment to governance, sustainability, and responsible business conduct.

GOV-2

General Disclosures

Governance oversight on risks and due diligence



The Board includes sustainability as a regular agenda item, addressing formal regulatory updates and stakeholder expectations, including those from employees, clients, suppliers, and governmental bodies. While the Board does not engage directly with external stakeholders, it reviews and analyses relevant input, such as the DMA to assess the company's impact on the environment and society.

Each year, the Board conducts an internal survey led by the Board secretary, who is independent of major shareholders, Board members, and company employees. This survey includes a self-evaluation, an evaluation of management, and an assessment of reporting, independence, and the quality of meetings and documentation. The survey is anonymous, and necessary actions are taken to improve governance processes when required.

The Board meets regularly throughout the year, with six scheduled meetings and additional meetings convened as needed.

The company integrates sustainability into its risk management processes, considering the impact, risks, and opportunities (IROs) associated with strategic decisions, major transactions, and operational planning. In reviewing these matters, the Board evaluates whether any trade-offs have been made regarding IROs, ensuring that sustainability considerations are embedded in long-term decision-making.

The executive management team, led by the CEO, oversees the day-to-day management of sustainability related topics of material significance, due diligence processes, and the effectiveness of adopted measures, parameters, and targets.

Reach has established a structured approach to due diligence, integrating it into governance, strategy, and business operations. The company follows a formal procedure that aligns with multiple policies, including the Corporate Social Responsibility Policy, Corporate Governance Policy, and the Code of Conduct.

As part of this process, information activities are conducted to ensure awareness and compliance. This includes meetings and information sessions for relevant procurement personnel to enhance understanding and implementation of due diligence measures.

GOV-4

General Disclosures

Due diligence process

Reach maintains ongoing collaboration with stakeholders throughout the due diligence process. The company's supplier procedures set clear requirements regarding human rights and decent working conditions. These procedures outline both the expectations for suppliers and the communication standards Reach Subsea follows when engaging with them.

Supplier assessments are integrated into the procurement process, ensuring that considerations related to human rights and decent working conditions are operationalized at all levels, including communication with agents and intermediaries.

Identification and assessment of negative impacts

Potential negative impacts are identified and assessed through Double Materiality Assessments (DMA), stakeholder dialogues, and risk evaluations. These assessments are embedded in Reachs due diligence procedures and serve as the foundation for evaluating and mitigating risks.

Implementation of measures to address negative impacts

Actions to mitigate identified risks and impacts are executed following the same structured approach, ensuring consistency with the due diligence procedure and DMA findings. This includes supplier engagement, internal policy enforcement, and continuous monitoring.

Monitoring effectiveness and communication of due diligence efforts

The effectiveness of due diligence efforts is regularly monitored and reviewed through the company's established procedures. The due diligence framework under the Transparency Act serves as the foundation for assessing impact, making necessary adjustments, and ensuring compliance with regulatory requirements. Communication efforts follow the structured guidelines outlined in the governance framework.

General Disclosures

Risk management and internal controls

Risk management is a critical tool for monitoring and controlling the dynamic changes affecting our business. At the corporate level, formal risk and opportunity reviews are conducted monthly to identify significant changes and implement risk-reducing measures.

All projects undergo a risk and opportunity evaluation across operational, commercial, and HSE aspects, with associated mitigation actions monitored by the HSEQ Department.

Currently, there is no formalized risk assessment methodology dedicated specifically to sustainability reporting. However, sustainability risks is assessed into the existing risk management framework, particularly within HSEQ processes. The most material risks identified through the 2024 DMA process will be outlined in the report, along with corresponding control measures and mitigation strategies.

Findings from risk assessments are incorporated into HSEQ processes and reported to the Board on a monthly basis. Sustainability considerations are embedded into internal company functions to ensure alignment with strategic priorities and operational resilience. The Board receives regular updates on risk management and internal control functions related to sustainability reporting, primarily through the HSEQ system and sustainability KPIs, ensuring continuous oversight and monitoring of key risks and the effectiveness of mitigation strategies.

Reach has established a comprehensive Risk Management System in compliance with international and Norwegian laws, as well as relevant industry standards, including ISO 31000, ISO 14001, ISO 45001, DNV RP-H-101, NORSOK, and IMCA. This system applies across onshore, offshore, marine, and subsea operations. Work operations are planned, organized, and executed to prevent accidents and injuries. Risk assessments are conducted based on safety inspections, customer feedback, and input from external stakeholders. The assessment of risks and opportunities is an integral part of all work processes.

When significant risk factors are identified, appropriate actions are considered to mitigate their impact. Stakeholder needs and expectations are evaluated annually in terms of risks and opportunities, with subsequent assessment of the effectiveness of risk mitigation measures.

All employees are encouraged to submit continuous improvement proposals related to the HSEQ management system through the Non-Conformance/Improvement System. Additionally, opportunities for improvement are identified through:

- Lessons Learned meetings during project closure
- Employee feedback mechanisms (e.g., surveys, one-on-one meetings)
- Customer feedback
- Internal and external audits
- Root cause analyses
- Investigations
- Performance metrics and KPIs

Each employee is responsible for identifying potential risks within their respective work processes and implementing necessary controls and actions to mitigate unplanned or unexpected risks.

GOV-5

General Disclosures

Risk management and internal controls

All personnel, including third-party contractors and leased workers, are required to document any incidents involving non-compliance, near misses, or hazardous conditions in the Non-Conformance/Improvement System. These incidents are included in company-wide risk calculations. Serious incidents and accidents are thoroughly investigated in accordance with the Investigation Procedure, using root cause analysis methodologies for reactive measures.

Reach´s HSE Policy and Risk Control Framework mandate that:

- Managers ensure proper risk controls are in place.
- Employees adhere to risk control measures.
- Risk reviews are facilitated by trained HSEQ personnel, ensuring a balanced composition of experience and subject matter expertise.

Risk reviews are documented, summarizing findings and, where applicable, producing dedicated reports. Each identified action is assigned to a responsible individual and must be completed with an acceptable status before proceeding to a new project phase or operational activity.

The effectiveness of risk mitigation actions is systematically evaluated.

Hazard identification, risk assessment, and risk control processes are implemented as proactive measures. The Company employs various tools to manage risks, including:

- Safety Job Analysis (SJA)
- Work Permits
- Toolbox Talks
- Safety Rounds
- HAZOP
- HAZID

As of today, the company does not have a formalized internal control system for sustainability. However, work is underway to establish relevant governance mechanisms and control procedures. The company aims to strengthen this area in the coming years to ensure compliance with applicable requirements and best practices.

SBM-1

General Disclosures

Strategy, business model and value chain

Reach specializes in subsea solutions, data acquisition and analysis, ROV services, and remote-controlled operations.

These services are essential for offshore energy industries, maritime infrastructure, and environmental monitoring, contributing to both traditional and renewable energy markets. The company operates globally, with a primary focus on offshore oil & gas and renewable energy sectors. Reach continues to expand its capabilities in remote and autonomous operations, reinforcing its commitment to innovation, efficiency, and sustainability in subsea operations.

Key customer interests and sustainability concerns are identified through customer reviews, post-project lessons-learned meetings, and ongoing discussions on contractual requirements, as well as in the DMA process. These inputs contributes to shape the company's strategic approach to sustainability and drive improvements in service offerings and operational performance.

The Group's business model is built on delivering high-quality solutions and advanced technology for ocean data and subsea services. By the end of 2024, Reach Subsea operates and markets eight subsea spreads, and two USV spreads. Additionally, the company provides survey, positioning, and monitoring services on various vessels and offshore platforms. Reach Subsea has expanded its capabilities, now offering integrated monitoring and survey services with its own equipment and personnel to improve operational efficiency and sustainability performance.

SBM-1

General Disclosures

Strategy, business model and value chain

Our value chain

The value chain encompasses upstream suppliers, operational processes, and downstream customer engagement. Key business stakeholders include:

Main suppliers

Equipment manufacturers, vessel providers, technology partners

Customers

Offshore energy companies, governmental agencies, maritime industries

Distribution channels

Direct project engagements, long-term contracts, technology-driven solutions

End users

Corporate clients seeking subsea survey, monitoring, and operational support

Revenue segmentation and ESRS sector classification

Sustainability-related financial disclosures are structured in accordance with ESRS sector classification.
The company's revenue breakdown includes:

Total revenue: 2.7 billion NOK

Oil & Gas sector: 65% (68%)

Renewables and other sectors: 35% (32%)

Data collection and performance monitoring

To ensure accurate sustainability reporting, Reach is working on developing a structured methodology for data collection, development, and validation. The company is working towards a comprehensive mapping of sustainability-related metrics, integrating findings into risk assessments and decision-making processes.

Expected outcomes for customers, investors, and other stakeholders include enhanced transparency in sustainability performance, improved risk management through integrated ESG assessments, as well as increased value creation

Reach remains committed to strengthening its sustainability framework by refining its value chain mapping, risk evaluation, and ESG governance structures to support long-term business resilience and stakeholder engagement.

In 2024, Reach set clear sustainability goals aligned with its overarching strategy, ensuring a structured approach across service segments, customer groups, geographic presence, and stakeholder engagement.

As part of this effort, we measured the carbon footprint per operation, using fuel consumption as a key metric. This allowed us to track emissions and work towards our goal of reducing fuel-related CO2 emissions in relation to activity levels. Additionally, we monitored the share of revenue from services outside the oil and gas market, reinforcing our commitment to diversifying towards more sustainable industries.

A key strategic initiative directly impacting sustainability was our focus on innovation. We made significant progress with the Reach Remote project, launching the two USVs, soon to be ready for the market, marking a major step toward autonomous and low-emission subsea operations.

Reach's strategy aligns with the Norwegian Shipowners' Association's climate goals, aiming for a climate-neutral fleet by 2050.

SBM-2

General Disclosures
ESRS 2 General Disclosures

Environmental
ESRS E1 Climate Change
ESRS E2 Pollution
ESRS E4 Biodiversity & Ecosystems

Social
ESRS S1 Own workforce
ESRS S2 Workers in the Value Chain

Governance
ESRS G1 Business Conduct
ESRS Cybersecurity

General Disclosures

Stakeholder engagement

Reach's sustainability priorities are shaped by stakeholder expectations and their impact on the company's activities. In 2024, Reach conducted a Double Materiality Assessment (DMA) to evaluate both how the company affects sustainability issues and how external sustainability factors influence Reach. The results of this process define Reach's sustainability goals, key performance indicators (KPIs), and overall strategy.

Shareholders

Reach Subsea ASA is a publicly listed company, with its largest shareholders represented on the Board of Directors, which is elected at the Annual General Meeting (AGM). Communication with shareholders takes place through monthly reports, Board meetings, audit committee meetings, tender board meetings, and direct engagement with Group Management. As part of the DMA, key shareholders were interviewed to understand their sustainability expectations for Reach.

Customers

Reach Subsea operates in a global market, serving a diverse customer base that includes both small local businesses and large multinational corporations. Customer feedback is gathered through project reviews, lessons-learned discussions, and contract negotiations. Reach maintains an ongoing dialogue with customers throughout project planning and execution. Sustainability emerged as a key priority in several customer interviews conducted during the DMA.

Employees (Current and Future)

Employees are central to Reach's operations. In 2024, the company had 473 full-time equivalent employees working both onshore and offshore. Employee engagement takes place through department meetings, annual seminars, workplace committees, safety delegate meetings, and offshore site inspections. Additionally, Reach conducts one-on-one meetings and holds regular discussions with employee unions. As part of the DMA, six employees from different roles were interviewed.

Suppliers

In 2024, Reach Subsea made over 10,000 purchases from more than 250 suppliers. The DMA, therefore, focused on key suppliers, particularly those providing chartered vessels, ROVs, and subsea equipment. Performance reviews and assurance processes are conducted for these critical suppliers, and sustainability requirements are incorporated into the procurement process and supplier agreements. The majority of Reach's purchases fall under the Norwegian Transparency Act, ensuring consistent compliance across all supplier interactions.

SBM-2

General Disclosures

Stakeholder engagement

Business Partners

Reach collaborates closely with commercial partners under an arm's length principle. In 2024, business partners included agents, brokers, shipowners with profit-sharing agreements, and financial institutions. Regular engagement is maintained with these stakeholders to ensure alignment with Reach's business strategy and sustainability commitments.

Society at Large

With global operations and a local presence, Reach is accountable to both international and local communities. Compliance with stock exchange regulations ensures the company publicly discloses relevant information, such as contract awards and financial results, through the Oslo Stock Exchange. Reach is also ISO-certified (ISO 9001, ISO 14001, ISO 45001), reflecting its commitment to quality, environmental responsibility, and workplace safety.

Stakeholder insights on global and local expectations are gathered from media, regulatory discussions, political developments, and community engagement.

During the DMA, Reach engaged with stakeholders including the Norwegian Shipowners Association (NSA), SAFE, SR Bank, Exfin, Arctic Securities, and Haugesund Næringsforening to incorporate their perspectives into its sustainability strategy.

As part of the stakeholder engagement process, Reach expanded the scope of the ten key sustainability themes outlined in the ESRS and identified subject matter experts across the organization from the ESG Task Force group. The members of this group provided insights into how sustainability is integrated into daily operations and what impacts that can or will occur. To ensure a common understanding of the new regulatory framework and the objectives of the double materiality assessment, several onboarding sessions were conducted. These sessions facilitated alignment across teams, ensuring that all participants had a clear grasp of the methodology and expectations.

In preparation for the materiality assessment workshops, relevant internal information was reviewed, including impact reports, findings from previous materiality assessments, and stakeholder feedback. This preliminary analysis helped to define the scope of potential impacts based on ESRS subtopics and sub-subtopics, ensuring a structured and comprehensive evaluation process.

The assessment of individual impacts was conducted through a series of interactive workshops, where participants contributed with impact, risk or opportunity elements from own departments and knowledge, for further scoring on each impact according to its significance. Both positive and negative effects were evaluated within Reach Subsea's own operations and across the value chain, using a standardized scoring methodology. Through this process, approximately 170 IROs were identified and assessed.

To ensure consistency, all collected input was transferred into a dedicated tool that aggregated scores and calculated the degree of materiality, categorizing impacts into five levels of significance. Workshop participants were then consulted again to validate the preliminary findings, and any necessary adjustments were documented along with supporting rationale. A final cross-theme calibration was conducted to refine the overall impact evaluation before reaching a conclusion with members from the top-management.

The consolidated results of the assessment were then presented to internal stakeholders and the leadership team for further review. This final evaluation led to the establishment of a materiality threshold, which ultimately resulted in a list of 57 impacts classified as having a high level of significance. These findings now serve as a foundation for Reach's sustainability strategy and reporting framework.

General Disclosures

Description of material impacts resulting from materiality assessment

Environmental impact

Reach Subsea generates greenhouse gas (GHG) emissions from offshore operations as well as onshore activities, including travel, transport, and commuting. There are opportunities to reduce emissions through initiatives such as battery installations on leased vessels and the use of Selective Catalytic Reduction (SCR) systems. However, the current fleet still includes vessels with significant emissions, and large-scale operations often require extensive manpower. The Reach Remote project represents a opportunity to reduce emissions by enabling remote-controlled operations without offshore personnel and utilizing smaller, more fuel-efficient vessels.

Energy consumption in offices and workshops, including electricity use and reliance on cloud services for business systems, also contributes to the environmental footprint. Pollution risks include chemical and hydraulic oil discharges from ROVs, with the potential for increased emissions if storage is mismanaged. Waste incineration offshore contributes to air pollution with harmful substances.

Subsea operations, such as the installation of equipment and cables, cleaning, dredging, and mattress deployment, can alter seabed structures. These activities also produce noise from diesel engines and other equipment, potentially disturbing marine life. Furthermore, USVs and ROVs can collide with marine wildlife. The use of ballast water on vessels also poses a risk of introducing invasive species when released in different locations.

Social impact

Reach Subsea influences working conditions, job security and safety for its employees. Offshore shift work and rapid growth may lead to high workloads both onshore and offshore, potentially impacting psychosocial well-being and work-life balance. Offshore operations also pose significant physical safety risks if health and safety protocols are not followed.

Market uncertainty introduces risks of downsizing, while high employee turnover may occur as workers seek more secure contracts or opportunities in new markets. On the positive side, the company's focus on innovation and technology makes Reach an attractive employer for new talent and supports workforce diversity and continuity.

Governance

Areas for improvement in governance include limited information about whistleblowing channels, risks of regulatory breaches, and potential issues with corruption and bribery. Inadequate internal controls and mechanisms for managing risks related to suppliers and cybersecurity have also been identified as critical areas requiring attention.

