2nd quarter and 1st half

result report 2020

NRC Group

From the CEO

Health, safety and environment will always be our number one priority. We have been through a historic quarter where the Covid-19 pandemic has impacted our way of living and working significantly. I want to thank our employees who adapted well to the new situation, and who enabled us to continue safe operations.

Our focus in 2020 is to improve our profitability. The improvement programs initiated in 2019 have so far enabled a stronger tendering process and risk assessment and an improved project execution. Our organisations have done a great job to implement measures and we see clear improvements both in processes and financial figures especially in Sweden and in Rail Norway. Continuing to deliver on our targets in our programs will be of high importance going forward.

Even if many of our divisions delivered good results for the first half year in 2020, we didn't reach our margin target for the second quarter. Overcapacity in our maintenance and core rail operations impacted the margin negatively in Finland. During second half of 2020 we will implement measures to reduce capacity and enable a more flexible cost structure.

Our vision is to build infrastructure for tomorrow, and we will continue to go the extra mile to find sustainable solutions for our society and people. NRC Group has a strong commitment to create trust among employees and partners. In June, NRC Group Norway signed the Fair Play agreement, where we committed to take our share of responsibility to develop an industry for generations to come. We have arranged an internal Compliance week, where we raise awareness on how we run our business and make sure that we follow the highest ethical standards.

I am proud to lead nearly 2,000 dedicated employees from Finland, Sweden and Norway into the second half of 2020. We are willing to change and willing to find new effective ways of working to reach our goals.

Stay healthy and safe.

Henning Olsen

Q2
Highlights

REVENUE
- NOK 1.66 billion (NOK 1.55 billion in Q2 2019)

ORDERS
- Order intake of NOK 1.3 billion
- Order backlog of NOK 7.5 billion

EBITA*
- NOK 27 million (NOK 51 million in Q2 2019)
- Impacted by cost related to overcapacity in Finland

LIQUIDITY
- Cash flow from operations of NOK 31 million
- Cash position of NOK 691 million

REVISED FINANCIAL TARGETS
- EBITA margin 2020 between 1.5% - 2.0%
- EBITA margin 2021 up towards 4.0%
- Long term ambition in 2024 maintained

KEY FIGURES
(Amounts in NOK million)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Revenue	1 661	1 551	2 915	2 681	6 193
EBITDA*	81	103	80	101	267
EBITA*	27	51	-27	-3	55
EBITA* (%)	1,6 %	3,3 %	-0,9 %	-0,1 %	0,9 %
Order backlog	7 526	7 632	7 526	7 632	7 151

* Before other income and expenses (M&A expenses)

Comments on second quarter and first half 2020 results

Second-quarter revenue was NOK 1,661 million compared to NOK 1,551 million reported for the same period of 2019. The revenue increase was 7% in the quarter due to positive currency effects. Group EBITA* was NOK 27 million compared to NOK 51 million for the same period last year. The EBITA* margin was 1.6% (3.3%), which includes increased production overhead in Finland as a result of overcapacity of personnel and lower utilisation of machines. The EBITA* margin in the quarter was also affected by execution of zero margin projects following project margin adjustments in the fourth quarter of 2019.

Implementation of improvement measures aimed to professionalise the organisation and strengthening the tendering process, risk assessment and project execution continues. The NOK 55 million overhead cost reduction in Norway and Sweden is on track. Overcapacity in Finland has however led to higher production overhead than expected. During the second half of 2020, additional measures will be implemented in Finland to improve profitability and to achieve a more flexible cost base.

Revenue for the first six months of 2020 was NOK 2,915 million compared to NOK 2,681 in the first half of 2019, an increase of 9%. EBITA* amounted to NOK -27 million compared with NOK -3 million in first half of 2019.

Revenue in Norway was NOK 476 million compared to NOK 545 million in the second quarter of 2019. The organic growth was -13%. In Civil construction the activity level was lower compared with same quarter last year, mainly due to lower win rate in tenders in 2020. The activity level in Rail was as expected. EBITA* was NOK 27 million, compared to NOK 43 million in the same period of 2019. Civil construction continued to deliver good margins even if some of the projects were negatively affected by Covid-19. Environment deliver strong margins, but somewhat lower than last year. The improvement program in Rail progressed according to plan.

Revenue from the Swedish operation amounted to NOK 487 million for the quarter compared to NOK 411 million in the same period of 2019. The organic growth was 5%. EBITA* was NOK -13 million compared to NOK -24 million in 2019. The EBITA* was affected by execution of zero margin projects following project margin adjustments in 2019. The improvement program in Sweden is on track.

Finland had revenue of NOK 700 million, compared to NOK 601 million in the second quarter of 2019. The organic growth was 3% in the quarter driven by light rail projects. The EBITA* was NOK 19 million in the quarter compared to NOK 45 million in the same period of 2019. Revenues and profitability were affected by the completion of the maintenance area 1 contract by the end of March 2020. In addition, EBITA was lower than expected as a result of increased production overhead, including lower utilisation of machines due to lower activity in core Rail construction. This has impacted the results negatively in Maintenance and in core rail operations. The core rail construction activity has been lower than expected due to fewer tenders in the market. Additional measures, which is estimated to include layoff of approximately 60-80 FTEs, will be implemented in the second half of 2020 to reduce costs and increase the flexibility of the cost structure going forward. The measures are expected to have full effect from second quarter of 2021.

Group operating profit (EBIT) for the quarter was NOK 12 million compared to NOK 30 million last year. EBIT for the second quarter included NOK 2 million of other income compared to M&A expenses of NOK 4 million in the same period of 2019. Net financial items amounted to NOK -18 million for the quarter, compared to NOK -19 million for the same period last year. The group has a 20% interest in a joint venture sharing risks and rewards of two larger projects with Astaldi and Gülemark in connection with the Station Haga in Gothenburg. The projects are complex with substantial risk, hence net income from the project has been reported at zero.

