

# Report for 3rd Quarter 2015

# Highlights and key figures third quarter 2015

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## Highlights

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- Record high order backlog of NOK 990 million (NOK 483 million) at the end of third quarter
- High activity in Rail projects
- Geo projects in the Nordics progress well, some delays in the UK
- The private placement announced in June of NOK 84 million and the repair issue of NOK 10 million were successfully completed in August

## Key figures<sup>1</sup>

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- Revenue NOK 350 million (NOK 309 million)
- Adjusted EBITDA NOK 42 million (NOK 43 million)
- Adjusted EBITA NOK 35 million (38 million)
- Adjusted EBIT NOK 33 million (NOK 35 million)
- Adjusted EBT NOK 30 million (NOK 32 million)

1) The key figures above include reported figures for the third quarter 2015, adjusted for transaction costs and one-offs.

Unless otherwise stated, all comments made to the interim financial information for NRC Group in this report relate to adjusted pro forma figures. Figures presented in brackets are pro forma figures for the corresponding periods in 2014. All figures are unaudited unless otherwise stated.

## Key figures (pro forma)

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
Revenue	349 722	309 404	700 580	702 540	966 180
Adjusted EBITDA 1)	42 171	42 835	23 424	72 611	95 104
Adjusted EBITA 1)	35 082	38 109	6 051	61 196	77 368
Adjusted EBIT 1)	32 734	35 511	-1 236	54 558	67 684
Adjusted EBT 1)	30 133	32 541	-9 987	45 235	56 940
Adjusted EBITDA (%)	12 %	14 %	3 %	10 %	10 %
Adjusted EBIT (%)	9 %	11 %	0 %	8 %	7 %
Employees	596	654	596	654	623
Investments	5 454	3 196	36 925	21 789	26 283
Order back log (NOK million)	990	483	990	483	299

1) Includes pro forma figures for NRC Rail Norge and SJT, adjusted for transaction costs related to the NRC Rail Norge and SJT transactions and one-offs of NOK 9 million.

## Key figures (actual reported)

The table below sets out the actual reported figures for NRC Group for the periods indicated, which only includes figures for NRC Rail Norge and SJT from June 2015. Revenue in the third quarter 2015 amounted to NOK 350 million (NOK 79 million), while revenue in the first three quarters of 2015 amounted to NOK 522 million (NOK 192 million). Net profit for the third quarter 2015 was NOK 18 million (NOK 9 million), and for the first three quarters of 2015 NOK 22 million (NOK 4 million). Net profit for 2015 includes negative one-offs of NOK 9 million, transaction costs of NOK 19 million and recognition of deferred tax assets of NOK 36 million.

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014 (Audited)
Revenue	349 722	79 349	522 129	192 476	245 966
Operating profit/loss (EBIT)	28 032	9 790	672	4 847	5 502
Net profit/loss	18 333	8 695	21 618	4 446	7 926

# CEO comments on third quarter 2015

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Entering into the third quarter with record high order books in both divisions, project execution has been the focus and operational activity has been high in all our markets and companies. In addition, the companies have shown good progress in developing cooperation and support across divisions and markets.

The new share issues that took place in August have been fully closed, and these financial resources are now channeled into further growing the company and building the business in the rail construction industry. We look forward to welcome the companies Litz, Elektrobyggnad and Segermo into the Group and see that they will strengthen the Swedish organization within important competency areas.

Infrastructure remains very high on the political agenda in our main markets, and the governments now have the challenge of preparing development plans and projects at a rate satisfying expectations. The NRC Group is building capacity for taking part in serving the increased project volumes to come.

The company continues to grow its order book, surpassing all previous levels, showing that the NRC Group continues to be a well positioned and competitive player in the marketplace.



# Operations per business segment

NRC operates within two business segments, Rail and Geo

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## 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 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. 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.

# Rail business segment

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
Revenue 1)	270 597	230 055	525 041	510 064	720 214
Adjusted EBITDA 1)	36 759	30 061	28 914	60 752	81 395
Adjusted EBITA 1)	33 665	28 319	20 242	56 349	71 866
Adjusted EBIT 1)	31 157	25 513	12 955	49 086	62 182
Adjusted EBT 1)	29 138	23 875	6 866	44 113	54 585
Adjusted EBITDA (%)	14 %	13 %	6 %	12 %	11 %
Adjusted EBIT (%)	12 %	11 %	2 %	10 %	9 %
Employees	200	222	200	222	204
Investments	2 575	1 371	21 195	17 489	20 061
Assets	317 061	295 024	317 061	295 024	309 163
Order back log (NOK million)	839	419	839	419	247

1) Includes pro forma figures for NRC Rail Norge and SJT, adjusted for transaction costs.