SBM-3

General Disclosures

Overview of Reach Subseas' material sustainability matters

Environmental

Topic	Sustainability matters	I/R/O	Act/Pot	Pos/Neg	Time horizon
Climate change	**Climate change mitigation**				
	GHG emissions – Offshore operations	I	Actual	Negative	Short term
	Use of SCR systems	I	Actual	Positive	Short term
	Battery installation on vessels	I	Actual	Positive	Medium term
	Emission reduction through remote operations	O	Actual	Positive	Medium term
	Innovation with remote-controlled systems	O	Potential	Positive	Short term
	Chronic weather changes (Offshore)	R	Potential	Negative	Long term
	Acute weather changes (Offshore)	R	Potential	Negative	Short term
	Cost reduction through innovative partnerships	O	Potential	Positive	Short term
	Absence/failure of transition	R	Potential	Negative	Medium term
	Climate change adaption				
	GHG emissions from commuting to work	I	Actual	Negative	Short term
	Chartering vessels with high environmental emissions	I	Potential	Negative	Medium term
	CO2 emissions from company travels and transport (Onshore)	I	Actual	Negative	Short term
	Waste burning	I	Actual	Negative	Short term
	GHG emissions – transport offshore crew	I	Actual	Negative	Short term
	Energy				
	Workshops with high energy consumption	I	Actual	Negative	Short term
	Energy-intensive cloud services for business systems	I	Actual	Negative	Short term

Topic	Sustainability matters	I/R/O	Act/Pot	Pos/Neg	Time horizon
Pollution	**Pollution of air**				
	GHG pollution from operations	I	Actual	Negative	Short term
	Pollution of water				
	Pollution from discharges to sea	I	Actual	Negative	Short term
	Hydraulic oil spills	I	Actual	Negative	Short term
	Substances of concern				
	Incorrect storage or use of hazardous chemicals	R	Potential	Negative	Short term
	Chemical spills	I	Potential	Negative	Short term
Biodiversity and ecosystems	**Impacts on the extent and condition of ecosystems**				
	"Mattress installation"	I	Potential	Negative	Short term
	Reach Remote – Propulsion system leakage	I	Potential	Negative	Short term
	Impacts on the state of species				
	Nodes for seismic surveys	I	Potential	Negative	Short term
	Introduction of invasive species	I	Potential	Negative	Short term
	Collision risks with marine wildlife (ROV/USV)	I	Potential	Negative	Short term
	Direct impact drivers of biodiversity loss				
	Seaweed washing	I	Potential	Negative	Short term
	Dredging of seabed	I	Potential	Negative	Short term
	Physical damage to marine habitats (vessels and USVs)	I	Potential	Negative	Short term
	Noise from diesel engines and operations	I	Actual	Negative	Short term
	Pollution affecting species	I	Potential	Negative	Short term
	Spread of invasive species through ballast water discharge	I	Potential	Negative	Short term
	Changes to seabed structure in operations	I	Potential	Negative	Short term
	GHG emissions from operations	I	Actual	Negative	Short term

SBM-3

General Disclosures

Overview of Reach Subseas' material sustainability matters

Social

Topic	Sustainability matters	I//R/O	Act/Pot	Pos/Neg	Time horizon
Own workforce	**Working conditions**				
	Temporary contracts	I	Actual	Negative	Short term
	High turnover	R	Potential	Negative	Short term
	Ad-hoc employees (Contractors)	I	Potential	Negative	Short term
	Downsizing due to industry turndown	R	Potential	Negative	Medium term
	Lack of procedure use and risk assessments	R	Potential	Negative	Short term
	Shiftwork/Workload offshore	I	Actual	Negative	Short term
	Workload onshore	I	Actual	Negative	Short term
	Workforce continuity	O	Actual	Positive	
	Physical hazards due to lack of HSE routines	I	Potential	Negative	Short term
	Psychosocial stress	I	Potential	Negative	Short term
	Attract new employees with innovation and technology	I	Actual	Positive	Short term
	Equal treatment and opportunities for all				
	Diversity, cultural and national	O	Actual	Positive	Short term
	Differences in competence development between work environments	I	Potential	Negative	Short term
	Increased costs due to high turnover	R	Potential	Negative	Short term
	Company growing too fast	R	Potential	Negative	Medium term
Workers in the value chain	**Working conditions**				
	Lack of mechanisms to monitor cases (supplier audits)	R	Potential	Negative	Short term
	Geopolitical conflicts	R	Potential	Negative	Short term
	Exposure to hazardous materials without sufficient protection	R	Potential	Negative	Short term

Governance

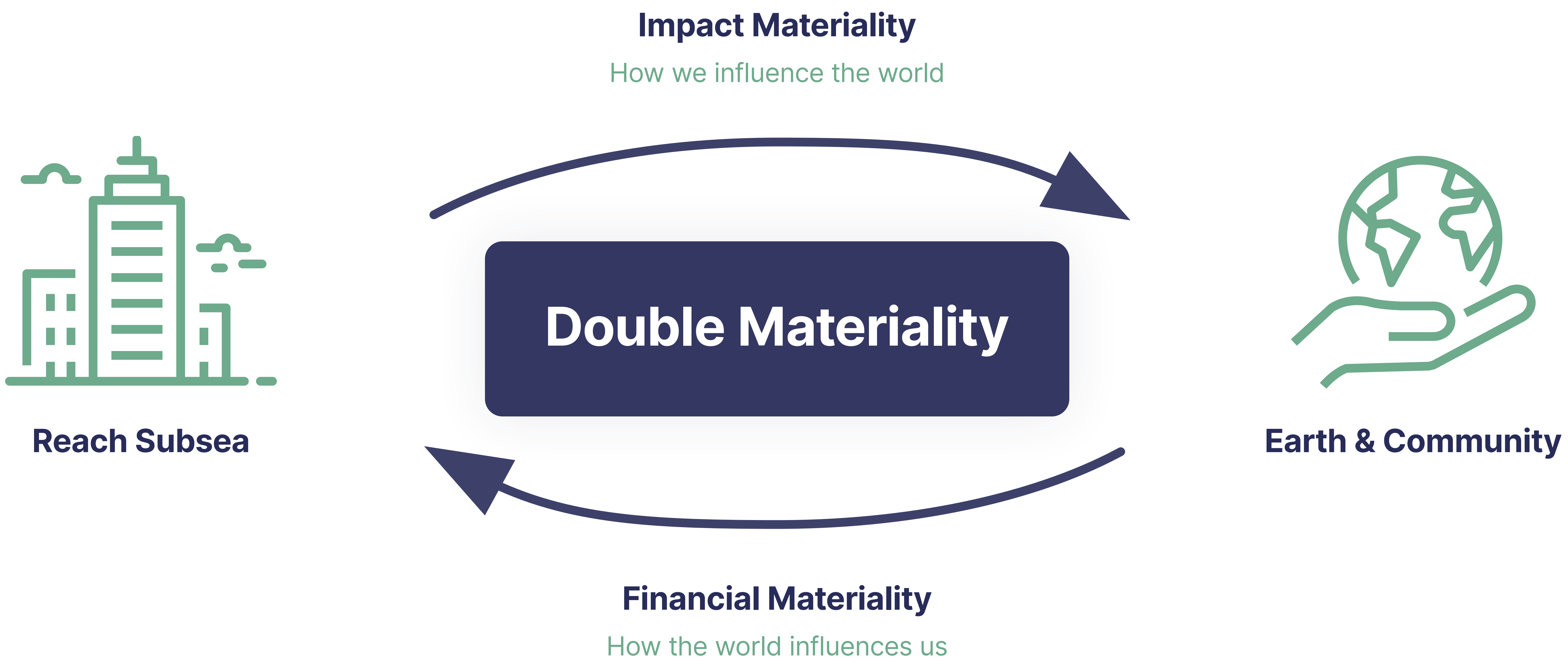
Topic	Sustainability matters	I//R/O	Act/Pot	Pos/Neg	Time horizon
Business conduct	**Corruption and bribery**				
	Corruption and bribery in tender processes/other business dealings	I	Potential	Negative	Short term
	Insufficient internal controls	I	Potential	Negative	Short term
	Corporate culture				
	Cyberattacks	R	Potential	Negative	Short term
	Lack of mechanisms to monitor cases (cyber)	R	Potential	Negative	Short term

IRO-1

General Disclosures

Description of methodologies and assumptions applied in process to IROs

Double Materiality Principle



IRO-1

General Disclosures

Description of methodologies and assumptions applied in process to IROs

Purpose

The purpose of the 2024 Double Materiality Assessment (DMA) was to identify actual and potential negative and positive impacts Reach has on people and the environment, as well as to identify financial risks and opportunities warranting mitigation. Ten overarching sustainability matters comprise the ESRS framework. To determine which matters Reach must report on, our material impacts, risks, and opportunities (IROs) were verified through a comprehensive assessment conducted.

The DMA involved a range of internal and external stakeholders and encompassed IROs throughout the value chain, both upstream and downstream. It serves as the starting point for sustainability reporting under ESRS and includes an interrelated assessment of impact materiality and financial materiality.

Each identified IRO was documented and assessed for its materiality in a designated project workbook. The scoring parameters (1-5) were aligned with ESRS requirements:

Impact materiality

Scale, scope, irremediability, and likelihood (considering whether the impact is direct/indirect, positive/negative, and actual/potential).

Financial materiality

Financial magnitude of the risk/opportunity, likelihood, and the nature of the financial effect.

The initial scoring of IROs was performed internally. To determine materiality, we focused on areas where IROs are likely to arise. The process utilized internal and publicly available documents, along with interviews involving internal sustainability experts and external stakeholders representing affected parties and users of sustainability statements. Additionally, several ESG workshops were conducted with key personnel for environmental, social, and governance (ESG) areas, as well as the company's ESG Task Force Group, which consists of 16 members representing all disciplines and C-level executives.

IRO-1

General Disclosures

Description of methodologies and assumptions applied in process to IROs

Process

1. Planning

The work began with a planning phase that included a kick-off meeting with the leadership team. The meeting's purpose was to define the ambition for the project, determine the scope of the analysis, and establish a working group. During the meeting, relevant internal and external stakeholders were identified as candidates for interviews regarding sustainability efforts.

2. Insight and identification of sustainability topics

In this phase, a list of potential material sustainability topics was developed based on ESRS standards, a value chain analysis, and insights from interviews with internal and external stakeholders. This laid the foundation for a thorough assessment of which topics to prioritize.

3. Assessment of Impacts, Risks, and Opportunities (IROs)

In the third phase, we worked to identify more concrete potential IROs within relevant sustainability topics. The process included two rounds of analysis: In the first round, we identified 38 IROs. In the second round, we delved deeper into subtopics and sub-subtopics, resulting in a total of 170 identified IROs. This work was conducted in close collaboration with stakeholders, working groups, and employees, whom provided valuable input and perspectives.

4. Scoring of IROs for materiality decisions

In the final phase, we employed a methodology aligned with ESRS to evaluate the materiality of the identified IROs. The process included an assessment of the likelihood and consequences of each IRO based on defined criteria to differentiate between material and less significant IROs. The final scoring was conducted in collaboration with the ESG department, CFO, and COO.

5. Output: The process resulted in the identification of 56 material IROs, distributed as follows:

6 ESRS sustainability matters

14 subtopics

11 sub-subtopics

1 entity-specific topic

6. Final Phase: Audit Committee Review and Board Approval

The Audit Committee reviewed and approved the final results.

Environmental

Our ambition is a climate-neutral fleet by 2050, ensuring sustainable ocean access by minimizing pollution, achieving zero spills, and protecting marine biodiversity.

E1-1

Climate Change

Transition plan

Reach has not yet developed a formal transition plan for climate change mitigation for this reporting year. We acknowledge the importance of working strategically towards a transition plan and will continue to assess how best to integrate climate change mitigation into our long-term strategy.

Moving forward, we will explore how to structure a transition plan that includes long-term GHG reduction targets beyond 2030 and towards 2050. The development and timing of this plan will be adjusted based on regulatory clarity and business priorities.

E1 SBM-3

Climate Change

Impacts, risks and opportunities

Reach acknowledges the potential and actual impacts, risks, and opportunities that may occur in the short-, medium-, and long-term horizons related to climate change. The company is committed to reducing its carbon footprint across the entire value chain, ensuring our assets and operations are modified to minimize environmental and climate impact.

Reach's primary climate-related impacts stem from fuel consumption in offshore operations, contributing to greenhouse gas (GHG) emissions. Additionally, travel and crew transfers are recognised as contributing factors to the company's overall emissions profile.

Reach does not own the final decision-making authority over fuel consumption during operations, as this is largely determined by customer requirements and operational needs.

As a provider of subsea services, we operate within the framework set by our clients, including vessel selection, operational methodology, and logistical parameters that influence energy consumption. Although we cannot directly control fuel consumption, we actively work to minimise environmental impact through recommendations, optimisation measures, and technological solutions that contribute to reduced energy use. This includes operational planning and efficiency improvements in operational patterns. Our Reach Remote project exemplifies our long-term commitment to more energy-efficient and sustainable solutions (read more on page 29). A much smaller, more fuel-efficient vessel and one third of the personnel, who will be located onshore without exposure to offshore operational risks. This is revolutionary in terms of cost efficiency and enhanced safety and will drastically reduce the CO2 footprint of this type of operation.

We continue to work closely with our customers to propose and recommend measures that can help reduce fuel consumption; however, the final decision rests with the client.

Beyond emissions, Reach acknowledges that its ability to conduct operations may be at risk due to chronic climate hazards, such as increasingly unstable weather conditions that could impact offshore activities. The company also faces acute physical risks from the increased severity of extreme weather events, such as cyclones and floods, which may disrupt operations and supply chains. In addition to physical risks, Reach is exposed to transition risks associated with evolving climate regulations, potential liability, technological shifts, market dynamics, and reputational impacts. These factors could influence operational costs, investment decisions, and long-term competitiveness in the industry.

With emission reductions becoming a priority within the oil and gas industry, investors and lenders have heightened expectations regarding companies' ESG performance. As a result, access to and the cost of capital has been identified as a material financial risk for Reach.

At the same time, the global shift towards low-carbon and renewable energy solutions presents opportunities. With extensive experience in subsea operations, Reach is positioned to become an early mover in emerging industries related to floating energy production solutions and other low-emission technologies.

Improving resource efficiency can cut costs and boost sustainability. Expanding into new areas that support maritime decarbonization opens doors for innovation and growth. Strong partnerships with serious industry players can also drive progress and create new opportunities.

E1-2

Climate Change

Policies

We have in 2024 established an Environmental Policy as a part of our management framework, where environmental risks are identified, assessed, controlled, and monitored. Environmental management is integrated within the Reach Subsea Management System and is independently certified by DNV to the ISO 14001:2015 Environmental Management Standard. The company is committed to continuous improvement in environmental performance and impact reduction.

As outlined in the Environmental Policy, we are dedicated to minimizing operational impacts on the environment. This includes limiting greenhouse gas emissions and minimizing the release of harmful substances into the air and water.

Environmental aspects are regularly identified and evaluated throughout the organization. Annually, the HSEQ Department, together with the Management Team, conducts a re-evaluation of identified environmental aspects, ensuring they remain relevant and adequately addressed. Each operational location assesses its specific environmental aspects, such as GHG emissions, water pollution, and energy consumption, and identifies opportunities for improvement.

Reach follows a "zero harm" philosophy, aiming to eliminate environmental damage through systematic risk assessments, internal controls, and mitigation measures. The ESG Task Force Group and management ensure that environmental performance is continuously evaluated and improved. The company actively encourages suppliers to reduce their environmental footprint and improve energy efficiency, reinforcing sustainability throughout the value chain.

However, the current Environmental Policy does not explicitly address climate change mitigation, climate change adaptation, energy efficiency, or renewable energy deployment. Recognizing the importance of these areas, Reach Subsea aims to revise and expand its Environmental Policy in 2025.

Climate Change

Actions and Resources

Reach both owns and charters vessels from shipowners under various charter party terms, and provide ROV services on vessels operated by others parties. Recognizing 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 modern vessels and technology to reduce emissions and fuel consumption. Reach Remote lowers overall energy consumption in our operations. In June 2024, the vessel Deep Cygnus has installed new battery packs which will reduce CO2 emissions.

A new vessel is also under design in Reach, powered by either oil, methanol and with battery pack installed which will help the company in achieving its goal for greener operations. This is planned to be in the market in 2026

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 2024, over 99 % of our energy came from non-renewable fuel oil. Our CO2 emissions per available vessel day is measured, considering activity levels and fleet composition. 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 CO2 emission per day, but time saved may reduce overall emission.

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.

For 2024, the company's actions and resources in relation to climate change were primarily focused on:

- Launching Reach Remote 1 & 2, which represents a significant step towards reducing emissions and increasing the efficiency of remote subsea operations.
- Increasing activity within non-oil and gas sectors, further diversifying the company's sustainability efforts.
- Measuring and reducing CO_2 emissions from fuel consumption on chartered vessels, using activity levels as a baseline to track and optimize energy use.

Climate Change

Targets

To ensure a consistent sustainability mindset among employees, Reach mandates environmental and sustainability training through the ReachED platform, covering courses such as: "Focus on the Environment in Reach Subsea", and "Sustainability and Innovation".

For the following year, we are shifting our focus towards setting targets aimed at what we are in direct control of; doing remote operations as a key climate change mitigation strategy. By scaling up remote-controlled and autonomous solutions, we aim to reduce overall emissions while enhancing operational efficiency. Therefore the goal on ensuring operational maturity of our remote services. We are also working to reduce emissions from offshore operations by prioritising vessels with battery installations and SCR systems in our fleet chartering process, ensuring lower fuel consumption and reduced NOx emissions.

To support this transition, we will continue investing in a modern fleet to increase the share of vessels classified as unmanned or technologically advanced. This includes the Reach Remote scale-up, enabling a higher proportion of operations to be conducted remotely. Additionally, we will implement measures to track operational patterns with the objective of further expanding remote activities.

The ESG Task Force Group determines on an annual basis, which significant environmental aspects should be measured and monitored as part of the company's sustainability KPIs.

Targets 2024

Successfully bring two USVs to market in 2024

Ongoing

Increase use of autonomous and/or remote operations

Increase activity within non-O&G segment

Achieved

Activity is measured through performed project days

CO_2 footprint below the NSA relevant emission targets

Achieved

Based on fuel consumption on vessels hired in by Reach

Targets 2025

Increase proportion of fleet classified as unmanned/modern by 2025

Action required

1. Reach Remote scaleup
2. Invest and sign modern vessels to fleet

Ensure operational maturity of remote services

Action required

1. Set baseyear 2025 on operational days conducted by remote services/unmanned vessels)
2. Conduct at least 3 projects during the year where remote services are used on manned vessels
3. 10 tenders offered USV solution for full year

E1-5

Climate Change

Energy

In this reporting year, Reach Subsea is able to disclose key energy consumption metrics, including total energy consumption within the organization (651,012 GJ) and total energy consumption from fossil sources(647,076 GJ). These figures primarily reflect fuel oil consumption and purchased electricity, heating, cooling, and steam.

Some ESRS E1-5 data points remain partially or not yet reported, including the breakdown of electricity sources, renewable energy consumption, fuel mix (including natural gas), energy intensity per revenue, and data on renewable and non-renewable energy production.

Efforts will be made to improve tracking and reporting towards the year Reach falls under the reporting requirements. As the majority of Reach's energy consumption is indirect through chartered vessels, the company will explore how to engage with vessel owners to obtain a detailed energy breakdown.

At present, Reach Subsea does not yet report energy intensity, defined as total energy consumption per net revenue.