The order backlog amounted to NOK 7,526 million at 30 June. Second-quarter order intake was NOK 1,307 million, split on announced contracts of NOK 554 million and unannounced order intake of NOK 753 million, partly offset by NOK 168 million of negative currency adjustments due to NOK strengthening vs. SEK and EUR in the quarter.

In Norway, new orders included an appointed contract of NOK 199 million by Bane NOR, for preparatory works for the new ERTMS signalling system on Bergensbanen, Flåmsbanen and Randsfjordbanen.

1,551 → **1,661**

MNOK - Q2 2019 → **MNOK - Q2 2020**

In Sweden, NRC Group was appointed a contract of SEK 65 million for track, electro and signal/telecom work on the railway connection between Lund and Arlöv, and a SEK 69 million contract for building a new station at Lustån, located on the railway connection between Avesta and Hedemora. New orders in Finland included a three-year maintenance contract in Northern Finland valued at approximately EUR 16.1 million.

Tendering activity remains high in Norway and Sweden, while activity in Finland has been lower than expected. The company has identified a total addressable tender pipeline of approximately NOK 19 billion for the next nine months. This compares to an approximately NOK 18 billion tender pipeline three months ago.

The Norwegian market remains active with several ongoing tenders. In June, the Parliament approved the revised national budget which included approximately net NOK 550 million of extra allocations to existing investment projects in 2020 in addition a previously approved NOK 200 million increase to maintenance and renewal spending. There is broad political support for improving the national railway system with NOK 27 billion allocated to the railway sector in 2020, up close to 5% from the revised 2019 budget.

In Sweden, tendering activity remains strong with several ongoing tenders, but at fierce price competition. The Swedish national budget forecasts SEK 13.6 billion in new investments for 2020, up 30% from 2019, and maintenance investments, including renewal and reinvestments, of SEK 10.2 billion, an increase of 1%. In 2021, new investments, upgrades and maintenance spending are expected to grow by 19% in total. The sum of planned spending for the three coming years is estimated to exceed the average annual level for the NTP plan period.

In Finland, the expectation in the beginning of the year was that the addressable market would grow to EUR 0.89 billion in 2020. The main drivers for the growth was expected to be by light rail projects and an expected increase in renewal and reinvestment activities, based on Governmental decisions from 2019. NRC is already taking part in the ongoing light rail projects in the market. Tender activity and updated tender pipeline so far this year, does not reflect a market growth in line with expectations at the start of the year, for 2020. In June, The Central Government of Finland announced a supplementary budget for rail investments for the MAL (land, housing and transport) agreement 2020 – 2031 for the Helsinki area. The MAL agreement represents a total of EUR 1 billion for investments in infrastructure, whilst the supplementary budget estimates EUR 500-600 million in rail investments from 2021 and onwards. This supports the long-term market growth expectations as previously communicated.

In February, NRC Group presented its strategy update to position NRC Group as a Nordic leader in sustainable infrastructure. NRC Group has established a clear strategic roadmap with the ambition of NOK 10 billion in revenues and 7% EBITA margin in 2024. This implies a return to the 2016-2017 average margins, with the main uplift to come from internal improvements. Several measures have been implemented to restore profitability and create the groundwork for continued organic growth and expansion with complementary services.

The revenue ambition reflects an extensive group-wide process built on expected annual growth of 9% for the Nordic rail services market, organic growth and expansion opportunities in complementary services, and bolt-on M&As in existing segments and services. The Group is positioned to benefit from large and growing infrastructure markets that are supported by strong macro trends such as sustainability, population growth and urbanisation, and political consensus for increased investments in Norway, Sweden and Finland.

Update on Covid-19

In the first quarter, NRC Group immediately implemented new guidelines and policies to handle Covid-19 outbreaks to safeguard the health and safety of its employees and to maintain business operations.

NRC Group continues to monitor the development of the pandemic and its potential impact on the industry and the company's business. The main risks are related potential operational impact if outbreaks intensify and restrictions are resumed. NRC Group will follow up with immediate actions if relevant and needed. Operations also depend on that customers, predominantly the public transport agencies and the municipalities in Norway, Sweden and Finland, continue to announce and award tenders as scheduled to enable efficient planning and execution of projects during 2020 and 2021. Most tender processes are progressing as normal. Covid-19 has had limited negative financial effect as per end of June.

Part of NRC Group's activities are related to maintenance and upgrades of existing railway infrastructure. These operations are defined as critical to the society, and the company will prioritise these activities in case of situations where certain resources become scarce. NRC Group is well positioned to ensure business continuity.

Outlook

NRC Group continues focus on implementation of the updated strategy and improvement measures to restore profitability. The long-term ambitions stand firm based on a positive market outlook.

NRC Group expects revenue for the full year 2020 to be in line with 2019. For 2020, the Group expects an EBITA margin between 1.5% and 2.0%. This compares to a previous margin target exceeding 2.8% for the year. The adjustment is related to higher production overhead due to overcapacity in Finland, and lower revenue in Civil Norway leading to lower results. For 2021, the Group targets an EBITA margin up towards 4% based on existing order book and tender pipeline. The ambition level for 2024 is unchanged.

Cash flow

Net cash flow from continuing operating activities for the second quarter of 2020 was NOK 31 million compared to NOK 9 million in 2019. Year to date, the cash flow from continuing operations was NOK 73 million compared to NOK -49 million in 2019. The increase of NOK 122 million is mainly due to measures focused on reducing the working capital. Cash flow from discontinued operations relates to the Design business sold in 2019.

Net cash flow from investing activities for the second quarter in 2020 was NOK -30 million including a final settlement of NOK -17 million related to the sale of the Design business. The cash flow from acquisition of companies relates to the cash payment for Järnvägskonsulterna Bollnäs AB (JVK) in Sweden. Payments for the contingent consideration and final purchase price for Norsk Saneringsservice (NSS) and Gunnar Knutsen, amounting to NOK 92 million, was made in July. A final settlement for NSS will take place in December.