Operations within the Rail division are affected by seasonal variations, typically with lower level of activity during the winter. The first quarter and the start of the second quarter are normally the weakest financial periods of the year.

Revenue in the third quarter 2015 amounted to NOK 271 million (NOK 230 million), while revenue in the first three quarters was NOK 525 million (NOK 510 million). Higher activity in the Norwegian market drives the increased revenue versus last year.

The activity in Sweden has picked up after a slow first half of the year but the activity in the market is still slower than normal. One explanation is the very late government budget and thereby late project funding. Trafikverket has moved several railway projects into 2016. In Norway, the activity is high and there are new projects coming into the market frequently.

EBITDA for the third quarter of 2015 was NOK 36.7 million (NOK 30.1 million), and EBITDA for the first three quarters of 2015 was NOK 28.9 million (NOK 60.7 million).

Cost initiatives started in the first half of 2015 and is starting to give effects. The Rail division is continuously working to optimize the project organization and administration to be able to capture the strong growth in the market.

The order backlog for the Rail division is NOK 839 million (NOK 419 million), an increase of 100 %. The record high backlog gives the Rail division a solid platform for 2016 and growth going forward.

# Geo business segment

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
Revenue	79 125	79 349	175 539	192 476	245 966
EBITDA 1)	8 720	16 258	3 466	23 773	28 252
EBITA 1)	4 986	13 274	-5 406	16 761	20 062
EBIT 1)	4 986	13 274	-5 406	16 761	20 062
EBT 1)	4 403	12 482	-7 169	14 031	19 075
EBITDA (%)	11 %	20 %	2 %	12 %	11 %
EBIT (%)	6 %	17 %	-3 %	9 %	8 %
Employees	393	426	393	426	414
Investments	2 879	1 825	15 730	4 300	5 697
Assets	119 866	103 571	119 866	103 571	71 083
Order back log (NOK million)	151	64	151	64	52

1) Includes reported figures for the Geo division. The company's German subsidiary is included as continuing operations.

Seasonal variations are to be expected in aerial data capture, since ground and weather conditions are of such great importance. There are also significant differences between years in how the seasons develop, but experience says that they tend to even out. In particular, the challenging summer months we had this year were largely compensated for in the Nordics by more favorable weather conditions during autumn.

Revenue in the third quarter 2015 amounted to NOK 79 million (NOK 79 million). Revenue for the first three quarters was NOK 176 million (NOK 192 million). The reduction since 2014 is mainly due to the discontinuation of the ice detection project in the Kara Sea. For the third quarter this loss has largely been compensated for by increased activity in other markets.

The European ortophoto project progressed well throughout the quarter, leaving some minor areas for completion in the fourth quarter to end this year's season. The UK programme for improving acquisition, storage and usage of asset infor-

mation for rail infrastructure has also shown progress. The company expects even higher production output after some more months of process development and ramp-up.

EBITDA for the third quarter was NOK 8.7 million (NOK 16.3 million) and for the first three quarters NOK 3.5 million (NOK 23.8 million). The 2014 result was largely affected by the ice detection project, which at that stage gave a very positive contribution to the operating profit. The cost reduction program that has been implemented in the Geo division will mainly have effect from next year on.

The order reserve for the Geo division is NOK 151 million (NOK 64 million), an increase of 136 %. A large part of this is work related to British rail infrastructure projects.



## Financial position

Cash flow from operating activities for the third quarter for 2015 was NOK 2 million (NOK 1 million). Cash flow from operating activities for the first half of 2015 was negative NOK 15 million (NOK -29 million). The figures include reported cash flow from the Rail division from June 2015. Net cash flow was NOK 66 million (NOK -4 million) and NOK 69 million (NOK -32 million) in the third quarter and the first three quarters of 2015, respectively. Net cash flow in 2015 includes net cash acquired related to the acquisitions of NRC Rail Norge and SJT and the private placement and repair issue of a total of NOK 94 million completed in the third quarter.

