

NRC Group acquires Segermo with settlement in shares and cash financed by an underwritten private placement and finalizes the previously announced acquisitions of Litz and Elektrobyggnad

Oslo, 9 November 2015

In summary:

- NRC Group ASA ("NRC Group" or the "Company") acquires the rail groundwork contractor Segermo Entreprenad Aktiebolag ("Segermo") for SEK 224.7 million settled with SEK 100 million in consideration shares with the remainder in cash (the "Acquisition")
- The net cash position of Segermo as of 30 September 2015 was SEK 32 million, resulting in an enterprise value of Segermo of approximately NOK 193 million
- In order to finance the cash component of the Acquisition and to raise additional equity for the further development of the Company, NRC Group intends to effect a private placement of new shares and shares held in treasury with target gross proceeds of up to NOK 185 million (the "Private Placement") of which approximately NOK 111 million, representing 10% of the outstanding capital, is underwritten by several existing shareholders, including Datum and Urbex Invest AS, as well as new external investors
- The price in the Private Placement, which is expected to be executed during week 46, has been set to NOK 40.00 per share
- NRC Group has entered into final transaction documents for the previously announced acquisitions of Litz Entreprenad AB ("Litz") and Elektrobyggnad Sverige AB ("Elektrobyggnad") with expected completions later today
- NRC Group will hold a presentation of its acquisition of Segermo and present its Q3 2015 report today at 12:30 at Hotel Continental

NRC Group is a fully integrated rail infrastructure contractor covering the Norwegian and Swedish market. The acquisitions of Segermo, Litz and Elektrobyggnad will further strengthen the Company's competitive position within the railway sector.

Kristian G. Lundkvist, Chairman of the Board of NRC Group, comments:

"We are very satisfied to announce the acquisition of Segermo, financed by an underwritten private placement. Segermo will complement our business and make us a fully integrated rail infrastructure company in Sweden - as we already are in Norway. This will enable us to undertake larger projects and further strengthen our ability to increase our market share in a growing market."

Acquisition of Segermo and underwritten Private Placement

NRC Group has entered into a binding agreement with the shareholder of Segermo to acquire the shares of Segermo Entreprenad Aktiebolag, and indirectly Segermo Väst Aktiebolag, for a total consideration of SEK 224.7 million. As per 30 September 2015, Segermo had a net cash position of SEK 32 million. The Acquisition will be financed by payment in cash of SEK 124.7 million and SEK 100 million in new shares in the Company at a price per share equal to the price set in the Private Placement (the "Consideration Shares"). The Consideration Shares will be subject to a lock-up period of 18 months.

The seller of Segermo, Segermo Holding Aktiebolag, has guaranteed a minimum EBITDA in 2015 of SEK 40 million. In the event Segermo delivers a lower 2015 EBITDA than SEK 40 million, the seller has an obligation to pay to the buyer a cash amount equal to the shortfall in EBITDA on a SEK by SEK basis. The seller has given a corresponding EBITDA guarantee for 2016, however, upwards limited to

SEK 10 million. SEK 10 million of the SEK 124.7 million cash consideration will be placed in escrow at closing as security for the 2016 EBITDA guarantee.

In order to finance the cash component of the Acquisition, NRC Group has secured underwriting commitments from several existing shareholders, including Datum AS and Urbex Invest AS, as well as new investors of institutional capacity (the "Underwriters") for a fully underwritten new share issue of 2,770,000 new shares (representing 10% of the capital of the Company after the closing of the acquisitions of Litz and Elektrobyggnad). The Company will also offer 250,000 existing shares held in treasury, which together with the fully underwritten new share issue described above constitutes Tranche 1 of the Private Placement ("Tranche 1"). In addition, the Company is considering offering up to 1,605,000 additional new shares in a Tranche 2 of the Private Placement ("Tranche 2") to raise additional equity for the further development of the Company. The price in the Private Placement, which is expected to be executed during week 46, has been set to NOK 40.00 per share. The Underwriters will receive an aggregate underwriting commission of approximately NOK 2 million. The Underwriters have also provided pre-subscriptions and pre-commitments at a level resulting in an oversubscription of the Tranche 1 of the Private Placement. This includes pre-subscriptions and pre-commitments in an aggregate amount of approximately NOK 50 million from Datum AS, the proposed new Chairman of the Board, Helge Midttun and certain other primary insiders.