Net cash flows from financing activities include ordinary repayment of loans and lease (financial and operating) liability and related interests. Acquisition of treasury shares is related to the 2020 employee share program.

In the second quarter, net cash decreased with NOK 130 million including a currency translation difference of NOK 22 million, ending with a cash position at 30 June of NOK 691 million. Additionally, the Group had unused credit facilities of NOK 200 million.

Financial position

The balance sheet has during 2020 been significantly impacted by currency changes to EUR and SEK, impacting all balance sheet items for Group investments in Finland and Sweden. The NOK strengthened vs. EUR during the second quarter but remained weaker than at end of 2019.

Intangible assets decreased by NOK 79 million to NOK 2,989 million in the quarter. The acquisition of JVK increased goodwill by NOK 15 million and total amortisations reduced other intangible asset by NOK 16 million. The remaining change is related to currency adjustments.

Tangible assets decreased by NOK 12 million to NOK 295 million in the quarter, mainly related to depreciations and currency adjustments. Right-of-use assets increased by NOK 39 million to NOK 578 million. The increase is mainly due to a NOK 72 million financial lease agreement for a tamping machine in Norway. Repayment will take place over 10 years.

Inventory is related to the operation in Finland and increased by NOK 26 million in the quarter.

Total receivables increased by NOK 156 million to NOK 1,473 million during the quarter, net of currency adjustments. The increase follows normal seasonal working capital changes tied to increased activity in second quarter.

Total assets are at the same level as last quarter. The equity ratio was 44.5% at 30 June.

Interest-bearing liabilities consist of a EUR bank loan, a NOK 600 million bond and discounted cash flows related to lease agreements, including operating lease agreements (mainly real estate rents) under IFRS 16. Total interest-bearing liabilities amounted to NOK 1,859 million at 30 June. The EUR bank loan was reduced by NOK 81 million in the quarter, consisting of the repayment of NOK 41 million in addition to currency adjustments. Short- and long-term lease liabilities increased by NOK 20 million, mainly related to the new tamping machine net of repayments, currency translation effects and other changes.

Net interest-bearing debt increased by NOK 70 million during the quarter to NOK 1,168 million as at 30 June.

Risks

NRC Group is exposed to operational, financial and market risks. Operational risks include risk assessment and contingency appraisal in project tendering, project execution and claims and legal proceedings. In addition, it includes resource optimisation following fluctuations in seasonal demand in the business and ability to implement strategies, as well as macroeconomic conditions such as change in government spending or demand.

NRC Group aims to undertake operational risk that the business units can influence and control. NRC Group has developed risk management processes that are well adapted to the business. This includes analysis of project risk from the tendering phase through to completion to ensure appropriate pricing and risk management. NRC Group also seeks to minimise the exposure to risk that cannot be managed.

Financial risks include financial market risk, credit risk and liquidity risk. Financial market risks most relevant for the Group are currency risk and interest rate risk. A Group risk management policy for hedging is implemented to manage this risk. By having operational units in different functional currencies, NRC Group is exposed to currency translation risks related to subsidiaries in Sweden (SEK) and Finland (EUR). The Group have a currency loan to hedge the net investment in Finland. Most transactions in the Group are in local functional currencies. Significant transactions in other than functional currencies are assessed, and hedging instruments are considered to limit the risks associated with foreign exchange. The bond issued in September 2019 carries an interest of three months NIBOR + 4% until maturity 13 September 2024. The three months NIBOR has been hedged to a fixed rate of 1.838% for the full period. The fair market value of the hedge was NOK -34 million impacting other comprehensive income.

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due. The Group has total current assets of NOK 2,257 million at the end of the quarter, NOK 427 million higher than short-term liabilities. Total cash amounts to NOK 691 million in addition to a multi-currency credit facility of NOK 200 million. The central management team and the local managers of the subsidiaries monitor the Group's liquid resources and credit facilities through revolving forecast based on expected cash flow. The cash flow is impacted by seasonal fluctuations. The current cash position and the multi-currency cash pool provides significant flexibility for managing cash flows and reserves within the Group.

Work in progress and trade receivables are set out contractually, which means that the amount of capital committed is determined by the credit terms of the contracts. NRC

Group's liquidity reserves will normally be at its lowest in the spring and summer due to the seasonality in the business.

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

The coronavirus outbreak may significantly impact markets and operations going forward as the situation affects both operational, financial and market risks. The extent will depend on how the virus infection spreads and the measures that are implemented by the authorities. The Group follows public recommendations closely and continuously update internal policies accordingly. NRC Group project workers are active on a large number of projects in various locations, which reduces the risk. However, in a scenario with wide-spread virus infection, a significant impact on operations may occur. A substantial part of Group revenue comes from public customers with a low credit risk. Private sector clients will be closely followed up to minimise credit risk related to the coronavirus. The current orderbook limits the short-term impact on revenue. However, project execution and revenue will depend on the availability of project people including sub-contractors considering Covid-19 impact and restrictions and measures implemented by the authorities. It is likely that the situation may lead to delays in projects and additional expenses. Financial impact will depend on the contract terms on a project by project basis. Long-term, NRC Group sees limited impact on infrastructure investments.

Building a **sustainable** company

The Sustainable Development Goals, established by the United Nations, address and handle the most pressing global challenges the world is facing. The 17 Goals are all interconnected and intended to be achieved by 2030. NRC Group has identified activities and goals where the company's actions have the highest impact.

5 GENDER EQUALITY

UN has made gender equality central to its work, it is vital to give women equal rights. For NRC Group, it is all about the people. It is a business imperative to have the right people in the right roles doing the right job - regardless of gender, age, background, ethnicity and life experience.

At 30 June, NRG Group had 1,932 employees compared to 2,151 the same time last year. 9,3% of the total workforce at NRC Group are women. NRC Group wants to do better and will work to increase the gender equality across the company. The Board of Directors consists of 42% women and the Group management of NRC Group has 28% women.