On 28 May 2015, a three year loan facilities agreement was entered into with DNB Bank ASA. The loan facilities agreement consists of a SEK 180 million term loan and a NOK 40 million revolving credit facility. The interest rates on the new loans are based on NIBOR/STIBOR plus a margin. The proceeds from the term loan were used to acquire the shares in SJT. The revolving credit facility has been established to finance transaction cost and working capital. Net interest bearing debt at the end of the third quarter 2015 was NOK 144 million.

## Corporate

On 10 August 2015, an extraordinary general meeting was held where a private placement of 3,111,111 new shares and issuance of 370,370 new shares in a subsequent offering was resolved. It was also resolved to increase the share capital by issuance of consideration shares up to 1,800,000 new shares in connection with the contemplated acquisitions of Litz and Elektrobyggnad and to increase the share capital by a maximum of up to NOK 2,800,000. Harald Arnet (CEO of Datum AS) was elected as a new board member and current board member Kristian Lundkvist was elected as new chairman of the board of directors.

On 10 August 2015, the Financial Supervisory Authority of Norway approved a prospectus prepared by the company for the listing of the shares issued in the private placement and up to 370,370 new shares to be offered in the subsequent offering.

On 14 August 2015, the company announced that the Swedish Transport Administration had awarded SJT with a contract estimated to SEK 107 million. The planned start up is September 2015, and the project is scheduled for completion in November 2016.

On 19 August 2015, the company reported that after subscription period ended, the subsequent offering was over-subscribed and it was resolved at a subscription price of NOK 27 per share.

On 4 November 2015 the company announced that the nomination committee of NRC Group ASA had unanimously, together with the company's largest shareholders, decided to propose Helge Middtun as new board member of NRC Group ASA. He has also been asked and has accepted to take on the position as Chairman of the board, if elected. The company also announced that an extraordinary general meeting in NRC Group ASA will be called for in due course.

## Employees

NRC employees have a high level of competence. This represents the foundation for the growth. As of 30 September 2015, there were a total of 596 employees in the operative companies, 200 in the Rail division and 393 in the Geo division, respectively. 235 of the employees within the Geo division are employees within its production facilities in Indonesia and Romania. NRC Group ASA had 3 employees as of 30 September 2015. Since 31 December 2014, there has been a reduction of 23 employees in NRC.

Health, safety and environmental considerations is a priority area. NRC has adopted HSE policies and implemented guidelines to comply with applicable local regulations and to maintain and develop its HSE standards. NRC's HSE efforts are managed on both central and regional levels.

The board of directors has initiated processes to recruit a permanent CEO and CFO to the company.

## Risks

NRC is exposed to both operational and financial risk. Operational risks include risk assessment and contingency appraisal in project tendering, change management in project execution and resource optimization following fluctuations in seasonal demand in the business of NRC.

NRC aims to undertake operational risk that the business units can influence and control. NRC has developed risk management processes that are well adapted to the business. This includes analysis of project risk in the tendering phase to ensure appropriate pricing and risk management. NRC also seeks to minimize the exposure to risk that cannot be managed, such as the weather conditions for aerial data capture which show considerable variations from year to year.



Financial risks include market risk, credit risk and liquidity risk. Market risk includes currency risk and interest rate risk. The exposure to currency risk is limited, but by having operational units in different operational currencies, NRC is to some extent exposed to currency risks. NRC has not utilized any hedging instruments to limit the risks associated with foreign exchange.

Work in progress and trade receivables are set out contractually, and this means that the amount of capital committed is determined by the credit terms of the contracts. NRC's liquidity reserves will normally be at its lowest in the spring and summer due to the seasonally relatively high amount of working capital committed. Liquidity risk is overall considered low.

NRC's customers are primarily municipalities or government agencies, or companies or institutions where municipalities or government agencies have a dominant influence. NRC considers the risk of potential future losses from this type of customer to be low.

## Outlook

The demand for services within the Rail division is expected to continue to grow significantly in both Norway and Sweden over the coming years. Large parts of the railways are fully utilised and need to be upgraded in order to meet the increased demand.

There is political consensus in Norway and Sweden to continue the expansion and modernisation of the railways. Budget and investments are at historic high levels and are expected to increase in the coming years.

In June 2013, the Norwegian Parliament approved a NOK 173 billion national transportation plan for the railway for the period 2014-2023. In Sweden, a SEK 522 billion transportation plan for the period 2014-2025 was adopted by the Swedish Government in April 2014.