Energy Consumption (in GJ)	2024	2023	2022
Non-renewable fuel consumed (fuel oil)	647 076	615 751	425 403
Electricity, heating, cooling and steam purchased for consumption	3 936*	3 582*	340
Total energy consumption within the organization	651 012	619 333	425 753

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

E1-6

Climate Change

GHG emissions

Scope 1 emissions refer to direct greenhouse gas emissions from sources that are owned or controlled by the company, such as fuel combustion in vessels and equipment. Our Scope 1 emissions mainly originate from the fuel consumption of our vessels. These direct emissions result from the combustion of fossil fuels in operations.

We lease offices to enable onshore support activities, with heating and power supplied by third party utility providers. Our Scope 2 emissions include Electricity, heating, cooling and steam purchased for consumption for our offices.

For Scope 3, we have gathered data for Category 6 – Business travel. At this stage, we have only been able to retrieve information from the company's travel agency, meaning some travel-related emissions may not be included. We recognize these limitations and will continue working to improve the accuracy and completeness of our Scope 3 reporting.

Emissions (ton CO2e)	2024	2023	2022	2021
Scope 1 Total*	46 768	59 715	42 493	29 530
Scope 2 Total (Market-based approach)	15.58	16.91	1.6	1.58
Scope 3 (6. Business travels)	811	656	-	-
All scopes	**47 595****	**60 388**	**42 495**	**29 532**

*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 m3 to CO2.

**The reduction from 2023 is primarily due to the company not entering into a new charter agreement for a vessel with high fuel consumption. Activity levels are otherwise measured based on the fleet composition and operational profile from year to year.

E2 SBM-3

Pollution

Impacts, risks and opportunities

Performing subsea work can contribute to pollution through various means. Potential impacts include the discharge of environmentally hazardous chemicals stored onboard vessels, hydraulic oil leakage from our ROVs during operations, and noise and vibrations from vessels and equipment. Air pollution, water pollution, and substances of concern are material sub-topics for Reach, as our operations have potential environmental impacts related to pollution to air, water, and the handling of hazardous substances.

E2-1

Pollution

Policies

Reach takes a structured approach to pollution management, identifying and mitigating environmental risks throughout its operations. We operate our ROVs with degradable hydraulic oil and we continuously screen the market to improve the environmental profile of our chemical list.

Our HSE policy follows a zero-tolerance approach to environmental damage and accidents, as further reinforced in our Environmental Policy. Environmental aspects are assessed using a lifecycle perspective, following the Environmental Aspects and Impact Analysis procedure, which is reviewed annually to account for new developments, modifications, and planned activities.

- Oil spill risk management follows a structured Risk Assessment Management (RAM) system, applying ALARP (As Low As Reasonably Practicable) principles and a structured risk matrix.
- All identified environmental aspects are documented in the Environmental Aspects and Impacts Matrix, with HAZOP reviews in projects to evaluate potential impacts.
- Control measures are implemented to minimize environmental risks, and aspects rated as yellow or red in impact level after mitigation are closely monitored.
- Regardless of risk classification, Reach actively tracks all possible discharges of hazardous chemicals to the sea, regardless of size
- ISO 14001 certification is a requirement for all vessel owners, ensuring compliance with high environmental management standards. Critical suppliers are encouraged to obtain ISO 14001 certification or implement similar environmental management systems.

In addition to oil spill prevention, Reach Subsea recognizes that plastic pollution is a significant threat to the marine environment. The company promotes sustainable practices by ensuring that no non-degradable materials, such as plastic waste, are left on the seabed.

E2-2

Pollution

Actions and resources

To mitigate pollution risks, ensure compliance, and foster a culture of environmental responsibility, Reach Subsea has implemented several key measures and actively participates in global Coastal Cleanup Campaigns to raise awareness.

Oil Spill Management and prevention

- Regular maintenance of equipment to minimize the risk of spills.
- Use of biodegradable hydraulic oil to reduce environmental harm in case of leaks.
- USV procedures for fuel and oil leakage prevention, including dedicated maintenance protocols.
- ROVs on Reach Remote USVs are fully electric, significantly reducing the need for hydraulic oil.

Spill response measures

- Immediate containment and mitigation while respecting SDS health and safety requirements.
- Absorption blankets used for spill containment are properly disposed of as chemical waste.
- Incident reporting procedures include notifying local municipalities if required and escalating the issue according to the Emergency Manual.

Employee training and awareness

- Offshore personnel undergo mandatory training in chemical handling
- Strict Safe Working Practices procedures are in place to ensure pollution risks are minimized.
- A preferred chemical shortlist is used for offshore containers, reducing the use of hazardous substances.

Pollution

Targets

Reach Subsea maintains a zero major spills target for hazardous materials in its operations. All spills are monitored and reported as part of the company's Oil Spill Management framework.

In alignment with sustainability goals, the company also actively tracks chemical discharges and aims to minimize its environmental footprint through strict operational controls and continuous improvement initiatives. Major spills are defined as spills over 500 litres. In 2024, Reach had zero major spills. All spills regardless of size were reported and followed up throughout the year.

Targets 2024

Zero major spills of hazardous materials to the sea

Achieved

Includes oils, plastics, garbage etc

Targets 2025

Zero major spills of hazardous materials to sea (Reach Subsea owned operations)

Action required

Monitor all spills reported in Landax

E4 SBM-3

Biodiversity & Ecosystems

Impacts, risks and opportunities

Subsea operations can impact marine biodiversity and ecosystems, primarily through noise pollution, physical seabed disturbances, pollution, and the potential introduction of invasive species.

Noise and vibrations from ROVs and vessels may interfere with marine life communication and behaviour, particularly in sensitive species. Additionally, construction, inspection, and intervention activities can disrupt benthic habitats, while the discharge of environmentally hazardous substances and the spread of invasive species through ballast water or biofouling pose further risks.

Biodiversity & Ecosystems

Policies

Reach integrates biodiversity and ecosystem considerations into its Environmental Aspects and Impact Analysis Procedure, ensuring that potential impacts on marine life are assessed as part of its environmental management approach.

Although the company does not have a standalone biodiversity policy, its HSE policy follows a zero-tolerance approach to environmental damage and accidents. The scope covers all our operations globally.

Biodiversity & Ecosystems

Actions and resources

To mitigate environmental impacts and support marine biodiversity, Reach Subsea implements strict environmental measures, including minimizing pollution risks. Reach have a strict use of biodegradable hydraulic oil in ROV operations to reduce pollution risk. In addition, training ROV operators to control movements carefully, contribute to avoid unnecessary seabed disturbances. The monitoring and reporting of all spills is also as part of the company's environmental management efforts.

Marine mammal preservation

Reach also participates in marine mammal preservation programs as part of its commitment to protecting marine ecosystems.

Strategic route planning

Strategic route planning avoids sensitive marine areas, like feeding and breeding grounds, using real-time marine mammal data.

Preventing invasive species

Reach enforces strict hull cleaning to prevent invasive species spread, protecting marine biodiversity and ecosystem balance.

Reducing noise pollution

To minimize the impact of offshore operations on marine life, Reach integrates noise reduction measures into vessel and ROV design, operational planning, and crew training. This includes sound-absorbing materials, mufflers, and other noise reduction technologies.

Quiet operational practices

Reach promotes quiet operational practices, reducing engine idling and sudden speed changes to minimize disruption to marine ecosystems. Education and awareness programs ensure vessel operators follow wildlife protection best practices.

Quieter vessel designs

For modern vessels and ZEEROV, the adoption of quieter propulsion systems, such as electric and hybrid engines, plays a key role in reducing underwater noise emissions. Additionally, optimized propeller designs and regular maintenance help to minimize cavitation noise, while streamlined hull structures and smooth surfaces contribute to lower hydrodynamic noise levels.

Compliance with environmental regulations

All vessel operations adhere to local environmental regulations and conservation guidelines, ensuring compliance with biodiversity protection measures by leveraging real-time data on marine mammal presence and behaviour.

E4-4

Biodiversity & Ecosystems

Targets

Reach maintains an annual target of zero major spills of hazardous materials to the sea and actively monitors and reports both major and minor spills as part of its environmental management efforts.

For 2025, the company aims to enhance its systematic approach to nature-related risks and impacts by continuing to promote environmentally friendly technology, such as biodegradable oils and electric ROVs.In addition, there will be conducted a high-level analysis of biodiversity impact and dependencies, providing key insights for further action.

Targets 2025

Work more systematically with nature-related risks and impacts

Action required

Continue to promote use of environmentally friendly technology such as biodegradable oils and electric ROVs

Social

We are committed to zero harm to people by ensuring a safe, inclusive workplace and fair, responsible working conditions throughout our value chain.

S1 SBM-3

Own workforce

Impacts, risks and opportunities

Safety is at the core of everything we do. We adhere to the highest international standards to ensure safe and secure operations with a strong focus on zero harm. Work-related accidents can have serious consequences for both individuals and the company, making safety a key priority for Reach. The well-being of our employees comes first, and we are committed to maintaining safe working conditions for everyone under our supervision

Failure to adhere to established procedures and risk assessments increases operational hazards, while offshore shift work can contribute to workload imbalances and fatigue. Onshore employees also face workload pressures that impact well-being and efficiency. Ensuring workforce continuity is a priority, as disruptions can affect project execution. Physical hazards can arise if HSEQ protocols are not strictly followed, and psychosocial stressors can impact mental health.

Despite the challenges, Reach see opportunities to attract talent through innovation and technology. Cultural and national diversity is a positive influence, enriching our work environment and strengthening our global perspective. Addressing competence development disparities across different work environments is crucial to ensuring long-term growth and retention.

High turnover remains a key challenge, but we are actively implementing strategies to mitigate this issue and enhance workforce stability.

S1-1

Own workforce

Policies

We adhere to internationally recognized guidelines for human rights and labour rights, including the UN Guiding Principles on Business and Human Rights.

Our "Stop the Job" policy ensures that all employees have the right to stop work if they believe a risk is present. We have established procedures for handling accidents and reporting improvements, and our safety measures align with ISO 9001, ISO 45001, ISO 31000, and ISO 14001.)

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. Our HSEQ management system includes guidelines and procedures to ensure the safety and well-being of our employees and the communities in which we operate. We comply with industry standards and are certified according to ISO 45001:2018.

Our approach to managing workforce-related impacts, risks, and opportunities is also guided by our Code of Conduct, which outlines our commitments to fair labour practices, ethical conduct, and compliance with international labour rights standards.

This document serves as a key framework for ensuring that our workforce policies align with best practices in human rights, anti-discrimination, and inclusion. We conduct annual mental health and well-being campaigns. In 2024, we organized a company-wide competition to encourage physical activity among employees.

- HSE policy
- Code of conduct
- Stop the job policy
- Employee policy

As a growing company, we acknowledge the increased social risks that come with expansion. We actively work on prevention and monitor key indicators such as work related injuries, LTI and turnover to ensure a sustainable working environment. In 2024, we had two work-related injuries but recorded zero Lost Time Injury (LTI). Regular safety campaigns and risk assessments are conducted, with key messages communicated to offshore personnel through Toolbox Talks.

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.

Own workforce

Engaging with own workforce

Employee rights and Human rights

Employees are engaged through direct communication with management, quarterly HSE meetings, and feedback channels. An employee representative committee is in place to ensure that employee concerns are addressed effectively. The leadership team is responsible for incorporating employee feedback into strategic decisions.

Our offshore employees are unionised under SAFE, ensuring that their rights and working conditions are safeguarded through collective agreements. We maintain an open and collaborative relationship with employee representatives to ensure that workforce perspectives inform our decision-making processes.

Employee Handbook

The employee handbook is available to all employees via our intranet and includes key policies such as:

Employment

Covers probation periods, job titles, secondary employment, external roles, and updating personal information in our HR system.

Working Hours and Overtime

Details working hours, core and flexible time, remote work outside Norway, breaks, reduced working hours, overtime and travel time, compliance with labour laws, and time tracking guidelines.

Leave and Absence

Covers sick leave, child or caregiver absence, family care, vacation, time off, various leave policies, and how to request and register absences.

Pay

Includes salary structure, holiday pay, and overtime compensation.

Pension and Insurance

Outlines pension plans, employee insurance, health insurance, and travel insurance benefits.

Employee Benefits

Describes available employee benefits, who qualifies for them, and how to access them.

Business Trips

Guidelines for work-related travel, including expenses, accommodations, and compliance with company policies.

Health, Safety, and Environment

Ensures compliance with workplace safety standards, environmental responsibility, and employee well-being.

Dismissal with Notice

Outlines reasons for termination (voluntary resignation, retirement, under performance, or misconduct), exit procedures, notice periods, return of equipment, and final interviews.

S1-3

Awareness on mechanisms for reporting grievances and speaking up

Reach has established systems to handle employee concerns, including reporting channels for ethical and HSE-related matters, HR complaint procedures, and anonymous feedback mechanisms. It is expected that all directors and employees will comply with the requirements in section 2A in the Norwegian Working Environment Act (WEA) and report violations or suspected violations in line with the description below.

Violation is defined as breach of:

1. REACH Anti Bribery Policy
2. REACH Code of Conduct
3. Norwegian Working Environment Act, section 2A-1:

   For the purposes of this Act, censurable conditions mean conditions that are in contravention of legal rules, written ethical guidelines in the undertaking or ethical norms on which there is broad agreement in society, for example conditions that may involve:

- Danger to life or health
- Danger to climate and the environment
- Corruption or other economic crime
- Abuse of authority
- Unsatisfactory working environment
- Breach of personal data security

Notifications concerning the employee's personal working conditions are not considered whistleblowing, unless related to one of the items listed above.

The Management of Reach Subsea AS has designated a lawyer to take on the role as an independent contact person outside the company.

S1-4

Own workforce

Actions and resources

To manage risks and create opportunities within our workforce, we have strengthened HR, increased focus on competence development and leadership training, and improved HSEQ systems.

Risk Management & Safety Compliance

For the purposes of this Act, censurable conditions mean conditions that are To reduce safety risks, the HSEQ department runs quarterly HSE campaigns on key health and safety topics. We have well-established procedures for identifying, assessing, and mitigating risks, following ISO 31000 standards. Risk-reducing actions are closely monitored, and offshore teams are kept informed through Toolbox Talks.

Safety First: Stop Work Authority

Safety always comes first; anyone can stop work if they believe conditions are unsafe. Work will not resume until all concerns are addressed through a 'Time Out for Safety.'

HSEQ Performance & Compliance

Our HSEQ performance is benchmarked against ISO 9001, ISO 45001, ISO 31000, and ISO 14001. We continuously monitor results, track incidents, and take corrective action through our reporting system. Serious incidents are investigated and reported to the CEO, with ongoing improvements reviewed by management and the Board on a regular basis.

Own workforce

Targets

Our focus on talent development and safety delivered strong results in 2024. The trainee and apprentice program grew significantly, with 17 apprentices and trainees onboard, reinforcing our commitment to developing future talent.

We recorded zero Lost Time Incidents (LTI) this year, though two minor hand injuries were reported. We remain focused on improving safety measures to prevent similar incidents.

Employee turnover was 8.6%, slightly above our 8% target but a notable improvement from 10.7% in 2023. Strengthening employee satisfaction and company culture remains a key priority for continued progress.

Our targets for 2025 include maintaining personnel turnover below industry average*), achieving zero work-related injuries, and reducing Lost Time Injuries (LTI) to zero. Additionally, we are committed to establishing the Reach Academy, which will serve as a structured program for competence development and career growth within the company. These initiatives align with our broader strategy to strengthen employee engagement, retention, and workplace safety.

These targets are tracked and reported regularly to management and the board of directors.

* Personnel turnover is benchmarked against the national industry average from Statistics Norway (SSB), based on private sector figures for all ages and genders within the industry sector (SN2007: 05–33).

Targets 2024

Maintain turnover below 8 %

Not achieved

Full year 2024: 8.6 %

10 apprentices and trainees participating yearly in trainee program

Achieved

17 apprentices and trainees

Zero work related injuries

Not achieved

2 injuries, both employees recovered and at good health

Lost time incidents (LTI) 0

Achieved

Targets 2025

Maintain personnel turnover below industry average

Action required

1. "One company"
2. "Work and operate the same way"
3. Employee welfare club
4. Learning and development

Zero work related injuries & LTI at 0 (IMCA benchmark)

Action required

1. Stop the job policy
2. Safety procedures awareness
3. Safetyflash
4. Risk assessment on all operations

Establish Reach Academy

Action required

Develop a comprehensive personnel strategy focused on relevant educational paths and career ladders

S1-6

General Disclosures
ESRS 2 General Disclosures

Environmental
ESRS E1 Climate Change
ESRS E2 Pollution
ESRS E4 Biodiversity & Ecosystems

Social
ESRS S1 Own workforce
ESRS S2 Workers in Value Chain

Governance
ESRS G1 Business Conduct
ESRS Cybersecurity

Own workforce

Characteristics of the undertaking's employees

Employee headcount is based on the number of individuals registered in Reach Subsea's HR system as of 31 December 2024.

This includes permanent and temporary employees, expatriates, trainees, interns, and apprentices. Permanent employees comprise both standard permanent and expatriate worker types, whereas temporary employees include apprentices, interns, temporary staff, and trainees. Some data may be limited or restricted due to legal or regional constraints, and variations in reporting practices across business units or countries may affect data accuracy. The following disclosures are based on headcount at year-end:

- **Total employees (headcount):** Includes all employees registered in the HR system as of 31 December 2024.
- **Employees by gender (headcount):** Gender is reported as self-declared by employees (male, female)
- **Employee turnover (number, rate):** Number of employees leaving Reach during the year. Turnover rate is calculated as the number of leavers divided by the year-end headcount.

Reach does not currently employ individuals on non-guaranteed hours contracts.