"I've been working on a maintenance turnout project in Finland, were I supported the site foreman and other project staff members. Since I was a child, I've lived nearby a railway track and have always been interested in machines. That probably influenced my career choice. I applied to a summer intern position with NRC Group because I wanted to learn more about different roles in construction projects and get insights on what I could work with once I graduate. It's been really nice to work with such a variety of tasks."

Emma Mäkinen, 22, Technical Intern NRC Group Finland

Employees are the most important resource for the company. The continuous work to build a unified culture is more important than ever for NRC Group, where motivated talents with technical, financial, operational and leadership skills are key to develop a solid organisation. Being able to listen to and acknowledge different opinions with different backgrounds, experiences and perspectives makes better corporate decision-making. It is also key drivers for innovation and growth. Being inclusive makes business sense to NRC Group.

In June, 54 interns joined NRC Group across Nordics, 15% were women. In Finland, two out of nine trainees are women, and one out of nine are women in Norway. NRC Group provides on-the-job training from day one to get interns and trainees ready to 'be on track'.

54

INTERNS JOINED IN JUNE

8 DECENT WORK AND ECONOMIC GROWTH

The UN's goal is to promote safe working environments, promote development-oriented policies and protect the worker. All employees shall have a safe and secure working environment at NRC Group. Our goal is that no one should get injured from working with the company. The health and safety of employees and partners is the number one priority.

NRC Group aims to provide a safe and meaningful job for employees and enable an efficient and profitable project execution. A wide range of safety training are conducted by NRC Group School on a regular basis to ensure that all employees are equipped to work safely during a project.

Occupational health and safety management systems have been implemented in all countries. Operations in Norway, Sweden, and Finland are certified according to the ISO 45001 standard that specifies requirements for an occupational health (OH&H) and safety management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

The Lost Time Injury (LTI) rate measures safety at work and is defined as the number of work-related accidents with at least one full day absence per million working hours (including subcontractors). By the end of June, the LTI-1 was 4.1 (9.4 in 2019). The Group systematically work to reduce the rate and investigates each incident to identify why and how the company can avoid similar incidents.

The rate for LTI-2 is defined as number of lost time injuries in total per million hours, also including injuries that require medical treatment and alternative work (including subcontractors). By the end of June, the LTI-2 rate was 11.3 (17.6 in 2019).

Learning from all injuries is important. NRC Group systematically collect and analyse data through reports and investigations from incidents, to make sure the company can implement additional guidelines and routines that works and prevent new incidents from happening.

4.1

LTI-1 BY THE END OF JUNE

Sickness absence was 4.7% in June and increased from the same period in 2019 mainly due to quarantine regulations, where employees were home in line with public recommendations. NRC Group has defined the level as a healthy level, without significant absence due to occupational illnesses. HR Managers in each country monitor the situation and have a close follow-up of employees.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

The UN's goal is to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Providing sustainable infrastructure is at the core of NRC Group's business. The company continuously work to minimise the impact on the environment during projects, and activities are carried out in accordance with applicable regulations and environmental requirements.

NRC Group recognises that while constructing and maintaining infrastructure projects, operations might have a negative impact on the external environment in the form of emissions, noise, dust, vibration, fluid discharges and others. Activities may also entail intrusion on, and changes to landscape and nature. NRC Group has established a group-wide policy to maintain the environmental principles and promote a sustainable focus. With regular trainings, awareness campaigns and measurements, employees are committed to take on responsibility for the external environment.

NRC Group has defined measurements to reduce greenhouse gas emissions and waste. The company minimizes CO2 footprint by decreasing the use of fossil fuel and reducing the amounts of non-sorted waste. The Group is in process of implementing measurements throughout the entire value chain.

Providing sustainable infrastructure is at the core of NRC Group's business.

Håll Nollan in Sweden

NRC Group was nominated for "Håll Nollan" for innovative solutions and a sharp focus on safety and environment during the project. With a nature reserve nearby, the reconstruction of road 160 was completed with a constant focus on the external environment.

Holtet Station in Norway

"We had two busy years with hundreds of workers employed during the busiest months. The project was fossil fuel free; all our machines was running on biodiesel. We planted 6000 trees and flowers to provide a greener environment for passengers",
– *says Head of Civil, NRC Norway, Geir Nordbø.*

The project will reduce CO2 footprint with 361 tons equivalents.

New bridge in Sweden

To create safer transport for citizens in Skøvde, NRC Group has built a new railway bridge. Over 50% of masses were reused and the environment for insects and flowers was restored during the project.

Connecting people in Finland

The Crown Bridges alliance project will connect more people with a 10-kilometre tramway line. The project will during execution use CEEQUAL, a world leading sustainability rating scheme for evaluation.

Interim condensed consolidated statement of profit or loss

(Amounts in NOK million)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Revenue	1 661	1 551	2 915	2 681	6 193
Operating expenses	1 580	1 448	2 835	2 580	5 927
EBITDA before other income and expenses	**81**	**103**	**80**	**101**	**267**
Other income and expenses	2	-4	-6	-52	-91
EBITDA	**83**	**100**	**75**	**49**	**176**
Depreciation	54	52	108	104	212
Operating profit/loss before amortisation (EBITA)	**28**	**47**	**-33**	**-55**	**-36**
Amortisation	16	17	31	35	70
Operating profit/loss (EBIT)	**12**	**30**	**-64**	**-90**	**-105**
Net financial items	-18	-19	-41	-36	-73
Profit/loss before tax (EBT)	**-6**	**11**	**-105**	**-126**	**-178**
Taxes	1	-7	22	11	26
Net profit/loss from continuing operations	**-4**	**4**	**-82**	**-115**	**-152**
Net profit from discontinued operations	-3	7	-3	13	80
Net profit/loss	**-8**	**11**	**-86**	**-102**	**-72**
Profit/loss attributable to:					
Shareholders of the parent	-7	11	-85	-102	-73
Non-controlling interests	0	0	0	0	1
Net profit / loss	**-8**	**11**	**-86**	**-102**	**-72**
Earnings per share in NOK (ordinary)					
From continuing operations	-0,06	0,07	-1,23	-2,15	-2,83
From discontinued operations	-0,04	0,14	-0,05	0,24	1,48
Earnings per share in NOK (diluted)					
From continuing operations	-0,06	0,07	-1,23	-2,15	-2,83
From discontinued operations	-0,04	0,14	-0,05	0,24	1,47