With the historically high order backlog of NOK 839 million for the Rail division, the expected operational synergies to be achieved between the Norwegian and Swedish rail business and the announced acquisitions of Litz, Elektrobygg and Segermo the division is very well positioned to capture the expected growth in the rail sector.

The Geo division foresees that the traditional markets will be stable or show a moderate growth, while the demand within the infrastructure segment is expected to increase.

Major global players in the web and mobility services segment invest in development of products and services in which geo-information is key, and NRC sees it well positioned for supplying data and services for these developments.

*Oslo, 9. November 2015*

*The Board of Directors of NRC Group ASA*

**Kristian Lundkvist**  
Chairman

**Kjersti Kanne**  
Board member

**Harald Arnet**  
Board member

**Brita Eilertsen**  
Board member

**Lars André Gjerdrum**  
Board member

**Lennart Flem**  
CEO (acting)

# Condensed consolidated statement of income

– Reported figures 1)

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014 (Re-presented)
Revenue	349 722	79 349	522 129	192 476	245 966
Operating expenses	312 254	66 575	505 536	180 617	232 257
<b>Operating profit/loss before depr. and amort. (EBITDA)</b>	<b>37 468</b>	<b>12 774</b>	<b>16 593</b>	<b>11 859</b>	<b>13 709</b>
Depreciation	7 088	2 984	12 900	7 012	8 207
<b>Operating profit/loss before amortisation (EBITA)</b>	<b>30 380</b>	<b>9 790</b>	<b>3 694</b>	<b>4 847</b>	<b>5 502</b>
Amortisation	2 508	0	3 334	0	0
Profit/loss from associates	160	0	312	0	0
<b>Operating profit/loss (EBIT)</b>	<b>28 032</b>	<b>9 790</b>	<b>672</b>	<b>4 847</b>	<b>5 502</b>
Net financial items	-2 534	-792	-4 693	-2 730	-987
<b>Profit/loss before tax (EBT)</b>	<b>25 498</b>	<b>8 998</b>	<b>-4 021</b>	<b>2 117</b>	<b>4 515</b>
Taxes	-7 165	-199	27 919	-404	-729
<b>Profit/loss from continuing operations</b>	<b>18 333</b>	<b>8 799</b>	<b>23 898</b>	<b>1 713</b>	<b>3 786</b>
Profit/loss from discontinued operations	0	-104	-2 280	2 733	4 140
<b>Net profit/loss</b>	<b>18 333</b>	<b>8 695</b>	<b>21 618</b>	<b>4 446</b>	<b>7 926</b>
<b>Profit/loss attributable to:</b>					
Shareholders	18 333	8 695	21 618	4 446	7 926
Net profit / loss	18 333	8 695	21 618	4 446	7 926
<b>Comprehensive profit/loss:</b>					
Recalculation of pension obligations	-60	262	-186	-578	-853
Currency translation differences	4 495	-7 940	9 529	-208	11 327
<b>Total comprehensive profit/loss</b>	<b>22 768</b>	<b>1 017</b>	<b>30 961</b>	<b>3 660</b>	<b>18 400</b>
<b>Total comprehensive profit/loss attributable to:</b>					
Shareholders	22 768	1 017	30 961	3 660	18 400
<b>Total comprehensive profit/loss</b>	<b>22 768</b>	<b>1 017</b>	<b>30 961</b>	<b>3 660</b>	<b>18 400</b>
<b>Earnings per share:</b>					
From continuing operations	1,15	0,91	1,50	0,18	0,39
From discontinued operations	0,00	-0,01	-0,14	0,28	0,43
<b>From total net profit/loss</b>	<b>1,15</b>	<b>0,90</b>	<b>1,36</b>	<b>0,46</b>	<b>0,82</b>

1) Reported figures: Include reported figures for NRC Rail Norge and SJT from rom June 2015, transaction costs of NOK 19 million related to the completion of the NRC Rail Norge and SJT transactions, one-offs of NOK 9 million related to restructuring costs. The financial information for FY 2014 has been audited. The interim financial information has not been audited.