Employment type	2024	2023
Total number of employees	**460**	**342**
Female	72	51
Male	388	291
Where of female %	16	15
Where of male %	84	85

Employment type	2024	2023
Line management, multiple levels	**20**	**-**
Female	2	-
Male	18	-
Where of female %	10	-
2nd level management	**24**	**-**
Female	4	-
Male	20	-
Where of female %	17	-
Where of male %	83	-
Top management (C-Level)	**5**	**5**
Female	1	1
Male	4	4
Where of female %	20	20
Where of male %	80	80
Management (all levels)	**49**	**-**
Female	6	-
Male	43	-
Where of female %	12	-
Where of male %	88	-
Board of Directors	**7**	**7**
Female	3	3
Male	4	4
Where of female %	43	43
Where of male %	57	57

Employment type	2024	2023
Permanent hired	**438**	**342**
Female	70	-
Male	368	-
Temporary hired	**21**	**6**
Female	1	-
Male	20	-
Full time employees	**451**	**334**
Female	64	-
Male	387	-
Part-time employees	**9**	**8**
Female	8	-
Male	1	-

Employment type	2024	2023
Number of terminations	**1**	**-**
Female	0	-
Male	1	-
Where of female %	0	-
Where of male %	100	-
Voluntary turnover	**40**	**-**
Female	9	-
Male	31	-
Voluntary turnover per age group		
Below 30	3	-
30 - 50	33	-
Above 50	4	-

Own workforce

Workforce structure: Our non-employees and bargaining coverage

S1-7 – Characteristics of non-employees in own workforce

The most significant non-employees in Reach Subsea's own workforce are contracted personnel engaged through external staffing agencies or consultancy agreements. These individuals support both onshore and offshore operations and are considered part of the own workforce under ESRS definitions, as they perform core work under the direction and control of Reach Subsea, but without a direct employment contract with the company.

This includes project-specific consultants, hired specialists, and offshore technicians, particularly during peak operational periods or when specific expertise is required. Individuals are excluded if they do not meet the definition of "own workforce" (e.g., subcontractors managed by third parties with no direct control by Reach Subsea).

Total non-employees (headcount): The number of contracted personnel active at year-end across Reach Subsea's operations, including both onshore and offshore assignments.

Employment type	2024	2023
Total non-employees (headcount)	**248**	-

S1-8 – Collective bargaining coverage and social dialogue

Reach Subsea employees working offshore are covered by a collective bargaining agreement (CBA) with the trade union SAFE (norwegian employees only). This agreement regulates aspects such as working hours, overtime, travel arrangements, and other employment terms. All offshore personnel are covered by this CBA.

Percentage of total employees covered by collective bargaining agreements: 100% (Norwegian employees only).

For onshore employees not covered by a collective agreement, terms and conditions of employment are determined based on a combination of market standards, internal business unit practices, and individual qualifications. In some cases, these terms may align with those of employees under CBAs, although this alignment is not formally regulated.

Data regarding union membership and social dialogue is drawn from local HR records, but may be incomplete due to the sensitive nature of this information. In Norway, employee representation on occupational health and safety matters is ensured through a formal Working Environment Committee (AMU). As of the reporting date, there are no established European Works Councils (EWC), Societas Europaea (SE) Works Councils, or Societas Cooperativa Europaea (SCE) Works Councils within the company.

S1-9

Own workforce

Diversity metrics

These metrics are related to the impacts on people and potential for discrimination in own operations.

Top management gender distribution (headcount, %): Gender distribution of members of management in the group's top three levels of management, where the group's C-level is 0, the group's group directors are level minus 1 (below C-level), and other management are level minus 2. A significant assumption is that all data is accurate and up to date in the human resources system.

Employee age group distribution (headcount, %): Total number of employees at year-end divided into three age groups: under 30, between 30 and 50, and over 50 years old. A significant assumption is that all data is accurate and up to date in the human resources system.

Employees age	2024	2023
Average age all employees	**39**	**-**
Female	38	-
Male	39.2	-
Number of hires	**111**	**-**
Number of hires - female	20	-
Number of hires - male	91	-
% hires - female	18	-
% hires - male	82	-
Hires per age		
Below 30	41	-
30 - 50	60	-
Above 50	10	-

Employees age	2024	2023
Age distribution female employees	**72**	**-**
Below 30	21	-
30 - 50	41	-
Above 50	10	-
Age distribution male employees	**388**	**-**
Below 30	92	-
30 - 50	227	-
Above 50	69	-
2nd level management	**20**	**-**
Below 30	0	-
30 - 50	11	-
Above 50	9	-
Where of male %	80	-
Line management, multiple levels	**24**	**-**
Below 30	0	-
30 - 50	16	-
Above 50	8	-

Equal pay and gender pay review

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.

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.

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.

Own workforce

Training and development

We know that our future success depends on the skills and expertise of our employees. To build a strong and sustainable workforce, we have clear guidelines through our HSE and Quality policies. These policies help us share and develop competence across the company. Our HSE training and competence procedure ensures that training is carried out in a structured way.

To attract and retain the right people, we work continuously to be an attractive workplace. We focus on both professional and personal development, giving employees opportunities to grow in their roles. All employees receive regular training in risk management, HSEQ, and safe offshore operations. We believe that well-managed and diverse teams create the best solutions for our customers and help solve complex challenges. That's why we promote collaboration and teamwork in our work environment.

The Company has developed a digital online training portal, ReachED, which provides training for our employees, contractors, and external partners involved in projects. If additional external training or certifications are required, we identify these and make sure the right employees receive the necessary courses.

All new employees follow a structured onboarding process, which includes introductions to colleagues, facilities, work processes, safety procedures, software systems, and our HSEQ management system. Further training needs are assessed individually.

Competence development is also a key topic in our management review meetings, where department managers evaluate training needs and arrange learning activities. To support learning and development, we have established Reach Academy, ensuring that all departments have the necessary competence to perform their tasks.

As part of our commitment to developing local talent, we continue to run trainee programs in the communities where we have a long-term presence. In 2024, we had a total of 17 apprentices and trainees, all of whom were supported by experienced mentors to ensure a strong learning process.

The data presented is extracted from the ReachED program, where we do not differentiate by gender. However, we do categorize data into onshore and offshore segments. We have encountered some limitations in measuring averages and recognize the need for improvements to ensure more accurate data in the coming years.

For 2024, we do not have data on performance dialogues. However, this is an ongoing initiative, and we are working towards implementing it for 2025.

S1-13 & 14

Own workforce

Employee Metrics

S1-13 - Training and development

Employees on courses	2024
Total number of course completions	8645
Number of unique employees receiving training	473
Number of hours training	
Number of hours training - ONSHORE	1944
Number of hours training - OFFSHORE	1848
Total number of hours of training	**3792**

S1-14 - Health and safety metrics

100% of the group's own workforce are covered by health and safety management systems. All employees have access to non-occupational medical and healthcare services through agreements with health insurance companies.

100 %
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines.

0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites.

0
Number of fatalities as result of work-related injuries and work-related ill health.

0
Number of cases of recordable work-related ill health of employees.

2
Number of recordable work-related accidents for own workforce.

S2 SBM-3

Workers in the value chain

Impact, risks and opportunities

Reach has identified negative risks related to workers in the value chain during the DMA.

One material risk is the lack of structured follow-up on working conditions at suppliers, for example through regular audits. Without this, it is more difficult to ensure that suppliers meet health, safety, and labour standards.

Another risk is related to geopolitical conflicts, which may affect the availability of materials, disrupt supply chains, or increase the risk of human rights violations in high-risk areas. These conflicts can create instability that impacts both workers' safety and the company's ability to maintain responsible sourcing practices. A third important risk involves the potential exposure of workers to hazardous materials without sufficient protection, especially in parts of the supply chain that are less regulated. All these risks are short-term in nature, considered negative, and are actively managed by Reach through internal procedures, supplier engagement, and ongoing risk assessments.

Workers in the value chain

Engaging with workers in the value chain

S2-1 – Policies

As an employer, client, and supplier, Reach Subsea complies with the Norwegian Transparency Act and requires transparency throughout its supply chain. 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. This also mandates companies to respect fundamental human rights and ensure decent working conditions within their operations and supply chains.

We recognize the importance of workers in our value chain and are committed to ensuring fair and responsible working conditions throughout our operations.

We engage with suppliers to ensure adherence to these principles, and our Code of Conduct and Supplier Declaration explicitly outlines our expectations for fair labour practices.

S2-2 – Processes for engaging with value chain workers about impacts

We maintain communication with value chain workers primarily through supplier declarations and the Transparency Act process. While we do not have direct contact with all workers, we ensure engagement through supplier evaluations and audits related to the Transparency Act, where we have direct interaction. Our procurement and QA departments are responsible for overseeing communication within the value chain.

We assess the effectiveness of these efforts by monitoring supplier compliance, evaluation results, and feedback mechanisms. Additionally, we recognize the importance of engaging with vulnerable worker groups, such as migrant and contract workers, to ensure fair treatment and protection against exploitative practices.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

To meet the requirements of the Transparency Act, Reach has set up a structured process for conducting due diligence assessments to identify and reduce risks related to human rights and fair working conditions. We require all of our suppliers to follow the Transparency Act to ensure ethical standards across our supply chain. To support this, we have introduced an e-learning course through ReachED to educate relevant employees on compliance requirements.

Reach has introduced the Safeguarding the Transparency Act procedure, ensuring full adherence to regulations. We actively work with suppliers and partners to uphold human rights and ethical labour practices. The procedure is managed by VP Group HSEQ, reviewed by VP Group HR and CFO, and approved by the CEO and Board of Directors. Public access to information on our efforts is ensured through regular disclosures and compliance monitoring.

Reach continuously evaluates and refines its approach to ensure compliance with the Transparency Act. By embedding these measures into our corporate responsibility strategy, we reinforce our commitment to ethical business conduct and sustainability across our value chain.

S2-4 & 5

Workers in the value chain

Delivering on engagement

S2-4 – Actions and resources

To mitigate risks and enhance opportunities for workers in our value chain, we've implemented the following:

Regular supplier audits and compliance assessments.

Strengthened due diligence processes to prevent labour rights violations.

Training programs on ethical labour practices.

Long-term partnerships with suppliers that demonstrate strong labour practices.

S2-5 – Targets

Reach Subsea sets targets to strengthen the protection of human rights and promote fair working conditions across its operations and value chain. Reach aims to achieve 90% completion of the mandatory Code of Conduct training for employees. The training ensures that all employees are familiar with the company's ethical standards, including expectations for responsible business conduct and respect for workers' rights.

Targets 2024

90% completion of Code of Conduct training

Achieved

Achieved with 96 %

Targets 2025

Internal procurement audit compliant with the Reach Subsea transparency act procedure

Action required

This includes implementing the updated procedure, conducting orientation meetings to communicate the changes, and auditing our procurement function to verify adherence to human rights and decent working conditions

Governance

We aim to be a responsible, trusted market leader with the highest ethical standards and zero tolerance for violations through robust security and compliance.

G1 SBM-3

Business Conduct

Impacts, risks and opportunities

Reach has identified short-term, potential negative risks related to Business conduct, based on findings from the company's DMA. One risk involves corruption and bribery in tender processes or other business dealings.

This could undermine fair competition, harm the company's reputation, and lead to legal consequences. Another important risk is insufficient internal controls, which may result in compliance issues or allow unethical practices to go undetected.

Anti-Corruption and Anti-Bribery Policies

Currently, the company is undertaking a risk assessment to identify the functions most exposed to corruption and bribery risks. These include procurement, sales and contract negotiations, third-party engagements, and offshore project management. Reach Subsea has established an anti-bribery policy.

Safeguards for Reporting Irregularities and Whistleblower Protection

Reach Subsea is dedicated to investigating all reported business conduct incidents with urgency, independence, and impartiality. Reports undergo a structured review process, with cases being escalated to external legal advisors when necessary.

Training on Business conduct

To embed ethical practices across the organization, Reach Subsea has introduced business conduct training programs including e-learning in ReachED:

- Doing Business without bribery
- Code of Conduct
- Refresher (Doing Business without Bribery)

Business Conduct

Commitment to ethical governance and sustainability

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").

Employees and stakeholders are encouraged to report any suspected misconduct through dedicated reporting channels, ensuring confidentiality and protection against retaliation. Reports can be submitted via internal reporting tools, direct management communication, or whistleblowing hotlines.

All reported concerns are investigated in a prompt, independent, and objective manner, following standardised investigation protocols.

Business Conduct

Relationship with suppliers

Reach is committed to maintaining responsible and ethical supplier relationships, ensuring fair treatment and minimizing risks in our supply chain. Our operations primarily focus on offshore services and subsea operations, with key supply categories including:

Vessel Charter

ROV Services

Bunkering

Crew Services

Subsea Equipment Hires

To uphold ethical business practices, all suppliers must complete a mandatory self-declaration confirming compliance with our policies on Code of Conduct, Anti-Corruption and Anti-Bribery, Transparency, and social responsibility.

We integrate social and environmental criteria into our supplier selection process, ensuring that partners align with our commitment to sustainability and responsible business conduct. Regular supplier audits and reviews help us assess adherence to these standards.

We continuously evaluate and refine our supplier management strategies to reduce risks related to unethical business practices, corruption, and human rights violations. Our proactive measures include:

- Ongoing supplier audits
- Regular reviews of self-declarations and supplier questionnaires
- E-learning courses on Sustainability in ReachED

G1-3

Business Conduct

Anti-corruption and business ethics

We are committed to acting with integrity and conducting our business in an ethical and lawful manner. By following both international and local laws and regulations, we build trust with our stakeholders.

As our operations grow both geographically and in scale, the risk of corruption and bribery increases. To address this, we maintain a zero-tolerance policy for bribery and corruption. This applies to all Reach employees, officers, temporary workers, and any third parties representing us. Our Anti-Bribery Policy is also a part of our Code of Conduct and outlines the procedures we follow to comply with applicable laws and regulations. These measures are regularly reviewed by both Management and the Board of Directors to ensure they remain effective.

We encourage an open culture where employees feel safe speaking up about concerns related to corruption or unethical behaviour. Anyone needing guidance on responsible business conduct can reach out to the HSEQ department, and any serious concerns should be reported directly to the CEO, where they will be handled confidentially. Reach does not tolerate any form of retaliation against those who raise genuine concerns.

To prevent, detect, and respond to unethical behaviour and corruption risks, we expect our leaders to take responsibility in their areas. All management personnel have completed IMCA-based e-learning training on anti-corruption, and since 2020, we have provided an anti-bribery e-learning course for all employees. By 2024, 93% of our employees had completed this training.

G1-4

Business Conduct

Incidents of corruption or bribery

There have been no instances of non-compliance resulting in fines or sanctions during the reporting period.

Targets 2024

90% completion of Anti-bribery course

Achieved

96% completed

90% completion on Code of Conduct course

Achieved

93% completed

Targets 2025

Strong corruption and bribery resilience

Action required

1. Strengthen anti-corruption and code of conduct training for employees through ReachED with 90% completion
2. Perform targeted procurement audits to detect and prevent corruption and bribery

Cybersecurity

Safe digital working environment

Impacts, Risks, and Opportunities

The DMA includes the risk of cyberattacks. A related governance risk is the lack of mechanisms to monitor and follow up on cybersecurity incidents, making it more difficult to detect and respond to threats effectively. All of these IROs are considered negative and are being actively managed by Reach through internal governance, stronger control systems, and ongoing risk monitoring and employee training.

A cyber-attack on Reach Subsea's assets could pose a serious risk to both worker safety and business continuity. Given the increasing threat landscape, cybersecurity is recognized as a material sustainability priority, as outlined in the Disclosure on Materiality Assessment (DMA). It is also a key focus area for the company, in line with market trends and stakeholder expectations. As a result, we have designated cybersecurity as an entity-specific topic under the European Sustainability Reporting Standards (ESRS) to emphasize its importance in our long-term strategy.

Policies

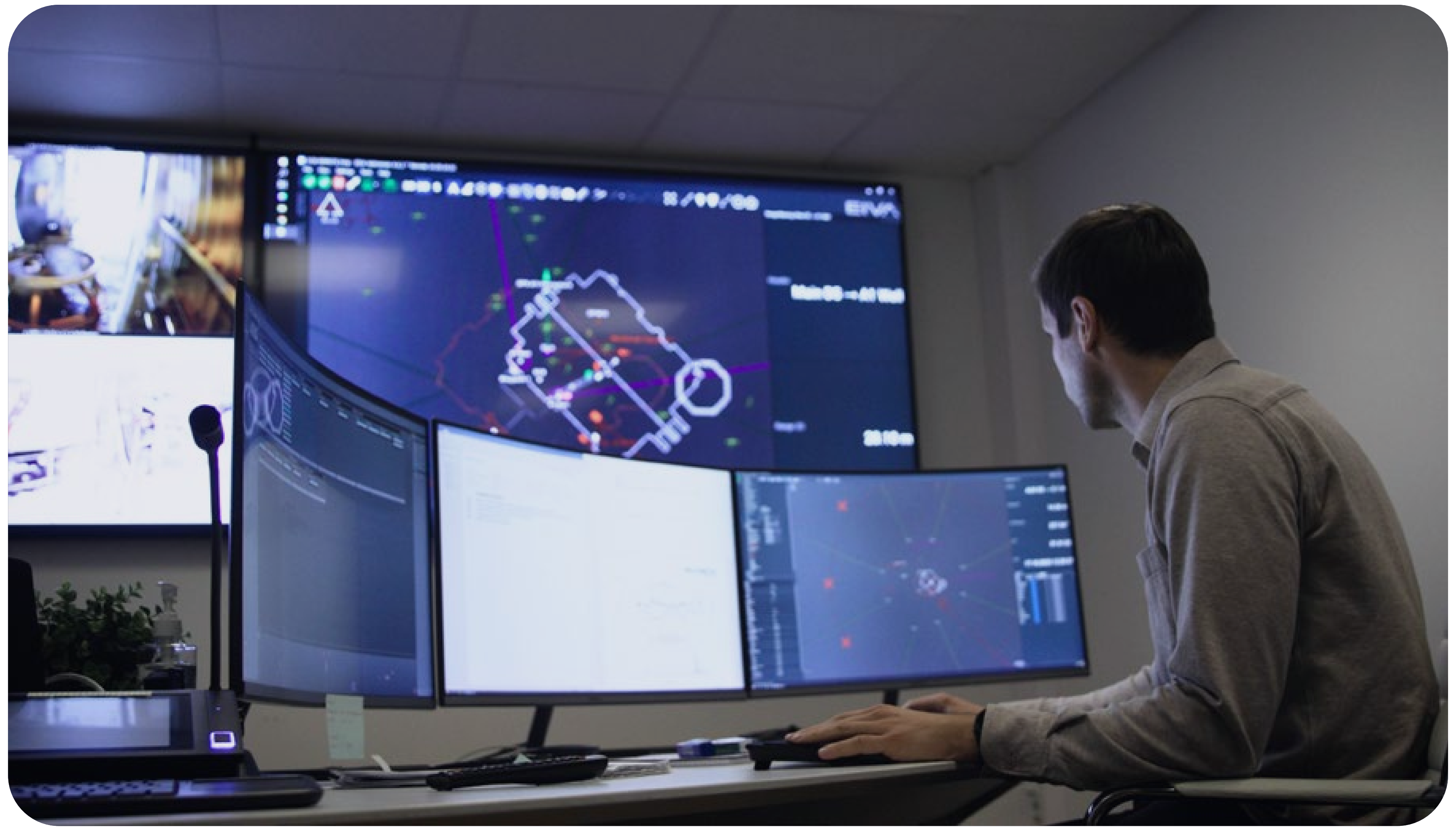
Reach Subsea has established various procedures related to cybersecurity to safeguard our operations. In 2024, we initiated internal discussions to evaluate different frameworks and standards that could support our cybersecurity efforts.