Interim condensed consolidated statement of comprehensive income

(Amounts in NOK million)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Net profit / loss	**-8**	**11**	**-86**	**-102**	**-72**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Translation differences	-41	8	140	-12	14
Net gain on hedging instruments	2	0	-27	-18	-17
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Net actuarial gain/loss on pension expense	0	0	0	0	4
Total comprehensive profit/loss	**-47**	**19**	**27**	**-132**	**-72**
Total comprehensive profit/loss attributable to:					
Shareholders of the parent	-47	19	28	-132	-73
Non-controlling interests	0	0	0	0	1
Total comprehensive profit/loss	**-47**	**19**	**27**	**-132**	**-72**

Interim condensed consolidated statement of financial position

(Amounts in NOK million)

ASSETS	30.06.2020	30.06.2019	31.12.2019
Deferred tax assets	69	41	69
Goodwill	2 816	2 751	2 611
Customer contracts and other intangible assets	104	168	119
Intangible assets	**2 989**	**2 960**	**2 799**
Tangible assets	295	292	276
Right-of-use assets	578	564	522
Other non-current assets	24	11	24
Total non-current assets	**3 886**	**3 828**	**3 621**
Total inventories	92	184	136
Total receivables	1 473	1 591	1 511
Cash and cash equivalents	691	226	154
Other current financial assets	0	0	1
Total current assets	**2 257**	**2 002**	**1 802**
Total assets	**6 143**	**5 830**	**5 423**

EQUITY AND LIABILITIES			
Equity			
Paid-in-capital	2 388	1 710	1 716
Other equity	342	255	314
Total equity attributable to owners of the parent	**2 730**	**1 965**	**2 030**
Non-controlling interests	2	2	3
Total equity	**2 732**	**1 967**	**2 033**
Liabilities			
Pension obligations	13	15	11
Long-term leasing liabilities	378	403	339
Other non-current interest-bearing liabilities	1 138	936	1 161
Deferred taxes	14	35	23
Other non-current liabilities	37	28	0
Total non-current liabilities	**1 580**	**1 416**	**1 534**
Short-term leasing liabilities	183	163	186
Other interest-bearing current liabilities	159	757	101
Other current liabilities	1 488	1 527	1 569
Total current liabilities	**1 830**	**2 446**	**1 857**
Total equity and liabilities	**6 143**	**5 830**	**5 423**

Interim condensed consolidated statement of cash flows

(Amounts in NOK million)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Profit/loss before tax	-6	11	-105	-126	-178
Depreciation and amortisation	70	70	139	141	281
Taxes paid	-12	-25	-24	-27	-58
Net interest expenses	20	19	40	36	73
Change in working capital and other accruals	-43	-65	23	-74	-155
Net cash flow from operating activities - cont. oper.	**31**	**9**	**73**	**-49**	**-37**
Net cash flow from operating activities - disc. oper.	**0**	**2**	**14**	**28**	**109**
Net cash flow from operating activities	**31**	**11**	**87**	**-21**	**71**
Purchase of property, plant and equipment	-7	-14	-20	-18	-40
Acquisition of companies, net of cash acquired	-12	-111	-12	-1 151	-1 146
Net proceeds from sale of property, plant and equipment	7	19	11	27	41
Net cash flow from investing activities - cont. oper.	**-13**	**-106**	**-21**	**-1 142**	**-1 145**
Net cash flow from investing activities - disc. oper.	**-17**	**0**	**-17**	**-218**	**214**
Net cash flow from investing activities	**-30**	**-106**	**-38**	**-1 359**	**-931**
Net proceeds from issue of shares	0	2	672	2	4
Proceeds from borrowings	0	0	0	1 422	2 022
Repayments of borrowings	-41	-65	-41	-87	-1 128
Payments of lease liabilities	-50	-40	-96	-69	-165
Interest paid	-15	-15	-32	-31	-84
Net proceeds from acquisition/sale of treasury shares	-3	2	-1	-10	-5
Dividend paid	0	0	0	0	-1
Net cash flow from financing activities - cont. oper.	**-108**	**-116**	**502**	**1 227**	**642**
Net cash flow from financing activities - disc. oper.	**0**	**-2**	**0**	**-7**	**-14**
Net cash flow from financing activities	**-108**	**-119**	**502**	**1 221**	**628**
Net change in cash and cash equivalents	**-108**	**-214**	**551**	**-160**	**-232**
Cash and cash equiv. at the start of the period	**821**	**439**	**154**	**396**	**396**
Translation differences	-22	0	-15	-10	-9
Cash and cash equiv. at the end of the period	**691**	**226**	**691**	**226**	**154**
Hereof presented as:					
Free cash	691	225	691	225	153
Restricted cash	0	2	0	2	1
Cash and cash equiv. - cont. operations	691	226	691	226	154
Cash and cash equiv. - discont. operations	0	0	0	0	0

Interim condensed consolidated statement of changes in equity

(Amounts in NOK million)