# Condensed consolidated statement of income

– Pro forma figures 1)

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
Revenue	349 722	309 404	700 580	702 540	966 180
Operating expenses	307 552	266 569	677 156	629 929	871 076
<b>Operating result before depr. and amort. (EBITDA)</b>	<b>42 171</b>	<b>42 835</b>	<b>23 424</b>	<b>72 611</b>	<b>95 104</b>
Depreciation	7 088	4 726	17 685	11 415	17 737
<b>Operating result before amortisation (EBITA)</b>	<b>35 082</b>	<b>38 109</b>	<b>5 739</b>	<b>61 196</b>	<b>77 368</b>
Amortisation	2 508	2 806	7 287	7 263	9 684
<b>Operating profit/loss (EBIT)</b>	<b>32 734</b>	<b>35 511</b>	<b>-1 236</b>	<b>54 558</b>	<b>67 684</b>
<b>Profit/loss before tax (EBT)</b>	<b>30 133</b>	<b>32 541</b>	<b>-9 987</b>	<b>45 235</b>	<b>56 940</b>
<b>Key Figures:</b>					
EBITDA (%)	12 %	14 %	3 %	10 %	10 %
EBIT (%)	9 %	11 %	0 %	8 %	7 %
EBT (%)	9 %	11 %	-1 %	6 %	6 %
Employees	596	654	596	654	623
Investments	5 454	3 196	36 925	21 789	26 283
Order back log (NOK million)	990	483	990	483	299

1) Pro forma figures: Include pro forma figures for NRC Rail Norge and SJT, adjusted for transaction costs of NOK 19 million related to the completion of NRC Rail Norge and SJT transactions and one-offs of NOK 9 million related to restructuring costs.

The table below shows a reconciliation of revenue and EBIT for the periods indicated. The table shows the actual reported figures and adjusted pro forma figures for NRC, including actual reported figures for NRC Rail Norge and SJT from June 2015 only. The actual reported figures for FY 2014 have been audited.

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
<b>Revenue:</b>					
NRC Group (reported)	349 722	79 349	522 129	192 476	245 966
Team Bane / SJT ( pro forma)	0	230 055	178 450	510 064	720 214
<b>NRC Group</b>	<b>349 722</b>	<b>309 404</b>	<b>700 580</b>	<b>702 540</b>	<b>966 180</b>
<b>EBIT:</b>					
NRC Group (reported)	28 032	9 790	672	4 847	5 502
Team Bane / SJT (pro forma)	321	25 721	-28 555	49 711	62 182
Transaction costs / one-offs	4 382	0	26 647	0	0
<b>NRC Group</b>	<b>32 734</b>	<b>35 511</b>	<b>-1 236</b>	<b>54 558</b>	<b>67 684</b>

# Consolidated balance sheet

(Amounts in NOK 1 000)			
ASSETS	30.09.2015	30.09.2014	31.12.2014
Patents, licenses and other intangible assets	17 380	479	482
Deferred tax assets	36 391	0	0
Goodwill	297 671	0	0
<b>Intangible non-current assets</b>	<b>351 442</b>	<b>479</b>	<b>482</b>
Tangible non-current assets	117 976	18 967	19 949
Total non-current asset investments	11 814	113	4 538
<b>Total non-current assets</b>	<b>481 232</b>	<b>19 559</b>	<b>24 969</b>
Total inventories	88 621	51 322	24 983
Total receivables	205 424	52 060	42 371
Cash and cash equivalents	127 538	29 564	51 400
Assets classified as held for sale	0	0	4 199
<b>Total current assets</b>	<b>421 582</b>	<b>132 946</b>	<b>122 953</b>
<b>Total assets</b>	<b>902 814</b>	<b>152 505</b>	<b>147 922</b>
(Amounts in NOK 1 000)			
EQUITY AND LIABILITIES	30.09.2015	30.09.2014	31.12.2014
<b>Paid-in-capital:</b>			
Share capital	26 117	10 071	10 071
Treasury shares	-1 978	-1 977	-1 978
Share premium	323 680	97 720	97 703
<b>Other equity:</b>			
Currency translation differences	-14 474	-27 557	-24 003
Retained earnings	14 295	-10 550	-7 137
<b>Total equity</b>	<b>347 641</b>	<b>67 707</b>	<b>74 656</b>
Pension obligations	5 472	4 846	4 348
Non-current interest-bearing liabilities	175 070	503	977
Deferred taxes	26 383	0	26
<b>Total non-current liabilities</b>	<b>206 925</b>	<b>5 349</b>	<b>5 351</b>
Total interest-bearing current liabilities	96 613	381	648
Total other current liabilities	251 635	79 068	63 547
Liabilities classified as held for sale	0	0	3 720
<b>Total current liabilities</b>	<b>348 248</b>	<b>79 449</b>	<b>67 915</b>
<b>Total equity and liabilities</b>	<b>902 814</b>	<b>152 505</b>	<b>147 922</b>