In the autumn of 2024, the decision was made to pursue ISO 27001 certification, a globally recognized information security standard. To begin this process, we engaged external consultants to conduct a gap analysis and identify areas for improvement.

Moving into 2025, cybersecurity will be a major strategic focus, with efforts directed at strengthening security measures across the entire organization. This includes enhancing documentation, standardizing processes, and ensuring integration across all locations.

Cybersecurity

Actions and resources



Cybersecurity incidents can have a direct impact on our organization, as well as on our clients and external partners. Recognizing the growing cyber threats that businesses face, Reach Subsea has implemented several proactive measures:

- Mandatory cybersecurity training for all employees, available via the ReachED training portal
- Monthly reports providing detailed statistics and training outcomes
- Phishing simulations with a significant reduction in failure rates
- Annual cybersecurity awareness campaigns, conducted every autumn
- Regular risk assessments to evaluate potential vulnerabilities

Throughout 2024, several new procedures were introduced to enhance our resilience against cyber threats. As part of our commitment to continuous improvement, we have officially launched the ISO 27001 certification process.

This initiative is a strategic step to reinforce our position as a secure and reliable supplier, ensuring compliance with increasing customer expectations and regulatory requirements—particularly those driven by the EU NIS2 directive and the evolving global cybersecurity landscape.

ISO 27001 is the international standard for Information Security Management Systems (ISMS), providing a structured framework for managing information security risks and ensuring data confidentiality, integrity, and availability. The certification aligns with our business objectives for compliance, risk management, and operational resilience.

Benefits of ISO 27001

Compliance: Ensures adherence to international security standards, enhancing credibility and trust with clients.

Integration: Aligns with our existing ISO-certified Management System, audited by DNV, strengthening our governance framework.

Framework: Establishes clear guidelines for managing information security, risk mitigation, and business continuity.

Client Trust: Meets customer expectations and contractual security requirements, fostering long-term business relationships.

We will assess our current compliance level with ISO 27001 through workshops involving relevant departments. This will help identify gaps and areas for improvement in security controls, policies, and risk management practices. Based on the gap analysis findings, we will develop a structured roadmap outlining: Key actions, responsibilities and timelines. This roadmap will guide us through the implementation of necessary security controls, risk mitigation measures, and documentation updates leading up to certification.

Entity specific

Cybersecurity

Targets

At Reach, cybersecurity targets are established to guide continuous improvement, raise awareness across the workforce, and ensure alignment with international standards and industry best practices.

These targets contribute to help that both technical and human aspects of cybersecurity are addressed in a structured and measurable way.

Targets 2024

90 % Percentage completion of Cyber Security e-learning

Achieved

Achieved with 94 %

Targets 2025

Enhance cybersecurity resilience

Action required

1. Strengthen cybertraining for employees with 90% completion of ReachED courses
2. Cybersecurity awareness campaign

Begin the process for ISO 27001 certification

Action required

1. Conduct gap-analysis with external consultant
2. Follow project plan for full year
3. Review roadmap and prioritize gap actions

Index of omitted ESRS

Reference	ESRS Name	Reason for omitting
ESRS 2		
GOV-3	Integration of sustainability related performance in incentive schemes	Beyond safety metrics, no other sustainability matters are linked to the company's incentive schemes and remuneration policies.
Environment		
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not material
E1-8	Internal carbon pricing	Not material
E1-9	Anticipated financial effects	Phase-in requirement
E2-5	Substances of concern and substances of very high concern	Not material
E3	Water and marine resources	Reach Subsea has not identified any material IROs related to water and marine, and therefore omits ESRS E3
E4-6	Potential financial effects	Phase-in requirement
E5	Resource use and circular economy	Reach has not identified any material IROs related to circular economy, and therefore omits ESRS E5
Social		
S1-10	Adequate wages	These disclosure requirements stemmed from IROs with medium, not high, materiality. They will be monitored and considered for next year's report.
S1-11	Social Protection	
S1-12	Persons with disabilities	
S1-15	Work-life balance metrics	
S1-16	Remuneration metrics (pay gap and total remuneration)	
S1-17	Incidents, complaints and severe human rights impacts	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	
S3	Affected communities	Reach has not identified any material IROs related to affected communities, and therefore omits ESRS S3
S4	Consumers and end-users	Reach has not identified any material IROs related to consumers and end-users, and therefore omits ESRS S4
Governance		
G1-1 (10f)	Animal Welfare	Not material
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	Not material

IRO-2 Content index of ESRS disclosure requirements

The table below provides a list of material disclosure requirements complied with in preparing the sustainability statement.

IRO-2 Content index of ESRS disclosure requirements

The table below provides a list of material disclosure requirements complied with in preparing the sustainability statement.

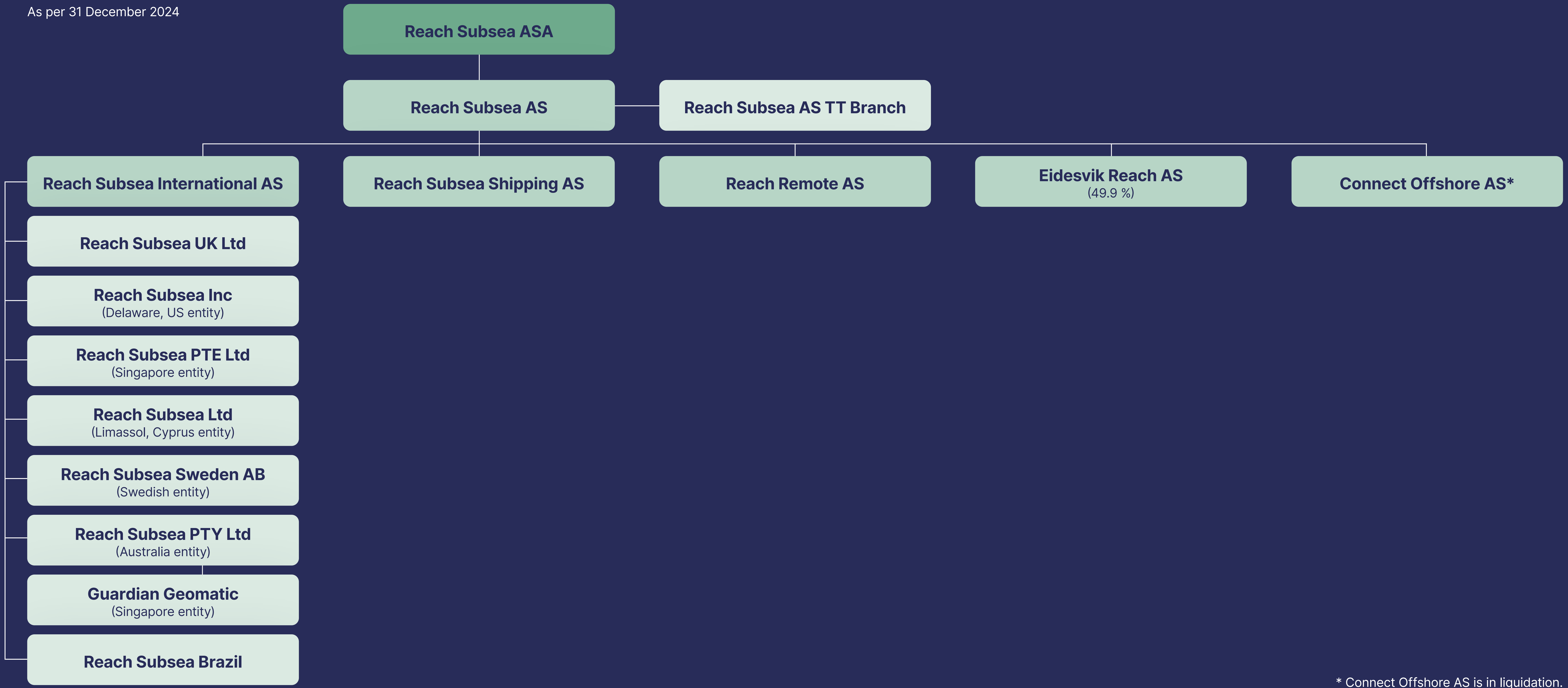
Directors Report

Corporate Structure

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

Reach Subsea Corporate Structure

As per 31 December 2024



* Connect Offshore AS is in liquidation.

Executive 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

The Board of Directors

Rachid Bendriss

Chairperson of the Board

Rachid Bendriss (1969) has been Chairperson of the Board of Reach since 2020 and was a Board Observer and advisor since Reach Subsea went public in 2012. He holds a Master of Management degree from BI – Norwegian Business School. For the past 30 years he has gained extensive capital markets, transaction and business development experience through employment at firms like Morgan Stanley, Danske Bank and Carnegie, and as a strategic and financial advisor and investor in 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 700.000 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, shipping, and aquaculture industry. She is currently holding the position as CEO at Imenco 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 nonexecutive director of public listed companies as Hexagon Purus and Edda Wind, and chair in the Fjord1 Board. Prior to that Ms. Monclair 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. Monclair 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. Monclair 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 recently left his post as CEO of BW LPG, the leading global shipping company transporting LPG. Currently he is the Chairperson 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 900.000 shares through his fully owned company AB Investment AS. Furthermore, North Energy ASA, where Mr Onarheim is the Chairperson 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 WATTIF 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. Espen also holds several other board positions, both in his capacity as a Wilhelmsen ownership representative and as an independent board director. Wilhelmsen New Energy AS, where Mr. Gjerde is Senior Vice President, owns 96,844,009 shares.

Directors Report

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 2024 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 8 April 2025

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

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 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.

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.

Corporate Governance & Management

3. Equity and dividend (cont.)

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 2025, the Board had two authorization to increase the share capital, granted by the Annual General Meeting on 31 May 2024. One authorization is to increase the share capital with NOK 1,500,000, of which 0 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 up to NOK 54,400,000, of which 54,400,000 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 2025, however no later than 30 June 2025.

The Board of Directors is authorised to purchase treasury shares up to 10% of the nominal value of the Company's share capital. The lowest price per share paid shall be the par value of NOK 1.0 and the highest price paid per share shall be NOK 15.0. The authorization may be used once or several times, and is valid until the annual general meeting in 2025, however no later than 30 June 2025.

4. Equal treatment of shareholders

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.

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.

The Chairperson 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 Chairperson 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 2024 AGM:

- Geir Flæsen (Chairperson)
- 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 proposals 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 Chairperson 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 they may have in items to be considered by 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 Chairperson 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 31 May 2024. 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 2024, which will be put forth the AGM in 2025 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.

Financial Statements

Reach Subsea ASA Group

Consolidated statement of comprehensive income

(NOK 1000)	2024	2023	Notes
Revenues	2 717 024	1 966 584	5, 25
Other income/losses	678	29 319	14
Operating income, in total	**2 717 702**	**1 995 903**	
Operating expenses			
Procurement expenses	(756 600)	(503 760)	6
Depreciation	(806 143)	(623 005)	14, 24
Personnel expenses	(499 313)	(348 794)	8
Other operating expenses	(291 890)	(188 558)	7, 8
Operating cost, in total	**(2 353 945)**	**(1 664 117)**	
Operating results	**363 756**	**331 786**	
Financial income and financial costs			
Interest income	7 556	4 991	9
Interest expense	(122 180)	(77 881)	9
Other financial items	(32 874)	13 925	9
Finance items - net	**(147 498)**	**(58 965)**	
Share of profit of investments accounted for using the equity method	13 750	16 714	26
Profit (loss) before taxes	**230 009**	**289 534**	
Taxes	(24 575)	(63 743)	10
Profit (loss) for the year	**205 434**	**225 791**	

(NOK 1000)	2024	2023	Notes
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation differences	445	(1 116)	
Total comprehensive income for the year	**205 879**	**224 675**	
Earnings (loss) per share	0.78	0.89	11
Diluted result (loss) per share	0.68	0.88	11

The notes on page 124 to 171 are an integral part of these financial statements.

Consolidated statement of financial position

(NOK 1000)	2024	2023	Notes
Assets - Non current assets			
Goodwill	109 590	109 590	15, 27
Deferred tax assets	34 920	-	10
Intangible assets	25 209	30 769	15,27
Investment in associated companies	127 221	113 452	26
Assets under construction	369 475	266 658	14
Property, plant and equipment	298 598	183 279	14
Right-of-use assets	1 269 637	1 163 222	14, 24
Non-current assets, in total	**2 234 649**	**1 866 970**	
Current assets			
Bunkers	18 768	28 418	
Trade receivables	651 079	314 166	16,21
Other current receivables	65 184	41 904	16
Cash and cash equivalents	278 022	436 423	17
Current assets, in total	**1 013 053**	**820 912**	
Total assets	**3 247 702**	**2 687 882**	

Consolidated statement of financial position, continued

(NOK 1000)	2024	2023	Notes
Equity			
Share capital	282 671	271 769	18
Share premium	412 114	388 273	
Proposed dividends	137 499	97 837	
Other equity	259 630	170 126	
Total equity	**1 091 913**	**928 005**	
Non-current liabilities			
Interest-bearing debt to credit institutions	121 593	57 418	21, 22
Interest-bearing debt leases	621 185	805 931	21, 24
Deferred tax liabilities	-	10 567	10
Total non-current liabilities	**742 779**	**873 916**	
Current liabilities			
Trade payables	243 021	205 773	21
Taxes payables	52 963	41 026	10
Public duties a.o.	33 987	36 754	
Interest-bearing debt to credit institutions	22 996	10 176	21,22
Interest-bearing debt leases	791 086	386 036	21, 24
Other current liabilities	268 957	206 197	20
Total current liabilities	**1 413 011**	**885 960**	
Total equity and liabilities	**3 247 702**	**2 687 882**	

Haugesund, 08. April 2025

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

Consolidated statement of cash flow

(NOK 1000)	2024	2023	Notes
Cash flow from operating activities			
Profit before tax	230 009	289 534	
Paid taxes	(50 767)	(8 808)	10
Gain sold assets	-	(29 843)	14
Depreciation and amortisation	806 143	623 005	14, 24
Interest income	(7 556)	(4 991)	9
Interest expense	122 180	77 881	9
Change in trade debtors	(336 913)	(12 535)	16
Change in trade creditors	6 746	27 038	21
Change in other provisions	90 311	5 264	
Investments accounted for using the equity method	(13 750)	(16 714)	26
IFRS 2 share-based payments	21 124	2 897	19, 27
Net cash flow from operating activities (1)	**867 527**	**952 728**	
Cash flow from investing activities			
Acquired cash balance from consolidation of Guardian Geomatics	-	27 652	27
Payments related to the acquisition of Guardian Geomatics	(34 312)	-	27
Proceeds from sale of property, plant and equipment	-	31 384	14
Payments related to purchase of property, plant and equipment	(262 814)	(202 708)	14
Purchase of shares in associated companies	-	(64 721)	14, 26
Net cash flow from investment activities (2)	**(297 126)**	**(208 392)**	

(NOK 1000)	2024	2023	Notes
Cash flow from financing activities			
Net proceeds from issuance of ordinary shares	34 741	123 040	
Proceeds from bank loan	55 000	27 500	21
Payment of dividends	(97 837)	(45 981)	
Repayment of interest bearing debt to credit institutions	(9 729)	(23 300)	21, 24
Repayment of interest bearing debt, leases	(614 296)	(496 150)	21, 24
Interests paid on interest bearing debt, leases	(112 798)	(74 892)	21, 24
Net interest paid - other items	(1 826)	2 001	
Net cash flow from financing activities (3)	**(746 745)**	**(487 781)**	
Net cash flow for the year (1+2+3)	**(176 344)**	**256 556**	
Cash and cash equivalents in the start of the period 1/1	436 423	191 591	
Translation differences	17 943	(11 723)	
Cash and cash equivalents 31/12	278 022	436 423	

Consolidated statement of changes in equity

(NOK 1000)	Share capital	Share premium	Proposed dividends	Other reserves	Retained earnings	Total
Equity 1 January 2024	**271 769**	**388 273**	**97 837**	**10 791**	**159 335**	**928 005**
Profit for the year	-	-	-	-	205 434	205 434
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**445**	**445**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**205 879**	**205 879**
Proceeds from shares issued	10 901	23 840				34 741
Dividends paid			(97 837)			(97 837)
Proposed dividends	-		137 499	-	(137 499)	-
IFRS 2 share-based payments	-	-	-	21 124	-	21 124
Equity 31 December 2024	**282 671**	**412 114**	**137 499**	**31 914**	**227 716**	**1 091 913**
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	120 929				166 972
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**

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 20234 financial year covers Reach Subsea ASA and its subsidiaries Reach Subsea AS, Connect Offshore AS, Reach Remote AS, Reach Subsea Shipping AS, Reach International AS, Reach Subsea Inc, Reach Subsea Sweden AB, Reach Subsea UK Ltd, Reach Subsea Pte Ltd, Reach Subsea Ltd, Reach Subsea Pty Ltd, Guardian Geomatics Pte Ltd and Reach Subsea Brasil Ltda.

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, 2024 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 2024 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 in profit or loss or 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

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.

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, 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, Reach Subsea Ply Ltd has AUD as functional currency and Reach Subsea Brasil Ltda has BRL 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.