	Share capital	Treasury shares	Other paid-in capital	Hedge reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2019	**44**	**0**	**1 009**	**18**	**-6**	**375**	**1 440**	**2**	**1 442**
Profit/loss for the period						-102	-102	0	-102
Other comprehensive income				-18	-12		-30		-30
Increase share capital	10		649				659		659
Costs related to capital increase			-3				-3		-3
Employee share program			11				11		11
Share-based payments			3				3		3
Acquisition of treasury shares		0	-12				-12		-12
Total changes in equity	**10**	**0**	**647**	**-18**	**-12**	**-102**	**525**	**0**	**525**
Equity at 30 June 2019	**54**	**0**	**1 656**	**0**	**-18**	**273**	**1 965**	**2**	**1 967**
Equity at 1 January 2020	**54**	**0**	**1 662**	**1**	**8**	**305**	**2 030**	**3**	**2 033**
Profit/loss for the period						-85	-85	0	-86
Other comprehensive income				-27	140		113		113
Increase share capital	19		681				700		700
Costs related to capital increase			-28				-28		-28
Employee share program			6				6		6
Share-based payments			0				0		0
Acquisition of treasury shares		0	-6				-6		-6
Total changes in equity	**19**	**0**	**653**	**-27**	**140**	**-85**	**701**	**0**	**700**
Equity at 30 June 2020	**73**	**0**	**2 315**	**-26**	**148**	**220**	**2 730**	**2**	**2 732**

Notes to the interim condensed consolidated financial statement

General information

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

The company is a public limited liability company incorporated in Norway under the Norwegian Public Limited Liability Companies Act with registration number 910 686 909. The company address is Lysaker Torg 25, 1366 Lysaker, Norway.

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

Accounting policies and basis for preparation

The condensed consolidated financial statements as per 30 June 2020 are prepared in accordance with IFRS as approved by the EU and comprise NRC Group ASA and its subsidiaries. The interim and half-year financial report is presented in accordance with IAS 34, Interim Financial Reporting. The accounting principles applied in the interim and half-year report are the same as those described in the consolidated accounts for 2019 except for what further described regarding the classification of interests paid in the cash flow statement.

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 2019. 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 interim and half-year financial reports for 2019 and audited financial report for the full year of 2019.

In August 2019, an agreement to divest the operating segment Design was signed and based on this reported as discontinued operations. The sale of Design was closed 1 November 2019, and the net profit from discontinued operations in the prior periods were reclassified accordingly.

Change in accounting principles

This note explains the impact of changes made to the Group's accounting principles implemented in 2019.

Cash flow statement

Upon the acquisition financing in 2019 and the bond issue in September, the financing activities of the Group increased significantly. Prior to the third quarter reporting, the interest expenses were considered as part of profit before tax, and differences between interest expense and interest paid were included in "Change in working capital and other accruals". To better reflect the underlying activities in the cash flow statement, the interests paid have been reclassified from operating activities and presented under a separate line as financing activities. Comparable numbers from prior periods have been restated such as (see next page):

(Amounts in NOK million)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
Net interest expenses	20	19	40	36	73
Change in working capital and other accruals	-5	-4	-8	-5	12
Changes in net cash flow from operating activities - cont. oper.	**15**	**15**	**32**	**31**	**84**
Changes in net cash flow from operating activities - disc. oper.	**0**	**2**	**0**	**2**	**7**
Total changes in net cash flow from operating activities	**15**	**18**	**32**	**33**	**91**
Interest paid	-15	-15	-32	-31	-84
Changes in net cash flow from financing activities - cont. oper.	**-15**	**-15**	**-32**	**-31**	**-84**
Changes in net cash flow from financing activities - disc. oper.	**0**	**-2**	**0**	**-2**	**-7**
Total changes in net cash flow from financing activities	**-15**	**-18**	**-32**	**-33**	**-91**
Net change in cash and cash equivalents	**0**	**0**	**0**	**0**	**0**

Significant estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Estimates and assumptions are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are regarded as probable under the current circumstances. The coronavirus outbreak has increased the uncertainty about certain estimates and assumptions. Uncertainty about estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Revenue from contracts with customers

The Group's business mainly consists of execution of projects. The complexity and scope of the projects mean that the projects have an inherent risk that the results may differ from expected results. The Group recognises revenue over time using the input method, e.g. contract costs incurred, resources consumed, or hours spent in relation to the total expected input to fulfil the performance obligation. For projects in progress, the uncertainty is mainly linked to the estimate of total expenses, the estimate of any variable proceeds, value of any project modifications being recognised and the impact of any disputes or contractual disagreements. The coronavirus outbreak has increased the uncertainty related to total project expenses, including any projects being delayed due to resources not being available and increased cost for sub-contractors or delivery of materials.

Goodwill and other intangible assets

The Group performs annual tests to assess the impairment of goodwill, or more frequently if there is an indication of impairment. In the impairment test the carrying amount is measured against the recoverable amount of the cash generating unit to which the asset is allocated. The recoverable amount of cash generating units is determined by calculating its value in use. These calculations require the use of assumptions and estimates related to future cash flows and discount rate. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future net cash inflows and the growth rate used for extrapolation purposes. The impact of the coronavirus outbreak has been assessed as part of the impairment considerations, including the impact on significant assumptions. No impairment has been made. As the impact of the virus still can significantly change, the overall uncertainty related to the estimates have increased.

Purchase price allocation and accounting for contingent consideration in business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of the assets that are contributed as consideration for the acquisition, equity instruments that are issued and liabilities that are assumed. Identifiable acquired assets, liabilities and contingent liabilities that are assumed to be inherent in a business combination are assessed at their fair value. Estimating the fair value of acquired assets, liabilities and contingent liabilities require determination of all facts and information available and how this will impact on the calculations. These calculations require the use of assumptions and estimates related to future cash flows and discount rate.

Contingent considerations will be recognised at fair value at the acquisition date. The contingent consideration can include facts and circumstances not available at the balance sheet date or assumptions related to future events such as meeting earning targets. Estimating the fair value of contingent consideration require determination of all facts and information available and how this will impact on the calculations. The key assumption is to consider the most likely outcome based on the current state of the target.

