

NRC Group acquires Gravco

Today, 7 November 2016, NRC Group ASA (“NRC Group” or the “Company”) entered into an agreement for the acquisition of Gravco AS and Septik Tank Co AS (together “Gravco”) from Imseth Holding AS.

Gravco is a leading water and wastewater entrepreneur in the Oslo area. The acquisition of Gravco will strengthen the Company’s position for projects related to the tram and metro systems in Oslo. The Oslo tram system will undergo a major upgrade triggering a number of contracts with start-up from 2017 in order to prepare for delivery of new tram wagons in 2021. The city of Oslo will in parallel with the tramline upgrades, renew water and wastewater lines.

“We are very excited about joining forces with the Gravco-team, and believe our end-to-end setup can make a big difference when it comes to renewing the tram-system in Oslo”,

says CEO Øivind Horpestad in NRC Group.

NRC Group will acquire 100% of the shares in Gravco for an enterprise value of NOK 75.0 million. The acquisition will be financed by payment of NOK 30.0 million in cash upon closing, by issuance of NOK 30 million in 441,988 new shares in the Company (the “Consideration Shares”) and NOK 15.0 million as a seller’s credit to be repaid no later than on 31 July 2018. The Consideration Shares will be subject to a lock-up period of 18 months. The seller’s credit will accrue 3.0% interest p.a., to be payable in arrear upon maturity. The seller of Gravco has guaranteed a minimum EBITDA in each of 2016 and 2017 of NOK 15.0 million. The transaction is expected to be completed by end of November.

About Gravco

Gravco AS was established in 1977 and Septik Tank Co AS was established in 1933 and was acquired by Imseth Holding AS in 2009. Since 1 January 2015, the companies have been operated as a joint unit following a transfer of most of the assets in Septik Tank Co AS to Gravco AS. Gravco currently has 42 employees and is led by managing director Arne Clausen. The companies’ current board of directors comprise of the board members Kjell Weiss-Andersen and Morten Imset.

The following table sets out key financial pro forma information for Gravco:

(NOK thousand)	FY 2014	FY 2015	LTM 2016*
Revenue	64,374	62,315	64,081
EBITDA	18,871	16,884	18,601
EBIT	15,211	12,955	14,530
EBIT margin (%)	24%	21%	23%
Cash	17,159	15,972	16,821
Total assets	34,899	29,484	32,037
Equity	17,744	16,230	24,618
Net interest bearing debt (net cash)	-16,852	-15,654	-17,075

* as per 31 August 2016

Gravco will be organized as a separate subsidiary under NRC Civil, a wholly owned subsidiary of NRC Group.

There are no special agreements or arrangements that have been or will be entered into with the directors or executive management of Gravco or the Company in connection with the transaction.

* * *

NRC Group will further elaborate on the acquisition of Gravco and present its Q3 2016 report tomorrow, 8 November 2016, and invites investors, analysts and media to attend a presentation at Arctic Securities at 11:00 CET. If you want to attend the presentation, please register by email to events@arctic.com, or phone +47 21 01 31 00.

For further information, please contact:

CEO Øivind Horpestad, telephone: +47 91 00 06 26

About NRC Group:

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 markets. 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 ground work, specialized track work, power supply and signalling 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.

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