# Statement of changes in equity

(Amounts in NOK 1 000)	Share capital	Treasury shares	Share premium	Currency translation differences	Retained earnings	Total Equity
<b>Equity at 1 January 2014</b>	10 071	-1 977	97 720	-35 348	-14 210	56 256
Profit for the period					4 446	4 446
Other comprehensive income for the period				7 583	-578	7 005
<b>Total comprehensive income for the period</b>				<b>7 583</b>	<b>3 868</b>	<b>11 451</b>
<b>Equity at 30 September 2014</b>	10 071	-1 977	97 720	-27 765	-10 342	67 707
<b>Equity at 1 January 2015</b>	10 071	-1 978	97 703	-24 003	-7 137	74 656
Profit for the period					21 618	21 618
Other comprehensive income for the period				9 529	-186	9 343
Share capital	16 046					16 046
Share premium			230 826			230 826
Costs recognised through equity			-4 848			-4 848
<b>Total comprehensive income for the period</b>	<b>16 046</b>		<b>225 978</b>	<b>9 529</b>	<b>21 432</b>	<b>272 985</b>
<b>Equity at 30 September 2015</b>	26 117	-1 978	323 681	-14 474	14 295	347 641

# Consolidated cash flow statement

(Amounts in NOK 1 000)		Q3 2015	Q3 2014	YTD 2015	YTD 2014
	Profit/loss before tax	25 498	8 998	-4 021	2 116
	Net cash flow from operating activities - continuing operations	1 784	1 390	-14 641	-24 568
	Net cash flow from operating activities - discontinued operations	0	-708	0	-4 609
<b>A =</b>	<b>Net cash flow from operating activities</b>	<b>1 784</b>	<b>682</b>	<b>-14 641</b>	<b>-29 177</b>
	Net cash flow from investing activities - continuing operations	-19 943	-2 074	-163 370	19 657
	Net cash flow from investing activities - discontinued operations	0	0	0	-19 242
<b>B =</b>	<b>Net cash flow from investing activities</b>	<b>-19 943</b>	<b>-2 074</b>	<b>-163 370</b>	<b>415</b>
	Net cash flow from financing activities - continuing operations	83 987	-2 778	247 505	-3 641
	Net cash flow from financing activities - discontinued operations	0	0	0	0
<b>C =</b>	<b>Net cash flow from financing activities</b>	<b>83 987</b>	<b>-2 778</b>	<b>247 505</b>	<b>-3 641</b>
	<b>A+B+C Net change in cash and cash equivalents</b>	<b>65 828</b>	<b>-4 170</b>	<b>69 494</b>	<b>-32 403</b>
	<b>Cash and cash equivalents at the start of the period 1)</b>	<b>56 475</b>	<b>33 734</b>	<b>52 390</b>	<b>61 967</b>
	Currency translation differences	5 235	0	5 654	0
<b>=</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>127 538</b>	<b>29 564</b>	<b>127 538</b>	<b>29 564</b>
	Cash and cash equivalents - continuing operations	127 538	29 564	127 538	29 564
	Cash and cash equivalents - discontinued operations	0	0	0	0

1) Cash and cash equivalents at the start of 2015 include cash balance of NOK 990 in the company's German subsidiary. The subsidiary was classified as held for sale as per 2014.

# Business segments

– Pro forma figures 1)

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
<b>Revenue</b>					
Rail	270 597	230 055	525 040	510 064	720 214
Geo	79 125	79 349	175 539	192 476	245 966
<b>Total</b>	<b>349 722</b>	<b>309 404</b>	<b>700 579</b>	<b>702 540</b>	<b>966 180</b>
<b>EBIT</b>					
Rail	31 157	25 513	12 955	49 086	62 182
Geo	4 978	13 272	-5 414	16 761	20 062
Other	-3 401	-3 274	-8 777	-11 289	-14 560
<b>Total</b>	<b>32 734</b>	<b>35 511</b>	<b>-1 236</b>	<b>54 558</b>	<b>67 684</b>
<b>Assets</b>					
Rail	317 061	295 024	317 061	295 024	309 163
Geo	119 866	103 571	119 866	103 571	71 083
Non allocated / Other	465 887	48 933	465 887	48 933	76 839
<b>Total</b>	<b>902 814</b>	<b>447 528</b>	<b>902 814</b>	<b>447 528</b>	<b>457 085</b>

1) Pro forma figures: Revenue, EBIT and assets include pro forma figures for NRC Rail Norge and SJT, adjusted for transaction costs of NOK 19 million related to the completion of NRC Rail Norge and SJT transactions in 2015 and one-offs of NOK 9 million in 2015. Goodwill is included as other asset as per third quarter 2015.