Segments

(Amounts in NOK million)

Q2 2020	Norway	Sweden	Finland	Other	Conso-lidated
External	476	485	700	0	1 661
Inter-segment	0	1	1	-2	0
Total revenue	**476**	**487**	**700**	**-2**	**1 661**
EBITDA*	**50**	**0**	**37**	**-6**	**81**
Depreciation	23	13	19	0	54
EBITA*	**27**	**-13**	**19**	**-6**	**27**
Amortisation and impairment	4	1	11	0	16
EBIT*	**23**	**-14**	**7**	**-6**	**11**
Other income and expenses	-4	0	1	1	-2
EBIT	**27**	**-14**	**6**	**-7**	**12**
Order backlog	1 933	2 554	3 038		7 526

Q2 2019	Norway	Sweden	Finland	Other	Conso-lidated
External	541	411	599	0	1 551
Inter-segment	4	0	2	-7	0
Total revenue	**545**	**411**	**601**	**-7**	**1 551**
EBITDA*	**65**	**-13**	**64**	**-12**	**103**
Depreciation	22	11	19	0	52
EBITA*	**43**	**-24**	**45**	**-13**	**51**
Amortisation and impairment	8	0	10	0	17
EBIT*	**35**	**-24**	**35**	**-13**	**34**
Other income and expenses	2	0	0	1	4
EBIT	**33**	**-24**	**35**	**-14**	**30**
Order backlog	1 512	2 694	3 426		7 632

YTD 2020	Norway	Sweden	Finland	Other	Conso-lidated
External	880	796	1 239	0	2 915
Inter-segment	3	2	1	-6	0
Total revenue	**883**	**798**	**1 240**	**-6**	**2 915**
EBITDA*	**57**	**-15**	**53**	**-15**	**80**
Depreciation	44	25	38	0	108
EBITA*	**13**	**-40**	**16**	**-15**	**-27**
Amortisation and impairment	8	1	22	1	31
EBIT*	**5**	**-41**	**-7**	**-16**	**-59**
Other income and expenses	1	0	1	4	6
EBIT	**4**	**-41**	**-7**	**-20**	**-64**

YTD 2019	Norway	Sweden	Finland	Other	Conso-lidated
External	1 011	709	960	0	2 681
Inter-segment	4	1	2	-7	0
Total revenue	**1 015**	**710**	**962**	**-7**	**2 681**
EBITDA*	**79**	**-19**	**68**	**-27**	**101**
Depreciation	42	24	37	1	104
EBITA*	**37**	**-44**	**32**	**-28**	**-3**
Amortisation and impairment	15	0	20	0	35
EBIT*	**22**	**-44**	**11**	**-28**	**-38**
Other income and expenses	5	0	46	1	52
EBIT	**18**	**-44**	**-35**	**-29**	**-90**

FY 2019	Norway	Sweden	Finland	Other	Conso-lidated
External	2 272	1 538	2 383	0	6 193
Inter-segment	9	2	4	-15	0
Total revenue	**2 281**	**1 539**	**2 388**	**-15**	**6 193**
EBITDA*	**186**	**-77**	**191**	**-33**	**267**
Depreciation	88	48	75	1	212
EBITA*	**97**	**-125**	**116**	**-34**	**55**
Amortisation and impairment	28	0	41	1	70
EBIT*	**70**	**-125**	**75**	**-35**	**-15**
Other income and expenses	45	0	37	8	91
EBIT	**24**	**-125**	**38**	**-43**	**-105**
Order backlog	1 969	2 277	2 905		7 151

**Before other income and expenses (M&A expenses)*

Business combinations

Järnvägskonsulterna Bollnäs AB (JVK)

On 16 April 2020, NRC Group completed the transaction to acquire 100% of JVK at an estimated net settlement of SEK 15 million, including a contingent consideration of SEK 3 million. The acquisition of JVK was financed by cash. The purchase price has been allocated at the fair value of the assets and liabilities of the acquired company using the acquisition method according to IFRS 3. The allocation was not finalised by 30 June 2020, and preliminary estimates are made regarding the opening balance sheet and estimated purchase price. The acquisition resulted in an estimated goodwill of SEK 15 million. Goodwill is related to the fair value of expected synergies arising from the organisation's competence within track renewal projects. Consolidated revenue from date of acquisition is SEK 0 million as the revenue of SEK 1.4 million has been internal in the Group. The corresponding profit before tax is SEK 0.5 million. Transaction costs expensed as Other income and expenses is SEK 0.3 million year-to-date.

Gästrike Signal & Projektering AB (GSP)

After the balance sheet date, on 2 July, NRC Group completed the transaction to acquire 70% of GSP at an estimated net settlement of SEK 17.5 million including a contingent consideration of SEK 2.5 million. The transaction took place subsequent to the quarter, hence the numbers are not included in the consolidated quarterly report. The acquisition of GSP was financed by cash. The purchase price has been allocated at the fair value of the assets and liabilities of the acquired company using the acquisition method according to IFRS 3. The allocation is not finalised, and preliminary estimates are made regarding the opening balance sheet and estimated purchase price. The acquisition resulted in an estimated goodwill of SEK 16 million. Goodwill is related to the fair value of expected synergies arising from the organisation's competence within signalling projects. Transaction costs expensed as Other income and expenses is SEK 0.7 million year-to-date.

Discontinued operations and assets held for sale

On 12 August 2019, the Group announced the decision of its Board of Directors to sell the Design segment. Following this decision, Design was classified as a disposal group held for sale and as a discontinued operation. The transaction was closed on 1 November 2019.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. The result of discontinued operations in 2020 is related to net subsequent settlements and income and expenses related to the business disposed in 2019.

The major classes of assets and liabilities of the Design segment classified as held for sale were derecognised upon the sale 1 November 2019. For further information, see note 25 in the annual accounts for 2019.

Corporate events during the quarter

On 2 April, the Annual report 2019 was published.