The completion of Tranche 1 will be subject to the approval by the Board of Directors and the new shares in Tranche 1 will be issued pursuant to an authorisation granted by the Extraordinary General Meeting held 10 August 2015, while the completion of Tranche 2 will be subject to the approval by an Extraordinary General Meeting (the "EGM") to be called for shortly after the completion of the Private Placement.

Further, in order to address the interest of the Company's shareholders who are not offered to participate in the Private Placement, the Board of Directors intends to propose to the EGM to conduct a subsequent offering directed towards shareholders in the Company as of close of trading before allocation of shares in the Private Placement (and as registered in the VPS register two trading days after such date) who were not allocated shares in the Private Placement (the "Subsequent Offering"). The subscription price in the Subsequent Offering will be equal to the subscription price in the Private Placement. It is expected that up to up to 375,000 shares will be issued in the Subsequent Offering, resulting in gross proceeds of up to NOK 15 million. The Company expects that the subscription period for the Subsequent Offering will commence shortly after the EGM.

The parties expect the Acquisition to be closed within the end of the fourth quarter 2015. The Acquisition is subject to certain conditions, including the successful issue of the Consideration Shares to be approved at the EGM. Existing shareholders of the Company holding more than 2/3 of the outstanding shares in the Company have already committed to vote in favour of the Acquisition, the Tranche 2 and the Subsequent Offering on the EGM and have undertaken to not dispose any of its shares before the EGM.

NRC Group has retained Arctic Securities, Carnegie and DNB Markets as joint-lead managers and joint bookrunners in connection with the Private Placement and the Subsequent Offering. Advokatfirmaet Schjødt AS is acting as legal advisors to NRC Group in connection with the Private Placement. Aabø-Evensen & Co Advokatfirma AS is acting as legal advisors to NRC Group in connection with the acquisition of Segermo.

About Segermo

Segermo is a rail groundwork contractor in Sweden. The rail business accounts for approximately 50% of revenues in 2015 and the share is expected to increase in 2016.

Segermo carries out railway related groundwork, mainly working with passing tracks, channeling and platforms. The company currently has some 60 employees, the vast majority with background from PEAB and Sveab. Segermo has some of the most experienced project managers in Sweden within groundwork and was awarded the first ever framework agreement for groundwork in Sweden in August 2015 with Trafikverket. Segermo has recently made key recruitments to strengthen the company's position in southern Sweden.

The following table sets out key financial information for Segermo:

Segermo		
(SEK million or percentage)		
P&L	FY2014	YTD 3Q 2015*
Revenue	324	274
EBITDA	36	32
EBITA	34	31
EBITA Margin	10.5%	11.3%
Internal NRC Group revenue	59	35
Key balance sheet items		3Q 2015*
Cash & cash equivalents		32
Total assets		135
Equity		49
Net interest-bearing debt (net cash)		-29

**Unaudited*

For further information regarding Segermo, please refer to the company's website: www.segermo.com.

Segermo's current board of directors consists of Daniel Pettersson, Ola Johnsen and Inger Johnsen (deputy). Segermo is led by managing director Daniel Pettersson.

Daniel Pettersson, comments:

"We are very excited to become part of the NRC Group family. We already know Svensk Järnvägsteknik, an existing part of the NRC Group, very well from previous cooperation. By becoming part of a NRC Group and establishing a full service rail specialist in Sweden, we have created a very solid foundation for further growth and development of Segermo"

Segermo will be organized as a separate subsidiary under the Company's Swedish Rail business with the existing management and employees continuing operations. The Segermo founders will through their indirect ownership and employment in NRC Group, continue to contribute to the long-term continuity and growth of the business.