Goodwill

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 is 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 minimize 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 cooperation 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 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
2024	Increase 5 %	(948 187)
	Decrease 5 %	948 187
2023	Increase 5 %	(17 971 438)
	Decrease 5 %	17 971 438

	Inc/dec EUR	Effect on profit before tax
2024	Increase 5 %	(3 606 594)
	Decrease 5 %	3 606 594
2023	Increase 5 %	4 260 713
	Decrease 5 %	(4 260 713)

	Inc/dec GBP	Effect on profit before tax
2024	Increase 5 %	4 907 349
	Decrease 5 %	(4 907 349)
2023	Increase 5 %	2 089 556
	Decrease 5 %	(2 089 556)

Notes

3.1.1 Market Risk - continued

Price risk

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

- The demand for vessels, ROVs and other offshore equipments are 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 focusing 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, evaluates the need for hedging activities, and considers 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 toward 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 the financial status of clients and the Group's firm expenses (including loan instalments and interest). Refer to note 21 for maturity analyses.

The Group has an overdraft facility, securing access to NOK 30 million in excess funds with yearly renewal. Extensions will be considered based on liquidity position and needs at the 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.

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3.1.4 Cash Flow and Fair Value Interest Rate Risk

The Group's interest rate risk arises from bank deposits 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 earnings. 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 requests a waiver from the bank (measured quarterly) to avoid a formal breach of the loan agreement. If a breach of one or more KPIs is discovered in the forecast, the Board will consider taking actions such as provisioning 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.

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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

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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.

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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.

Notes

Note 5 - Segment information

(NOK 1000)	2024	2023
Oil & Gas vs Renewables/other		
Revenue		
Oil & Gas	1 774 661	1 332 996
Renewable / other	942 363	633 588
Total	**2 717 024**	**1 966 584**
Operating expense		
Oil & Gas	(1 537 511)	(1 127 977)
Renewable / other	(816 434)	(536 140)
Total	**(2 353 945)**	**(1 664 117)**
Operating result		
Oil & Gas	237 150	205 019
Renewable / other	125 929	97 448
Total	**363 079**	**302 467**
Data vs Solutions		
Revenue		
Data	1 022 239	406 336
Solutions	1 694 785	1 560 248
Total	**2 717 024**	**1 966 584**
Operating expense		
Data	(885 636)	(343 840)
Solutions	(1 468 309)	(1 320 277)
Total	**(2 353 946)**	**(1 664 118)**
Operating result		
Data	136 603	62 496
Solutions	226 476	239 971
Total	**363 079**	**302 467**

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)	2024	2023
Project cost	249 983	142 400
Fuel	110 568	75 885
Victualling	53 677	48 642
Rental offshore equipment	152 416	102 277
Hire offshore personnel	173 117	133 389
Other procurements	16 839	1 167
Procurement expenses, in total	**756 600**	**503 760**

Note 7 - Other Operating Costs Specified

(NOK 1000)	2024	2023	Notes
Rental cost	25 178	16 346	23
Consultant cost	25 584	31 583	
Operating equipment and maintenance	96 486	58 940	
Administration costs	144 643	81 689	
Other operating costs, in total	**291 890**	**188 558**	

Notes

Note 8 - Personnel Expenses

Wages and social costs (NOK 1000)	2024	2023
Salaries and wages including holiday allowance	426 126	308 639
Social security tax	56 721	43 412
Pensions	18 533	13 160
Other benefits	19 629	11 292
Option cost	22 114	2 897
Salaries transferred to CAPEX-projects	(43 811)	(30 607)
Wages and social costs, in total	**499 313**	**348 794**
Number of man-years	395	333

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 28 May 2025. In addition to detailed information on paid and pending remuneration to directors for the 2024 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.	Share options vested during the year	Remaining Share options to be vested/
2024					
Jostein Alendal, Managing Director CEO	2 385	105	703	150	1 800
Birgitte W. Johansen, CFO	2 385	116	703	150	1 800
Bård Thuen Høgheim, CCO	2 407	98	737	150	1 800
Audun Brandtzæg, CTO	2 478	103	703	150	1 800
Inge Grutle, COO	2 385	99	818	150	1 800
Total	**12 039**	**521**	**3 663**	**750**	**9 000**
2023					
Jostein Alendal, Managing Director CEO	2 189	99	809	150	150
Birgitte W. Johansen, CFO	2 177	109	842	150	150
Bård Thuen Høgheim, CCO	2 366	93	809	150	150
Audun Brandtzæg, CTO	2 028	89	579	-	-
Inge Grutle, COO	2 177	93	809	150	150
Total	**10 937**	**483**	**3 849**	**600**	**600**

Audun Brandtzæg started in his position 1 February 2023. Other comp consists of bonuses, reported gains on exercised options, and other benefits. Refer to note 19 for further information regarding share based payments. Managing director has no agreement regarding early retirement. Managing director will receive NOK 2.5 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 - Personnel Expenses - continued

The Boards Remuneration (NOK 1000)	**Position**	**2024**	**2023**
Rachid Bendriss	Chairperson of the Board	489	503
Anders Onarheim	Board member	244	255
Martha K. Bakkevig	Board member	319	255
Arvid Ståle Pettersen	Board member	289	255
Espen Gjerde	Board member	244	255
Kristine Skeie	Board member	297	306
Ingunn Ø. Iveland	Board member	371	332

Auditors Remuneration (NOK 1000)		**2024**	**2023**
Auditing		2 383	1 716
Attestation services		80	229
Tax advice*		676	2 016
Other assistance*		544	1 724
Total		**3 683**	**5 685**

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 0.57 million (2023: NOK 0.95 million).

Notes

Note 8 - Personnel 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:

2024		Numbers of shares 31.12.2024	Ownership 31.12.2024
NORTH ENERGY ASA	Partly owned by Rachid Bendriss (COB) and Anders Onarheim (Board member)	50 832 449	18.0 %
JT INVEST AS	Partly owned by Jostein Alendal (CEO)	5 889 539	2.1 %
INVICTA INVEST AS	Partly owned by Inge Grutle (management)	1 284 179	0.5 %
AB INVESTMENT AS	Owned by Anders Onarheim (Board member)	900 000	0.3 %
KOLD INVEST AS	Owned by Martha Kold Bakkevig (Board member)	949 534	0.3 %
BÅRD THUEN HØGHEIM	Management	907 500	0.3 %
VEST-NORSK HANDELSKOMPANI AS	Owned by Kristine Skeie (Board member)	605 588	0.2 %
BIRGITTE WENDELBO JOHANSEN	Management	449 050	0.2 %
AUDUN BRANDTZÆG	Management	350 000	0.1 %
JOSTEIN ALENDAL	CEO	150 000	0.1 %
I ØVERENG AS	Board Member	30 588	0.0 %
INGUNN ØVERENG IVELAND	Board Member	30 000	0.0 %
INGE GRUTLE	Management	10 000	0.0 %
KRISTINE SKEIE	Board Member	5	0.0 %
Total		**62 388 432**	**22.1 %**

2023		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 Bakkevig (Board member)	949 534	0.3 %
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	0.0 %
INGE GRUTLE	Management	10 000	0.0 %
KRISTINE SKEIE	Board Member	5	0.0 %
Total		**61 735 932**	**22.7 %**

Notes

Note 9 - Finance income and Expenses

(NOK 1000)	2024	2023
Interest income on short term bank deposits	7 556	4 991
Total interest income	**7 556**	**4 991**
Interest expense on bank borrowings	(7 208)	(2 617)
IFRS 16 interest expense	(112 798)	(74 892)
Other interest expense	(2 173)	(373)
Total interest expense	**(122 180)**	**(77 881)**
Net foreign exchange expense/income	26 531	1 819
Currency adjustment related to IFRS 16	(59 888)	12 685
Other finance costs	482	(580)
Total other financial items	**(32 875)**	**13 925**
Finance items - net	**(147 498)**	**(58 965)**

Note 10 - Taxes

(NOK 1000)	2024	2023
Taxes		
Taxes payable	70 061	42 261
Changes in deferred taxes	(45 487)	21 482
Taxes in total	**24 575**	**63 743**

Deferred taxes/ (Deferred tax assets) - Temporary differences		
Other fixed assets	(19 083)	(3 135)
Financial leases	30 648	17 415
Fixed-price contracts	-	-
Inventories	(934)	(934)
Accruals	(35 117)	(18 376)
Right-of-use assets	(142 657)	(29 172)
Intangible assets	58 642	74 775
Tax loss carried forward Norway	-	0
Tax loss carried forward outside of Norway	(67 650)	(64 338)
Temporary differences, in total	**(176 151)**	**(23 765)**
Deferred tax assets	(34 920)	(799)
Not recognized deferred tax assets	-	(11 366)
Deferred tax (assets) in balance sheet	**(34 920)**	**10 567**

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 was NOK 14.0 million and was 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. Unrecognised 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	31.12.2024	31.12.2023
Profit & loss before taxes	230 009	289 534
Nominal tax rate	22 %	22 %
Anticipated income tax due to nominal tax rate	**50 602**	**63 698**
Actual tax cost	24 575	63 743
Deviation	(26 027)	46
Tax effects of:		
Permanent differences	14 716	104
Effect of tax rates outside Norway different from 22%	(55)	(270)
Changes in deferred tax assets, not recognized	-	120
Changes in deferred tax assets, previously not recognized	11 366	
Explanation	**26 027**	**(46)**
Effective tax rate	11 %	22 %
Payable taxes in the balance sheet		
Payable taxes in the tax charge	(63 750)	(37 138)
Advances paid on tax charge	11 407	1 056
Tax payable previous years	(620)	-
Tax payable from business combinations (note 27)	-	(4 944)
Payable taxes in the balance sheet	**(52 963)**	**(41 026)**

All companies are subject to ordinary taxation, except Reach Subsea Shipping AS which is taxed in the tonnage tax regime.

Notes

Note 11 - Earnings per share

(NOK 1000)	2024	2023
Profit (loss) per share is calculated on the consolidated profit (loss) divided by the average number of shares outstanding.		
Profit (loss) - attributable to the owners	205 434	225 791
Basic profit (loss) per share	0.78	0.89
Diluted profit (loss) per share	0.68	0.88
Average numbers of shares	264 415 130	252 610 567
Average diluted number of shares for EPS	301 390 931	256 131 566
Number of shares 1/1	271 769 245	225 725 928
Number of shares 31/12	282 670 609	271 769 245

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 Shipping 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 %
Reach Subsea Sweden AB (100% owned by Reach Subsea International AS)	Gothenburg, Sweden	100 %
Reach Subsea Pty Ltd (100% owned by Reach Subsea International AS)	Perth, Australia	100 %
Guardian Geomatics Pte Ltd (100% owned by Reach Subsea Pty Ltd)	Perth, Australia	100 %
Reach Subsea Brasil Ltda. (100% owned by Reach Subsea International AS)	Rio de Janeiro, Brasil	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 2024-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 %	177 466	23 715
20 %	354 932	47 430
30 %	532 398	71 145

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 2024. 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 alternative 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	Impairment charge (NOK 1000)
10 %	-
20 %	-
30 %	10 981

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.

A more detailed disclosure of the company's climate-related risks can also be found in the company's sustainability report, Chapter ESRS E1 Climate Change, page 61.

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 machinery**	**Right of use asset Vessels and other equipment***	**Total**
Year ended 31 December 2024						
Opening net book amount	266 658	44 233	16 319	122 727	1 163 222	1 613 159
Additions	155 726	20 023	42 967	75 958	830 772	1 125 447
Disposals		-	-	-		-
Adjustment of commitment	-	-	-	-	-	-
Other reclassification	(52 909)	690	43 334	8 885	-	(0)
Depreciation	-	(15 035)	(5 646)	(55 742)	(724 159)	(800 582)
Impairment	-	-	-	-	-	-
Closing net book value	**369 475**	**49 796**	**96 974**	**151 828**	**1 269 637**	**1 937 710**

At 31. December 2024						
Cost 1.1.24	266 658	186 981	125 134	155 858	1 607 273	2 341 904
Additions	155 726	20 023	42 967	75 958	830 772	1 125 447
Other reclassification	(52 909)	690	43 334	8 885	-	(0)
Disposals at cost	-	-	-	-	-	-
Adjustment fully depreciated items	-	-	-	-	(115 848)	(115 848)
Cost 31.12.24	**369 475**	**207 694**	**211 436**	**240 701**	**2 322 198**	**3 351 503**

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 machinery**	**Right of use asset Vessels and other equipment***	**Total**
At 31. December 2024						
Accumulated depreciation 1.1.24	-	(142 735)	(108 816)	(33 130)	(444 043)	(728 725)
Depreciation	-	(15 035)	(5 646)	(55 742)	(724 159)	(800 582)
Depreciation disposed assets	-	-	-	-		-
Adjustment fully depreciated items	-	-	-	-	115 848	115 848
Accumulated depreciation 31.12.24	**-**	**(157 770)**	**(114 462)**	**(88 872)**	**(1 052 355)**	**(1 413 459)**
Accumulated impairment 1.1.24	-	-		-	-	-
Accumulated impairment 31.12.24	-	-	-	-	-	-
Book value	**369 475**	**49 796**	**96 974**	**151 828**	**1 269 638**	**1 937 710**
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	338 127
Tax deduction scheme Reach Remote-project (SkatteFUNN)	(4 750)
Minor capex-projects and mobilizations	36 098
Net book value 31.12.24	**369 475**

Reclassifications is explained by assets under construction being capitalized during the year. 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.

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 machinery**	**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	113 884	78 947	385 800	887 651
Additions	144 400	28 460	11 250	100 123	1 654 617	1 938 850
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**	**ROV, leased from financial institutions**	**Equipment and office machinery**	**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	-	-	-	-	-	-
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	1-3 years	
Depreciation method		linear	linear	linear	linear	

During 2023 the group sold various assets resulting in a gain of approximately 29.8 million. The gain is presented as other income in the financial statement for 2023. Reclassifications in 2023 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 prepayment 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. Refer to note 27 for equipment acquired in the Guardian Geomatics transaction in 2023. 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 2024 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 2024 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 will not result in any impairment charge. An increase in WACC of 2 percentage points will not result in any additional impairment due to the short remaining lifetime of the assets. See 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 will not result in any impairment charge. An increase in WACC of 2 percentage points will not result in any additional impairment due to the short remaining lifetime of the assets.

Sensitivity on total fixed assets:

Drop in estimated revenue	Impairment charge on fixed assets (NOK 1000)
10 %	-
20 %	-
30 %	13 657

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 2024				
Opening net book amount	2 144	28 625	109 590	140 359
Additions	-	-	-	-
Addition from business combination (note 27)	-	-	-	-
Depreciation	(227)	(5 333)	-	(5 561)
Disposals/adjustments	-	-	-	-
Closing net book value	**1 917**	**23 292**	**109 590**	**134 798**
At 31 December 2024				
Cost 1.1.24	2 372	32 000	109 590	143 962
Additions	-	-	-	-
Addition from business combination (note 27)	-	-	-	-
Disposals/adjustments	-	-	-	-
Cost 31.12.24	**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 2024				
Accumulated depreciation 1.1.24	(228)	(3 375)	-	(3 603)
Depreciation	(227)	(5 333)	-	(5 561)
Accumulated depreciation 31.12.24	**(455)**	**(8 708)**	**-**	**(9 164)**
Accumulated impairment 1.1.24	-	-	-	-
Impairment	-	-	-	-
Accumulated impairment 31.12.24	**-**	**-**	**-**	**-**
Book value	**1 917**	**23 292**	**109 590**	**134 798**
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 the 2023 annual report for further information.

Research and development are related to development of software/equipment related to the company's ASUMO project. As of 31 December 2024 the group has net book values for R&D totalling NOK 1.9 million. Hours spent have been capitalized for personnel as well as other external consultants related to the development of equipment and software.

Impairment

Goodwill is assessed for impairment at the corporate level combined for all CGUs, and is based on a comparison between fair value and book value of equity (fair value less cost of disposal) . The fair value is calculated using the share price as of the balance sheet date. As of year end 2024, the fair value exceeds the book value of equity, and no impairment is thus recognised.

Notes

Note 16 - Trade receivables and other current receivables

(NOK 1000)	2024	2023
Invoiced receivables	417 009	149 209
Revenue recognised, not billed	234 070	164 958
Less: provision for impairment of trade receivables	-	-
Current portion trade receivables	**651 079**	**314 166**

Prepayments	23 564	15 370
Other receivable	41 621	26 535
Current portion other receivables	**65 184**	**41 904**
Non-current positions	-	-
The fair values of trade receivables are as follows:		
Invoiced receivables	417 009	149 209
Revenue recognised, not billed	234 070	164 958
Total trade receivables	**651 079**	**314 166**

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 receivables in 2023. In 2024 there has been no losses, but there are made provisions for impairment of receivables for 4,2 MNOK.

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
2024	417 009	268 685	82 748	19 487	37 389	8 700
2023	149 209	83 559	32 855	23 061	9 733	-

The main portion of overdue receivables has been paid after balance sheet date.

Trade receivables - Counterparty without external credit rating	2024	2023
Group 1	53 696	11 073
Group 2	354 760	138 136
Group 3	8 553	-
Total trade receivables	**417 009**	**149 209**

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	13 190	45 043
EUR	24 506	18 331
USD	355 851	62 679
GBP	23 462	22 490
AUD	-	666
Sum	**417 009**	**149 209**

Notes

Note 17 - Cash and cash equivalents

	2024	2023
Cash and cash equivalents in NOK	116 024	99 698
Cash and cash equivalents in USD	112 000	210 112
Cash and cash equivalents in EUR	21 889	74 977
Cash and cash equivalents in GBP	17 723	42 358
Cash and cash equivalents in AUD	9 559	7 652
Cash and cash equivalents in SGD	827	1 624
Cash and cash equivalents in SEK	-	1
Cash and cash equivalents, in total	**278 022**	**436 423**

The company also has restricted cash related to withheld tax of NOK 13.9 million in 2024 (2023: NOK 14.6 million). The Group has a bank overdraft agreement. As at 31.12.24 the Group had NOK 30 million in unused drawing rights.