# Geographical information

- Pro forma figures 1)

(Amounts in NOK 1 000)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
<b>Revenue</b>					
Norway	170 891	139 663	395 090	295 599	413 721
Sweden	137 006	133 054	213 164	312 952	433 592
Other countries	41 825	36 687	92 326	93 989	118 867
<b>Total</b>	<b>349 722</b>	<b>309 404</b>	<b>700 580</b>	<b>702 540</b>	<b>966 180</b>
<b>Assets</b>					
Norway	230 709	169 547	230 709	169 547	161 901
Sweden	129 730	160 043	129 730	160 043	173 054
Other countries	76 488	69 005	76 488	69 005	45 291
Not allocated / Other	465 887	48 933	465 887	48 933	76 839
<b>Total</b>	<b>902 814</b>	<b>447 528</b>	<b>902 814</b>	<b>447 528</b>	<b>457 085</b>

1) Pro forma figures: Revenue and assets include pro forma figures for NRC Rail Norge and SJT, adjusted for transaction costs of NOK 19 million related to the completion of NRC Rail Norge and SJT transactions in 2015 and one-offs of NOK 9 million in 2015. Goodwill is included as other asset as per third quarter 2015.

# Notes to the financial statements

## General information

The legal and commercial name of the company is NRC Group ASA.

The company is a Norwegian public limited liability company incorporated in Norway under the Norwegian Public Limited Liability Companies Act with registration number 910 686 909. The company has its registered address at Drammensveien 165, 0277 Oslo, Norway.

The company is listed at Oslo Børs under the ticker "NRC" with ISIN NO0003679102.

## Accounting policies and basis for preparation

The condensed consolidated financial statements as per 30 September 2015 are prepared in accordance with IFRS and comprises NRC Group ASA and its subsidiaries. The interim financial report is presented in accordance with revised IAS34, Interim Financial Reporting. The accounting principles applied in the interim report are the same as those described in the consolidated accounts for 2014.

The interim accounts do not contain all the information that is required in complete annual accounts, and they should be read in connection with the consolidated accounts for 2014. The interim accounts have been prepared in accordance with the same principles that are used in the annual accounts for 2014. The result from discontinued businesses is presented on a separate line in other comprehensive income. The report has not been audited.

The selected historical consolidated financial information set forth in this section has been derived from the company's consolidated unaudited financial statements for the financial periods in 2015, unaudited interim financial reports for 2014 and audited financial report for the full year of 2014. The income statement and cash flow statement for 2014 reflect the closure of the Spanish subsidiary, Blom Sistemas Geoespaciales S.L.U. The board of director's decision in 2014 to classify the company's German subsidiary, Blom Deutschland GmbH as held for sale, was reversed in second quarter 2015 and is reflected in the interim report.

To increase understanding of the preceding year's comparative figures, adjusted pro forma statements have been prepared and are presented separately. All comments on the income statement in this report are based on adjusted pro forma figures unless otherwise stated.

The adjusted pro forma financial information for the third quarter of 2014 and 2015, the first three quarters of 2014 and 2015 and full year for 2014 included in this report has not been audited.

## Use of estimates

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the NRC's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2014.

## Changes in the Group's structure

On 23 April 2015, the company announced that it had entered into an agreement to combine its business with NRC Rail Norge (previously NRC Rail Norge). The transaction was structured as an acquisition by the company of the shares in NRC Rail Norge's holding company Nordic Rail, with consideration in shares in the company. The transaction was completed on 28 May 2015.

On 7 May 2015, it was announced that the company had entered into an agreement to acquire Svensk Järnvägsteknik AB (SJT). The settlement for the acquisition was made in a combination of new shares, cash payment and a vendor note. The transaction was completed on 2 June 2015.

Presented below is an allocation of the purchase price based on the opening balance as of 31 May 2015. Allocation of the purchase price was prepared using the acquisition method as regulated in IFRS 3. The purchase price has been allocated at the fair value of the assets and liabilities of NRC Rail Norge and SJT. The allocation is not final. The acquisitions resulted in goodwill of NOK 269 million.