Acquisition of Litz

NRC Group has today entered into final transaction documents for completing the acquisition of Litz, and indirectly its subsidiary Litz Installation AB, from Camad Invest AB, Ängatorp Invest AB, Mamre Invest AB, Signalsnabben Invest AB and Kärrgruvans Konsult & Invest AB in accordance with previous announcement of 22 June 2015. The transaction is expected to be completed later today. Litz will be organized as a subsidiary of Svensk Järnvägsteknik AB.

Litz is a rail certified specialist in all railway-related electric services such as signal and contact line – catenary. The company has a strong position in the eastern region of Sweden, and currently has 14 employees.

Litz is led by managing director Anders Gustafsson.

The following table sets out key financial information for Litz:

Litz (estimates due to divergent financial year)

(SEK million or percentage)		
P&L	FY2014	YTD 3Q 2015*
Revenue	58	30
EBITDA	8	5
EBITA	7	5
EBITA Margin	12.9%	15.2%
Internal NRC Group revenue	47	16
Key balance sheet items		3Q 2015*
Cash & cash equivalents		13
Total assets		17
Equity		12
Net interest-bearing debt (net cash)		-13

**Unaudited*

The purchase price will be settled by the payment of SEK 16,000,000 in cash and by the issuance of 718,545 shares in NRC Group to the sellers. The new shares issued to the sellers will be subject to a lock-up provision of 18 months.

Acquisition of Elektrobyggnad

NRC Group has today entered into final transaction documents for completing the acquisition of Elektrobyggnad from KTL Holding AB, in accordance with previous announcement of 22 June 2015. The transaction is expected to be completed later today. Elektrobyggnad will be organized as a separate subsidiary under the Company's Swedish Rail business.

Elektrobyggnad is one of Sweden's largest specialized businesses within rail contact line, and is a major supplier within railway to major companies. Elektrobyggnad enjoys a strong market position in the western region of Sweden.

Elektrobyggnad is led by managing director Mattias Lundström. Elektrobyggnad has some 20 employees.

The following table sets out key financial information for Elektrobyggnad:

Elektrobyggnad

(SEK million or percentage)

P&L	FY2014	YTD 3Q 2015*
Revenue	44	30
EBITDA	3	2
EBITA	2	2
EBITA Margin	5.5%	7.1%
Internal NRC Group revenue	14	4

Key balance sheet items **3Q 2015***

Cash & cash equivalents	0
Total assets	23
Equity	7
Net interest-bearing debt	11

**Unaudited*

The purchase price will be settled by the payment of SEK 11,000,000 in cash and by the issuance of 878,222 shares in NRC Group to the seller. 67% of the new shares issued to the seller will be subject to a lock-up provision of 18 months.

Aabø-Evensen & Co Advokatfirma AS is acting as legal advisors to NRC Group in connection with its acquisitions of Litz and Elektrobyggnad.

--

NRC Group will hold a presentation of its acquisition of Segermo and present its Q3 2015 report at 12:30 today 9 November 2015, and invites investors, analysts and media to a presentation at [Hotel Continental].

The financial report and the presentation document will be made available under the Company's ticker "NRC" on www.newsweb.no and on the Company's homepage: www.nrcgroup.no.

For further information, please contact:

Kristian Lundkvist, Chairman of the Board, mobile: (+47) 99 77 71 77

About NRC Group ASA:

NRC Group is a leading company within the Nordic infrastructure market. The group operates within two business segments, Rail and Geo.

RAIL: The Rail division is a fully integrated rail infrastructure contractor covering the Norwegian and Swedish market. The Rail division is a full-range supplier for the construction of all types of rails

including train, tram and subway. Main service offerings include specialized track work, power supply and signaling work. The Rail division has all the necessary approvals to work within the train, tram and subway segments.

GEO: The Geo division operates within acquisition, processing and modelling of geographic information. The Geo division holds right to several European databases with collections of maps, images and models. With particular focus on online services, data and solutions are provided to customers in government, enterprise and consumer markets. The Geo division supplies a wide range of mapping and geographic services that satisfy various standards and specifications, in addition to customized client solutions.

<http://www.nrcgroup.no>

This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.