Rating on banks for cash credit rating	2024	2023
AA+	18	16
A+	37 129	14 030
A-	240 876	422 365
BBB-	1	12
Total cash and cash equivalents	**278 022**	**436 423**

Notes

Note 18 - Share capital and information about shareholders

The 20 largest shareholders as of 31/12-2024		Number of shares	Ownership in per cent
1.	WILHELMSEN NEW ENERGY AS	52 136 636	18.4 %
2.	NORTH INDUSTRIES 1 AS	50 832 449	18.0 %
3.	SURVEY HOLDING AS	29 116 897	10.3 %
4.	Citibank, N.A.	11 602 262	4.1 %
5.	J.P. Morgan SE	8 111 614	2.9 %
6.	HOLME HOLDING AS	6 044 500	2.1 %
7.	JT INVEST AS	5 889 539	2.1 %
8.	NORMAND DRIFT AS	5 000 000	1.8 %
9.	Pershing LLC	3 940 843	1.4 %
10.	LION INVEST AS	3 769 928	1.3 %
11.	FJORD & ATOLL SOSYFR AS	3 654 482	1.3 %
12.	RARA AS	3 654 482	1.3 %
13.	Sbakkejord AS	3 654 482	1.3 %
14.	CACEIS Bank	3 650 000	1.3 %
15.	ALTEA AS	2 973 658	1.1 %
16.	Danske Invest Norge Vekst	2 538 712	0.9 %
17.	STAVA INVEST AS	2 193 426	0.8 %
18.	BARRUS CAPITAL AS	2 110 090	0.7 %
19.	RMS INVEST AS	2 000 000	0.7 %
20.	JAKOB HATTELAND HOLDING AS	2 000 000	0.7 %
Sum	**20 largest**	**204 874 000**	**72.5 %**
	The rest of shareholders	77 796 609	27.5 %
	Total number of shares	**282 670 609**	**100.0 %**

Reach Subsea's share capital amounts to NOK 282,670,609 divided into 282,670,609 shares, each with a nominal value of NOK 1. During 2024 the company has had the following changes in share capital:

Date	Description	Number of shares	Nominal value	Share capital
01/01/2024	Opening balance share capital	271 769 245	1,00	271 769 245
04/12/2024	Wilhelmsen New Energy exersise of warrants	9 886 364	1,00	281 655 609
10/12/2024	Employee share option program exercise	1 015 000	1,00	282 670 609

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 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. In the event of any distribution to the company's shareholders by way of dividend payment, share capital reduction or share premium fund reduction, the subscription price is adjusted correspondingly. The effect of such adjustments is that the number of warrants is adjusted so that the aggregate number of warrants gives a total consideration as close as possible to the total consideration for which the investor could acquire shares pursuant to the warrants prior to the relevant adjustment.

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.

On 4 December 2024 Wilhelmsen New Energy AS exercised 9,886,364 out of its total warrants of 54,593,737. As of 31 December 2024 Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,844,009.

Notes

Note 19 - Share based payments

During 2024 the company has had two active stock option progammes. Stock option program 1 expired in December 2024, see below for further details. Stock option program 2 was established in 2024 and is active as of 31 December 2024, see below for further information.

Stock option program 1

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 was granted the right to acquire up to a certain maximum number of shares in the Company at a fixed strike price. 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 have been vested with 1/3 each year, over a period of three years until 31.12.2024. The options were 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:

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

As of 31 December 2024 the stock option program is expired. During the 2024 the company has recognised NOK 1.3 million in cost related to the options (including social security tax).

Stock option program 2

In 2024 the Board of Directors of Reach Subsea ASA decided to 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 options have an exercise period of 6 months after vesting date. Agreed performance period started 15 April 2024.

The fair value at grant date was determined using the Monte Carlo valuation method. The most significant inputs and assumptions in determining fair value at grant date was:

Exercise price: NOK 1.0
Expected volatility: 40.14 %
Total grant date value: NOK 55 million
Share price at grant date: NOK 5.96
Risk free interest rate: 3.172 %

As of 31 December 2024 the stock option program is active. During 2024 the company has recognised NOK 7.1 million in cost related to the options (including social security tax).

Notes

Note 19 - Share based payments

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

	2024		2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At 1 January	2.64	975 000	2.82	2 000 000
Granted share option program 1	2.64	150 000	-	-
Granted share option program 2	1.00	12 840 000	-	-
Forfeited	-	-		
Exercised*	2.28	1 125 000	2.64	850 000
Expired	-	-	-	175 000
At 31 December	1.00	12 840 000	2.64	975 000

*The initial exercise price of 3.0 were adjusted for dividends paid in 2022, 2023 and 2024, making the actual exercise price 2.64 in 2023 and 2.28 in 2024. Participants in the incentive program may elect to have up to 50% of their options settled in cash to finance any potential tax expenses. Out of the exercised 1,125,000 options in 2024, 1,015,000 was setled in shares, while the remaining 110,000 options was settled in cash. The group has recognised NOK 8.4 million (including social security tax) in cost related to the options in 2024 (2023: NOK 1.1 million).

Other share based payments

In November 2023 Reach Subsea acquired Guardian Geomatics Ply Ltd including its subsidiary Guardian Geomatics Pte Ltd, "Guardian Geomatics". The agreement with the sellers included a bad leaver clause for certain key personell within Guardian Geomatics. The clause was related to the consideration shares and is threated as share-based payments according to IFRS 2. The adjustment was 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). Refer to note 27 for further information regarding the transaction. The group has recognised NOK 14.6 million in cost related to the bad leaver clause in 2024 (2023: NOK 2 million).

Summary of IFRS 2 share-based payments and effect on equity

(NOK 1000)	2024	2023
Stock option program 1	686	880
Stock option program 2	5 822	-
Bad leaver clause Guardian Geomatics	14 616	2 018
Total	**21 124**	**2 897**

Note 20 - Other current liabilities

(NOK 1000)	2024	2023
Accruals	202 141	141 175
Accrued salaries and benefits	46 538	50 549
Witholding taxes	633	631
Other taxes payable	6 144	5 227
Accrued interests	5	15
Other	13 498	8 601
Other current liabilities, in total	**268 957**	**206 197**

Other consists mainly of incurred operational expenses and periodic maintenance not yet invoiced at year end.

Notes

Note 21 - Classification of financial assets and liabilities

2024 (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 income	Fair value
Financial assets				
Trade receivables	651 079	-	-	651 079
Other receivables	41 620	-	-	41 620
Cash and cash equivalents	278 022	-	-	278 022
Assets, in total	**970 721**	**-**	**-**	**970 721**
Financial liabilities				
Borrowings (long & short term interest bearing debt)	1 556 861	-	-	1 556 861
Trade payables	243 021	-	-	243 021
Other current liabilities	268 957	-	-	268 957
Liabilities, in total	**2 068 839**	**-**	**-**	**2 068 839**

Notes

Note 21 - Classification of financial assets and liabilities - continued

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 income	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 liabilities				
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
Liabilities, in total	**1 671 531**	**-**	**-**	**1 671 531**

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 equivalents 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 2024

Remaining contractual maturities	0-180 days	180 d-1 year	1-3 years	> 3 years	Total
Trade payables	243 021	-	-	-	**243 021**
Other current liabilities	268 957	-	-	-	**268 957**
Interest-bearing debt to credit institutions	11 410	11 586	43 010	78 584	**144 590**
Interest-bearing debt, leases	379 287	411 799	527 772	93 413	**1 412 271**
Interest on interest-bearing debt to credit institutions	5 186	5 010	18 167	15 152	**43 516**
Interest on interest-bearing debt, leases	47 719	33 535	43 901	5 001	**130 156**
Financial liabilities, in total	**938 268**	**454 727**	**642 960**	**206 556**	**2 242 511**

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	11 410	11 586	16 967	40 422	**67 594**
Interest-bearing debt, leases	379 287	411 799	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**

Notes

Note 21 - Classification of financial assets and liabilities - continued

	2024		2023	
Changes in interest-bearing debt:	**Interest bearing debt, leases**	**Interest bearing debt to credit institutions**	**Interest bearing debt, leases**	**Interest bearing debt to credit institutions**
Opening balance	1 191 967	67 594	102 970	28 018
Repayment incl interest	(783 016)	(9 729)	(627 846)	(23 300)
Interest-bearing debt from acquisition of Guardian Geomatics (note 27)				219
Proceeds from bank loan		55 000		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	
Addition IFRS 16 lease liability throughout the year	830 772	31 725	1 656 186	-
Adjustment IFRS 16 lease liability	(403)	-	(2 094)	-
Currency adjustment	59 957	-	(12 685)	-
Accrued interest	112 994	-	74 892	-
Closing balance	**1 412 271**	**144 589**	**1 191 967**	**67 594**

Distribution non-current and current debt	**2024**	**2023**
Non-current interest-bearing debt to credit institutions	121 593	57 418
Non-current interest-bearing debt, leases	621 185	805 931
Current interest-bearing debt to credit institutions	22 996	10 176
Current interest-bearing debt, leases	791 086	386 036
Closing balance	**1 556 861**	**1 259 561**

Notes

Note 22 - Borrowings

(NOK 1000)	2024	2023
Non current		
Bank borrowings	67 538	24 623
Lease liabilities to credit institutions (IFRS 16)	54 055	32 795
Other lease liabilities (IFRS 16)	621 185	805 931
Total	**742 780**	**863 350**
Current		
Bank borrowings	14 156	5 817
Lease liabilities to credit institutions (IFRS 16)	8 840	4 358
Other lease liabilities (IFRS 16)	791 086	386 036
Total	**814 082**	**396 211**
Total borrowings	**1 556 861**	**1 259 561**

'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 were 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 instalments/ 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 2024 the liquidity position (ex. overdraft facility) is 278,0 million, the Debt service Coverage Ratio is 5.7, and Booked equity NOK 1 092 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 81.7 million (2023: NOK 30.4 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)	2024	2023	2024	2023
Bank borrowings	81 695	30 440	81 695	30 440
Lease liabilities to credit institutions (IFRS 16)	62 895	37 153	62 895	37 153
Other lease liabilities (IFRS 16)	1 412 271	1 191 967	1 412 271	1 191 967
Total	**1 556 861**	**1 259 560**	**1 556 861**	**1 259 560**

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)	2024	2023
Gross lease liabilities - minimum lease payments		
No later than 1 year	8 840	4 358
Later than 1 year and no later than 5 years	54 055	32 795
Later than 5 years	-	-
Total instalments on lease liabilities	**62 895**	**37 153**
Future finance charges on finance lease liabilities	15 331	10 751
Total instalments and finance charges on lease liabilities	78 226	47 904

Refer to note 14 Property, plant and equipment 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 2024 is NOK 7.2 million, whereof NOK 1.1 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 449 million. As of December 31 2024 the company has capitalized NOK 333 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 65 million. The ROVs will be recognised in the balance sheet at commencement date.

Besides the Reach Remote project, Reach has taken multiple steps to secure vessel capacity at competitive terms during 2024. The additions to Right of use assets and liabilities in 2024 include the vessels Olympic Taurus, Northern Maria, Offshore Surveyor and Havila Subsea (extension).

Investments associated with these vessels and other capex projects is expected to amount to approximately NOK 224.4 million, and encompass equipment, upgrades and mobilization activities for vessels. As of December 31 2024 remaining investments related to these investments is estimated to NOK 78 million. Reach has secured bank and lease financing of NOK 67 million to partly fund these investments.

Reach Subsea also has increased its vessel capacity going forward by signing five-year charter contracts for two Agalas vessels. Agalas 1 is expected being delivered early 2026 and will increase interest-bearing debt with an estimated amount of NOK 414 million at commencement date. Agalas 2 is expected being delivered during 2027 and will increase interest-bearing debt with an estimated amount of NOK 427 million at commencement date. Please note that the figures are based on estimates and are subject to change.

Refer to note 28 for further information regarding the agreement on the Agalas vessel being delivered in 2027.

Notes

Note 24 - Leases (Group as a lessee)

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

As of December 31 2024, 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 01.01.2024	1 163 222	805 931	386 036
Additions	830 772	-	830 772
Adjusted commitment	(197)	(206)	-
Depreciation	(724 159)	-	-
Interests	-	-	112 798
Re-classed from short to long term	-	(184 539)	184 539
Currency adjustments	-	-	59 957
Payments	-	-	(783 016)
Ending balance 31.12.2024	**1 269 637**	**621 185**	**791 086**

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 01.01.2023	90 258	4 310	98 660
Additions	1 656 186	-	1 656 186
Additions from business combination (note 27)	517		545
Adjusted commitment	(2 094)	(2 094)	-
Depreciation	(581 645)	-	-
Interests	-	-	74 892
Re-classed 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**

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	2024	2023
Amounts due for settlement within 12 months	791 086	386 036
Amounts due for settlement after 12 months (present value)	621 185	805 931
Total	**1 412 271**	**1 191 967**
Maturity analysis		
Not later than 1 year	791 086	386 036
Later than 1 year and not later than 5 years	621 185	788 312
Later than 5 years	-	17 619
Total instalments	**1 412 271**	**1 191 967**
Future finance charges	130 156	167 196
Total instalments and finance charges	**1 542 427**	**1 359 163**
Currency overview		
Lease liabilities in NOK	599 403	672 377
Lease liabilities in USD	635 114	518 518
Lease liabilities in EUR	136 061	-
Lease liabilities in GBP	5 952	662
Lease liabilities in SGD	-	18
Lease liabilities in AUD	35 963	408
Total	**1 412 271**	**1 191 967**

Notes

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

Reconciliation of depreciation	2024	2023
Depreciations of long term right- of use assets	625 764	429 015
Depreciations of short term right- of use assets (Pay as you go contracts)	98 396	152 630
Depreciations of other assets (Note 14 and 15)	81 984	41 360
Total depreciations	**806 143**	**623 005**

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 right-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.

	2024			2023		
Contract with customers:	Oil & Gas	Renewable/ other	Total	Oil & Gas	Renewable/ other	Total
Revenue from contracts with customers	1 774 661	942 363	2 717 024	1 248 277	633 588	1 881 865
Revenue from other contracts	-	-	-	84 719	-	84 719
Segment revenue	**1 774 661**	**942 363**	**2 717 024**	**1 332 996**	**633 588**	**1 966 584**
Timing of revenue recognition						
At a point in time	-	-	-	-	-	-
Over time	1 774 661	942 363	2 717 024	1 332 996	633 588	1 966 584
Sum	**1 774 661**	**942 363**	**2 717 024**	**1 332 996**	**633 588**	**1 966 584**

Assets and liabilities related to contracts with customers

The Group do not have any contract asset or liabilities per 31.12.2024.

Revenue by country (NOK 100)	2024	2023
Norway	841 035	412 117
UK	607 487	225 181
US	497 248	33 636
Australia	150 576	29 002
Brazil	147 748	244 141
SaudiArabia	108 240	56
Germany	106 546	27 744
Netherlands	87 213	309 070
France	66 460	127 595
Italy	52 763	-
Malaysia	16 971	-
Sweden	13 948	3 446
Taiwan(ProvinceofChina)	10 594	-
Denmark	9 119	1 001
Bangladesh	951	-
IvoryCoast	90	440 748
Greece	34	5 342
Singapore	-	53 890
Egypt	-	31 483
Finland	-	22 030
TrinidadogTobago	-	95
Malta	-	7
Total	**2 717 024**	**1 966 584**

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)	2024	2023
Opening balance carrying amount of investments in associates	113 452	-
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	19	(23)
Share of net result in investment, Eidesvik Reach AS	13 750	16 714
Share of net result in investment, Guardian Geomatics Arabia Limited	-	-
Total carrying amount of investments in associates at balance date	**127 221**	**113 452**

Specification of net result from investment in associates recognised in the income statement (NOK 1000	2024	2023
Share of net result in investment, Eidesvik Reach AS	13 750	16 714
Share of net result in investment, Guardian Geomatics Arabia Limited	-	-
Net result from investments in associates	**13 750**	**16 714**

Significant associates

Financial figures for the associated company Eidesvik Reach AS (unaudited) (NOK 1000)	2024	2023
Revenues	134 578	100 583
Operating result	81 082	41 782
Pre-tax profit	**27 680**	**33 778**
Liquidity	14 080	29 827
Net working capital	13 487	14 571
Equity	252 697	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 head office 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

2024

The group has not made any transactions related to business combinations in 2024. In 2023 the group acquired Guardian Geomatics and a preliminary purchase price allocation was made at the time of the acquisition. No changes have been made on the preliminary purchase price allocation in 2024, and the allocation is considered final.

2023

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 was consolidated into our Group accounts as per November 15 2023. The transaction was closed November 2023.

A preliminary purchase price allocation (PPA) was performed and all identified assets and liabilities was measured at their acquisition date fair values in accordance with the requirements of IFRS 3. The agreed purchase price was NOK 116.3 million. Adjusted for interim period adjustments and working capital, the total consideration is estimated to NOK 119.4 million. The PPA presented below is based on the PPA on the acquisition date. No updates to the initial PPA have been made.

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

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

1. The agreement with the sellers included a bad leaver clause for certain key personnel within Guardian Geomatics. The clause is related to the consideration shares and is treated as share-based payments according to IFRS 2. The adjustment was 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 was due on November 15 2024 and were discounted with an interest rate of 7.5 %.
3. The consideration shares were 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 associated companies	1 129
Property, plant and equipment	2 857
Fair value adjustments property, plant and equipment	34 000
Right of use assets	517
Trade receivables	17 853
Fair value adjustments customer relationships	22 000
Other receivables	11 901
Cash and cash equivalents	27 652
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. The goodwill primarily arises from market access and sales opportunities/cross-selling.

Acquired receivables

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

Revenue and profit contribution

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

If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the year ended 31 December 2023 would have been NOK 2,115 million (increase NOK 119 million) and NOK 227 million (increase NOK 2 million) respectively. Note that this pro forma profit include NOK 16.1 million of share based payment expense for a full year.

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.

No changes have been made on the preliminary purchase price allocation in 2024, and the allocation is considered final.

Notes

Note 28 - Subsequent events

New contracts

During the first quarter of 2025 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.

Proposed dividends

The Board proposed a dividend of NOK 0.42 per share, in accordance with the company's dividend policy, to be resolved on the AGM on 28 May 2025.

	2024	2023
Dividend per share (NOK)	0.42	0.36
Total number of shares	327 377 982	271 769 245
Dividends in total (NOK 1000)	**137 499**	**97 837**

*The proposed dividends for 2024 are based on total number of shares after the exercise of outstanding warrants i March 2025 (further described below).