(Amounts in NOK 1000)	NRC Rail Norge	SJT
Cash settlement	0	164 155
Issued shares in NRC Group ASA	92 872	60 000
Sellers credit	0	14 398
Cash in target	-10 814	-15 631
<b>Net settlement</b>	<b>82 058</b>	<b>222 922</b>
Tangible and intangible assets	83 534	30 019
Other non-current assets	3 339	3 050
Current assets	95 217	20 344
Tax payable and deferred tax	-8 323	-7 666
Interest-bearing debt	-66 815	-3 745
Other current liabilities	-85 460	-26 620
Minority interest	0	-1 202
<b>Net identifiable assets and liabilities</b>	<b>21 482</b>	<b>14 180</b>
<b>Goodwill</b>	<b>60 576</b>	<b>208 743</b>

### Transactions between related parties

Middelborg AS, a company owned by the Chairman of the board, Mr. Kristian Lundkvist and Aabø-Evensen & Co Advokatfirma AS, the company whereby board member Mr. Lars André Gjerdrum is an employee perform some administrative services for other companies in the NRC Group. The services are priced and billed for based on the arm's length principle for transactions between related parties. The above transactions have been considered as immaterial between the company and said parties and thus no third party evaluation during 2015 has been warranted.

Aside the above, the NRC Group has not during the last three financial years and up until the date of this report had any closely related parties other than its subsidiaries and associated companies.

### Shareholder information

As of 30 September 2015, the company had 26,117,466 issued shares, each with a nominal value of NOK 1. The total number of shareholders as of 30 September 2015 were 1,728 and foreign shareholders accounted for approximately 22% of the share capital. The company owns a total of 396,452 of the issued shares, which represents approximately 1.5% of the total number of the issued shares.

For further shareholder information, see also paragraph below "Events after the end of the quarter".

### Events after the end of the quarter

On 4 November 2015 the company announced that the nomination committee of NRC Group ASA had unanimously, together with the company's largest shareholders, decided

to propose Helge Midttun as new board member of NRC Group ASA. He has also been asked and has accepted to take on the position as Chairman of the board, if elected. In relation to Midttun's nomination, the current Chairman of the board at NRC Group ASA, Kristian Lundkvist, will step down and become an ordinary board member. The company also announced that further nominations from the nomination committee will be announced and that an extraordinary general meeting in NRC Group ASA will be called for in due course.

On 9 November 2015, it was announced that the company, through its wholly owned subsidiary in Sweden, had entered into an agreement to acquire Segermo Entreprenad Aktiebolag for a total consideration of SEK 224.7 million. The settlement for the acquisition will be made in a combination of SEK 100 million in new shares and a cash payment of SEK 124.7 million. The cash payment will be financed by proceeds from a guaranteed private placement.

On 9 November 2015, it was further announced that the company will conduct a private placement of new and existing shares in the company with gross proceeds of up to NOK 185 million, partly to finance the cash portion of the purchase price in the acquisition of Segermo Entreprenad Aktiebolag.

On 9 November 2015 it was also announced that the company had finalized the agreements for the acquisitions of Litz Entreprenad AB and Elektrobygggnad Sverige AB.

### IR Policy

The company's objective is to serve the financial market with precise and relevant information about the company to ensure that the share price reflects the underlying values and future prospects.

The company discloses price sensitive information relating to significant contracts and investments or other material changes or events in NRC to investors and other market players through the Oslo Stock Exchange - [www.newsweb.no](http://www.newsweb.no) - and the company's website - [www.nrcgroup.no](http://www.nrcgroup.no). In addition, the company intends to publicly disclose on a regular basis all tenders awarded having a contract value exceeding NOK 30 million. All tenders awarded are normally subject to a 10 days appeal period before the award is definitive. The company's policy is to not inform the market of expiry of any such appeal period unless an actual appeal has been filed and the company is informed by the customer that the appeal is being considered and that this may lead to a delay or cancellation of the contract. Information about other tenders awarded will be updated quarterly as part of the company's order backlog.

# NRC GROUP ASA

## Company Information

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### **NRC Group ASA**

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### **Board of directors:**

Kristian Lundkvist (Chairman)

Brita Eilertsen

Lars André Gjerdrum

Kjersti Kanne

Harald Arnet

### **Financial Calendar**

9 November 2015

Quarterly report Q3 2015