Strategic partnership

On 20 February 2025 Reach Subsea, in partnership with Eidesvik Offshore and Agalas, signed a contract for a new, modern IMR/Survey vessel. The vessel will be jointly owned, with Reach Subsea holding a one-third stake and an entity owned by Eidesvik and Agalas, controlled by Eidesvik, holding the remaining two-thirds. The vessel is scheduled for delivery in spring 2027. Reach Subsea's equity investment is estimated to NOK 125 million, and is planned to be financed through existing cash reserves and operational cash flow. Additionally, Reach Subsea has signed a five-year charter for the vessel, with options for two one-year extensions, starting upon delivery. Eidesvik will manage the vessel.

Exercise of outstanding warrants

On 5 March 2025 Wilhelmsen New Energy AS exercised its remaining 44,707,373 warrants with a strike of NOK 3.28 per share in Reach Subsea ASA. The exercise of warrants will provide the company with approximately NOK 147 million in new equity to finance its growth initiatives, and increases Wilhelmsen’s ownership to approximately 30% of the share capital and votes. Following the exercise, Wilhelmsen no longer holds any remaining warrants in the Company. Following the increase in capital, the companys share capital will be 327,377,982 divided into 327,377,982 shares.

Financial Statements

Reach Subsea ASA Parent Company

Income statement Reach Subsea ASA

(NOK 1000)	2024	2023	Notes
Operating income and costs			
Revenue	26 444	21 157	1, 2
Total operating income	**26 444**	**21 157**	
Payroll expenses	27 608	20 780	3, 4
Other operating expenses	8 000	6 514	1, 2, 4
Operating expenses	**35 608**	**27 294**	
Operating profit	**(9 164)**	**(6 138)**	
Financial income and costs			
Other interest income	6 203	21	
Interest income from group companies	29 460	18 869	
Other financial income	0	12 487	5
Financial income	**35 663**	**31 377**	
Interest expenses to group companies	6 056	-	
Other financial expenses	2	41	
Financial cost	**6 059**	**41**	
Profit (loss) before tax	**20 441**	**25 198**	
Taxes	(5 501)	(4 615)	6
Profit (loss) for the year	**14 939**	**20 582**	
Brought forward			
Proposed dividend	137 499	97 837	
To/(from) other equity	(122 560)	(77 255)	
Total brought forward	**14 939**	**20 582**	

Balance sheet Reach Subsea ASA

(NOK 1000)	2024	2023	Notes
Non current assets			
Deferred tax assets	219	10	6
	219	**10**	
Financial fixed assets			
Investments in subsidiaries	343 271	341 328	7
Total financial fixed assets	**343 271**	**341 328**	
Total non-current assets	**343 490**	**341 338**	
Current assets			
Receivables from group companies	368 306	435 991	8, 9
Other receivables	613	486	
Total debtors	**368 919**	**436 477**	
Cash and bank deposits	169 528	352 935	10
Total current assets	**538 447**	**789 412**	
Total assets	**881 938**	**1 130 750**	

Balance sheet Reach Subsea ASA, continued

(NOK 1000)	2024	2023	Notes
Equity			
Restricted equity			
Share capital	282 671	271 769	11, 12
Share premium	307 127	399 338	11
Total restricted equity	**589 797**	**671 107**	
Other equity	-	-	11
Total retained earnings	**-**	**-**	
Total equity	**589 797**	**671 107**	
Short term liabilities			
Accounts payable	1 266	3 853	9
Taxes payable	5 712	-	6
Public duties payable	2 499	3 947	
Proposed dividend	137 499	97 837	
Payables to group companies	133 222	347 677	9
Other short term liabilities	11 942	6 327	
Total short term liabilities	**292 141**	**459 641**	
Total liabilities	**292 141**	**459 641**	
Total equity and liabilities	**881 938**	**1 130 750**	

Haugesund, 08. April 2025

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

Cash Flow Reach Subsea ASA

(NOK 1000)	2024	2023	Notes
Cash flow from operating activities			
Profit (loss) before taxes	20 441	25 198	
Interest income	(35 663)	(18 890)	
Interest expense	6 056	-	
Group contribution	-	(12 001)	
Change in accounts payables	(2 588)	586	
Change in other provisions	1 739	2 900	
Net cash flow from operations	**(10 015)**	**(2 206)**	
Cash flow from investments			
Loan to/from subsidiaries	(116 499)	(55 772)	9
Investment in subsidiaries	-	174	
Net cash flow from investments	**(116 499)**	**(55 598)**	
Financing			
Net interest paid/received	6 203	-	
Paid dividend	(97 837)	(45 981)	
Net proceeds from share issues	34 741	123 040	11
Net cash flow from financing activities	**(56 892)**	**77 059**	
Net cash flow for the year	**(183 407)**	**19 255**	
Cash and cash equivalent 1/1	352 935	16 198	
Cash and cash equivalent at the time of establishment of group cash pool accounts	-	317 483	9
Cash and cash equivalent 31/12	**169 528**	**352 935**	

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 period.

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 2024 the Company's turnover was NOK 26.4 million (NOK 21.2 million in 2023). Both in 2024 and in 2023 activity has been limited to management fees to the Group companies.

Note 3 - Options

During 2024 the company has had two active stock option programmes. Stock option program 1 expired in December 2024, see below for further details. Stock option program 2 was established in 2024 and is active as of 31 December 2024, see below for further information.

Stock option program 1

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 was granted the right to acquire up to a certain maximum number of shares in the Company at a fixed strike price. 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 have been vested with 1/3 each year, over a period of three years until 10.12.2024. The options were non-tradable and conditional upon the participant being employed by the Reach Subsea-group at the vesting date. The stock option plan constituted a maximum of 3.000.000 options equivalent to a similar number of Reach Subsea ASA shares.

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

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

As of 31 December 2024 the stock option program is expired. During the 2024 the company has recognised NOK 0.8 million in cost related to the options (including social security tax).

Notes Reach Subsea ASA

Note 3 - Options - continued

Stock option program 2
In 2024 the Board of Directors of Reach Subsea ASA decided to 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 options have an exercise period of 6 months after vesting date. Agreed performance period started 15 April 2024.

The fair value at grant date was determined using the Monte Carlo valuation method. The most significant inputs and assumptions in determining fair value at grant date was:

Exercise price: NOK 1.0
Expected volatility: 40.14 %
Total grant date value: NOK 55 million
Share price at grant date: NOK 5.96
Risk free interest rate: 3.172 %

As of 31 December 2024 the stock option program is active. During 2024 the company has recognised NOK 4.4 million in cost related to the options (including social security tax).

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

	2024		2023	
(NOK 1000)	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
At 1 January	2.64	975 000	2.82	2 000 000
Granted share option program 1	2.64	150 000	-	-
Granted share option program 2	1.00	12 840 000	-	-
Forfeited	-	-		
Exercised*	2.28	1 125 000	2.64	850 000
Expired	-	-	-	175 000
At 31 December	**1.00**	**12 840 000**	**2.64**	**975 000**

*The initial exercise price of 3.0 were adjusted for dividends paid in 2022, 2023 and 2024, making the actual exercise price 2.64 in 2023 and 2.28 in 2024. Participants in the incentive program may elect to have up to 50% of their options settled in cash to finance any potential tax expenses. Out of the exercised 1,125,000 options in 2024, 1,015,000 was setled in shares, while the remaining 110,000 options was settled in cash. The company has recognised a total of NOK 5.2 million (including social security tax) in cost related to the options in 2024 (2023: NOK 1.1 million). Note that the calculated options cost, for the year, related to employees in subsidiaries of Reach Subsea ASA are recognised in the balance sheet of Reach Subsea ASA as an investment in subsidiary.

Notes Reach Subsea ASA

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

(NOK 1000)	2024	2023
Payroll expenses		
Salaries and wages including holiday allowance	14 446	13 136
Social security fees	3 211	3 309
Pension expenses	540	499
Option cost	5 259	1 152
Other remuneration	4 153	2 683
Total	**27 608**	**20 780**
Number of man-year	5	5

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

(NOK 1000)	2024	2023
Remuneration to executives	**General manager**	**Board**
Salaries/board fee	2 385	2 251
Pension expenses	105	-
Other remuneration	703	-
Share options vested during the year	150	
Share options to be vested	1 800	-

Other remuneration consists of bonus, reported gains on exercised options, and other benefits. Refer to note 3 for further information regarding share based payments.

Expensed audit fee	2024	2023
Statutory audit (incl. technical assistance with financial statements)	1 405	1 166
Other assurance services	67	119
Tax advisory fee (incl. technical assistance with tax return)	105	463
Other assistance	118	1 484
Advisory fee booked to equity		
Total audit fees	**1 695**	**3 232**

VAT is not included in the audit fee.

Notes Reach Subsea ASA

Note 5 - Other financial income

(NOK 1000)	2024	2023
Foreign exchange income	0	486
Group contribution from Reach Subsea AS	-	12 001
Other financial income	**0**	**12 487**

Note 6 - Taxes

Calculation of deferred tax/deferred tax benefit (NOK 1000)	2024	2023
Temporary differences		
Non-current assets	(30)	(37)
Other temporary differences	(997)	-
Net temporary differences	(997)	(37)
Tax losses carried forward	0	0
Basis for deferred tax	**(997)**	**(37)**
Deferred tax asset	(219)	(8)
Deferred tax asset not shown in the balance sheet	-	-
Deferred tax in the balance sheet	**(219)**	**(8)**

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. Unrecognised 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)	2024	2023
Result before taxes	20 441	25 198
Group contribution recognised	-	-
Basis for the tax expense for the year	**20 441**	**25 198**
Change in temporary differences	959	(9)
Permanent differences	4 566	(4 375)
Basis for payable taxes in the income statement	**25 965**	**20 813**
+/- Group contributions received/given	-	-
Use of tax losses carried forward	-	(20 813)
Taxable income (basis for payable taxes in the balance sheet)	**25 965**	**-**
Components of the income tax expense		
Payable tax on this year's result	5 712	-
Adjustment in respect of priors	-	-
Total payable tax	**5 712**	**-**
Change in deferred tax	(211)	4 615
Tax expense	**5 501**	**4 615**
Payable taxes in the balance sheet		
Payable tax in the tax charge	5 712	-
Tax effect of group contribution	-	-
Payable tax in the balance sheet	**5 712**	**-**

Notes Reach Subsea ASA

Note 7 - Subsidiaries, associated companies and joint venture

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

Subsidiaries	Location	Ownership/ voting right	Equity (100 %)	Result (100 %)	Balance sheet value
Reach Subsea AS	Haugesund	100 %	590 655	203 563	343 271

Note 8 - Debtors and liabilities

Receivables	2024	2023
Trade debtors at nominal value from external parties	-	0
Receivables at nominal value from group companies	368 306	435 991
Bad debts provision	-	-
Receivables in the balance sheet	**368 306**	**435 991**
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)	2024	2023	2024	2023
Group companies	368 306	435 991	-	
Associated companies	-	-	-	-
Joint ventures	-	-	-	-
Total	**368 306**	**435 991**	**-**	**-**

The balances as of 31.12.24 includes group contributions of NOK 0 million (2023: 12.0 million).

	Current liabilities		Non-current liabilities	
(NOK 1000)	2024	2023	2024	2023
Group companies	133 222	347 677	-	-
Associated companies	-	-	-	-
Joint ventures	-	-	-	-
Total	**133 222**	**347 677**	**-**	**-**

Current liability to group companies in 2024 and 2024 are related to cash pool agreement established in 2023.

Note 10 - Restricted bank deposits, overdraft facilities

Restricted bank deposits (NOK 1000)	2024	2023
Withheld employee taxes	1 275	2 474

Note 11 - Shareholder’s equity

Equity changes in the year (NOK 1000)	Share capital	Share premium	Other equity	Total
Equity 01.01.	271 769	399 338	-	671 107
Profit for the year	-	-	14 939	14 939
Share issue	10 901	23 840		34 741
Share issue, not registered	-	-		-
Proposed dividend	-	(122 560)	(14 939)	(137 499)
Employee share-based cost*	-	6 508		6 508
Equity 31.12.	**282 671**	**307 127**	**-**	**589 797**

*The share based cost consists of the following:

Share-based cost related to Reach Subsea ASA employees	4 565
Share-based cost related to employees in subsidiaries	1 943
Total	**6 508**

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	18.4 %
NORTH INDUSTRIES 1 AS	50 832 449	18.0 %
SURVEY HOLDING AS	29 116 897	10.3 %
CITIBANK, N.A.	11 602 262	4.1 %
J.P. MORGAN SE	8 111 614	2.9 %
HOLME HOLDING AS	6 044 500	2.1 %
JT INVEST AS	5 889 539	2.1 %
NORMAND DRIFT AS	5 000 000	1.8 %
PERSHING LLC	3 940 843	1.4 %
LION INVEST AS	3 769 928	1.3 %
FJORD & ATOLL SOSYFR AS	3 654 482	1.3 %
RARA AS	3 654 482	1.3 %
Sbakkejord AS	3 654 482	1.3 %
CACEIS Bank	3 650 000	1.3 %
ALTEA AS	2 973 658	1.1 %
DANSKE INVEST NORGE VEKST	2 538 712	0.9 %
STAVA INVEST AS	2 193 426	0.8 %
BARRUS CAPITAL AS	2 110 090	0.7 %
RMS INVEST AS	2 000 000	0.7 %
JAKOB HATTELAND HOLDING AS	2 000 000	0.7 %
20 largest	**204 874 000**	**72.5 %**
The rest of shareholders	77 796 609	27.5 %
Total number of shares	**282 670 609**	**100.0 %**

Reach Subsea's share capital amounts to NOK 282,670,609 divided into 282,670,609 shares, each with a nominal value of NOK 1. During 2024 the company has had the following changes in share capital:

Date	Description	Number of shares	Nominal value	Share capital
01/01/2024	Opening balance share capital	271 769 245	1,00	271 769 245
04/12/2024	Wilhelmsen New Energy exersise of warrants	9 886 364	1,00	281 655 609
10/12/2024	Employee share option program exercise	1 015 000	1,00	282 670 609

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 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. In the event of any distribution to the company's shareholders by way of dividend payment, share capital reduction or share premium fund reduction, the subscription price is adjusted correspondingly. The effect of such adjustments is that the number of warrants is adjusted so that the aggregate number of warrants gives a total consideration as close as possible to the total consideration for which the investor could acquire shares pursuant to the warrants prior to the relevant adjustment.

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.

On 4 December 2024 Wilhelmsen New Energy AS exercised 9,886,364 out of its total warrants of 54,593,737. As of 31 December 2024 Wilhelmsen New Energy AS have a combined holding of shares and warrants of 96,844,009.

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.

	2024	2023
Profit (loss)	14 939	20 582
Profit (loss) per share (NOK)	0.06	0.08
Diluted profit (loss) per share (NOK)	0.05	0.08
Average number of shares	264 415 130	252 610 567
Average diluted number of shares	301 390 931	256 131 566
Number of shares 1/1	271 769 245	225 725 928
Number of shares 31/12	282 670 609	271 769 245

Note 14 - Subsequent events

The Board proposed a dividend of NOK 0.42 per share, in accordance with the company's dividend policy, to be resolved on the AGM on 28 May 2025.

Proposed dividends	2024	2023
Dividend per share (NOK)	0.42	0.36
Total number of shares	327 377 982	271 769 245
Dividends in total (NOK 1000)	**137 499**	**97 837**

*The proposed dividends for 2024 are based on total number of shares after the exercise of outstanding warrants i March 2025 (further described below).

Note 14 - Subsequent events - continued

Strategic partnership

On 20 February 2025 Reach Subsea, in partnership with Eidesvik Offshore and Agalas, signed a contract for a new, modern IMR/Survey vessel. The vessel will be jointly owned, with Reach Subsea holding a one-third stake and an entity owned by Eidesvik and Agalas, controlled by Eidesvik, holding the remaining two-thirds. The vessel is scheduled for delivery in spring 2027. Reach Subsea's equity investment will be financed through existing cash reserves and operational cash flow. Additionally, Reach Subsea has signed a five-year charter for the vessel, with options for two one-year extensions, starting upon delivery. Eidesvik will manage the vessel.

Exercise of outstanding warrants

On 5 March 2025 Wilhelmsen New Energy AS exercised its remaining 44,707,373 warrants with a strike of NOK 3.28 per share in Reach Subsea ASA. The exercise of warrants will provide the company with approximately NOK 147 million in new equity to finance its growth initiatives, and increases Wilhelmsen’s ownership to approximately 30% of the share capital and votes. Following the exercise, Wilhelmsen no longer holds any remaining warrants in the Company.
Following the increase in capital, the companys share capital will be 327,377,982 divided into 327,377,982 shares.

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 2024, the income statement and cash flow 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 2024, 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 2024, 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 2024, 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 Reach Subsea ASA for 13 years from the election by the general meeting of the shareholders on 18 December 2012 for the accounting year 2012, with a renewed election 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. *Accounting for leases* has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

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Key Audit Matters	How our audit addressed the Key Audit Matter
Accounting for leases	
The high activity level during 2024 has resulted in a continued high need for vessels and ROVs, which management has secured through leasing. Management uses both short- and long-term leases of vessels and ROVs, depending on the current needs of the operations. The leases are capitalised as right-of-use assets and depreciated under IFRS 16. In 2024, the statement of comprehensive income reflects a total impact of NOK 724 159 thousand in depreciation of right-of-use assets, NOK 112 798 thousand in interest cost and NOK 59 957 thousand in currency adjustments. At 31 December 2024, the statement of financial position reported a carrying value of right-of-use assets of NOK 1 269 637 thousand and a total lease liability of NOK 1 412 271 thousand. The high level of leasing requires management to prepare accurate and, to a degree, complex calculations to recognise assets and liabilities. This implies, in itself, an inherent risk of material errors in the financial statements. We focused on this area due to the pervasive effect on the financial statements, the level of complexity and the use of management judgement. Refer to note 24 to the consolidated financial statements for further details accounting for leases.	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 the 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. We evaluated the appropriateness of the related disclosures in note 24 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

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Auditors report

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

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

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.
- 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.

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- 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-2024-12-31-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.

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, 8 April 2025
PricewaterhouseCoopers AS

Arne Birkeland
State Authorised Public Accountant

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