On 6 May, the Annual General Meeting appointed David Christopher Montgomery and Tove Elisabeth Pettersen as new Board members, replacing Harald Arnet and Kjersti Kanne. The Board of Directors was granted by the Annual General Meeting the authorization to increase the share capital by up to NOK 800,000 in connection with the option program for key employees. The authorization is valid for a period of two years until 6 May 2022. 489,500 share options have been granted during the period. The options can be vested over a period of 12 months from 1 June 2023 at a strike price of NOK 26.54. The strike price will be adjusted for any dividends paid from the time of the establishment of the program until the options are exercised. The employees pay a premium of NOK 1.00 for each option. At the end of the quarter a total of 611,500 options were outstanding under the key employee share option program, at a weighted average exercise price of NOK 37.86. Additionally, 305,625 options were outstanding under the senior management program at a weighted average exercise price of NOK 54.42.

The Annual General Meeting granted the Board of Directors an authorization to acquire shares in NRC Group ASA for up to a maximum of NOK 7,295,454.90. The Board of Directors' acquisition of shares pursuant to the authorization can only take place between a minimum price of NOK 1 and at highest price of NOK 100 per share. The authorization applies from registration in the Norwegian Register of Business Enterprises on 27 May 2020 and up until the Annual General Meeting in the spring of 2021, but not later than 30 June 2021. Acquisitions and disposals of treasury shares can take place in the manner found appropriate by the Board of Directors. The Annual General Meeting also granted the Board of Directors an authorization to increase the share capital by a maximum of NOK 7,295,455.00. The subscription price and other subscription terms is determined by the Board of Directors. The capital increase may be paid in cash, by set-off or by contributions in assets other than money. The authorization is valid from registration with the Register of Business Enterprises on 27 May 2020 and until the Annual General Meeting in the spring of 2021, but not later than 30 June 2021.

On 23 April and 22 May, share buy-back programs were initiated for up to NOK 2 million each in the market. The shares under the programs were to be used in connection with the Company's employee share program. Subsequently, the Company acquired shares 23 April and 22, 25 and 26 May, leaving the Company's total holding of treasury shares on 26 May at 229,384 shares.

On 2 June, NRC Group ASA completed the 2020 share program for employees in the Company and the Company's subsidiaries in Norway, Sweden and Finland, where the employees have been offered the opportunity to purchase shares in the Company at a 20% discount for a total amount of either NOK 12,000, NOK 20,000 or NOK 32,000. The purchase price per share before the discount was NOK 31.75, corresponding to the closing trading price of the Company's share on the Oslo Stock Exchange on 29 May 2020. In connection with the program, the Company transferred 202,542 of its shares held in treasury to employees participating. The Company holds 26,842 shares in treasury following the transaction.

Transactions between related parties

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the second quarter 2020. Note 6 and 7 to the Group accounts in the annual report for 2019 provide further disclosures on the size and types of related party transactions during the previous years.

NRC Group ASA has had agreements with Board members for consultancy services related to certain internal projects, including such as acquisitions and management recruitment. The agreements are based on hourly rates and are carried out on arm's length terms. Currently, there exists one agreement with Mats Williamson.

Contract announcements

The table presented below provides an overview of the Stock Exchange announced contracts during second quarter 2020.

Client	Estimated value	Country
Bane NOR	199	Norway
NCC and OHL	68	Sweden
Bane NOR	39	Norway
Swedish Transport Administration	72	Sweden
Finnish Transportation Infrastructure Agency	177	Finland
Total	**554**	

(Amounts in NOK million)

Events after the end of the quarter

Payments of NOK 92 million for the contingent consideration following the acquisition of Norsk Saneringsservice (NSS) and Gunnar Knutsen in 2018, were made in July.

IR Policy

The company's objective is to serve the financial market 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 Group to investors and other market players through the Oslo Stock Exchange, www.newsweb.no, and the company's website, www.nrcgroup.com. In addition, the company intends to publicly disclose all tenders awarded with 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.

Dividend Policy

The company expects to create value for its shareholders by combining increased share value in a long-term perspective and distribution of dividends. The company aims to have a dividend policy comparable with peer Groups in the industry and to give its shareholders a competitive return on invested capital relative to the underlying risks. The Board of Directors at NRC Group has introduced a dividend policy whereby, subject to a satisfactory underlying financial performance, it is NRC Group's ambition over time to distribute as dividend a minimum of 30% of the profit for the year. The target level will be subject to adjustment depending on possible other uses of funds. The Annual General Meeting (AGM) resolves the annual dividend, based on the proposal by the Board of Directors.

The Statement of the Board of Directors and CEO

The Board of Directors and CEO have today reviewed and approved the interim financial report and the unaudited condensed interim consolidated financial statements for the second quarter and the first half year of 2020. The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. To the best of our knowledge, the interim financial report gives a fair view of NRC Group's assets, liabilities, financial position and performance. In addition, the report gives a fair overview of important events in the reporting period and their impact on the financial statements, and describes the principal risks and uncertainties associated with the next reporting period.

Lysaker, 18 August 2020

The Board of Directors of NRC Group ASA

Helge Midttun
Chairman of the BoD

Eva Nygren
Board member

Brita Eilertsen
Board member

Tove Elisabeth Pettersen
Board member

Mats Williamson
Board member

David Montgomery
Board member

Rolf Jansson
Board member

Henning Olsen
CEO NRC Group ASA

Alternative performance measures and definitions

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by Group management and Board of Directors to measure the Company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement. The Group believes that APMs such as EBITA* and EBITDA* (*excluding other income and expenses) are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation on fixed assets, amortisation on intangible assets and M&A expenses, which can vary significantly, depending upon accounting methods (in particular when acquisitions have occurred) or based on non-operating factors. Accordingly, the Group discloses these APMs to permit a more complete and comprehensive analysis of its underlying operating performance relative to other companies and across periods, and of the Group's ability to service its debt. Because companies may calculate EBITA and EBITDA, and EBITA and EBITDA margin differently, the Company's presentation of these APMs may not be comparable to similar titled measures used by other companies.

ADDRESSABLE TENDER PIPELINE
Total adressable tenders above NOK 30 million expected to be made available in the marked during the next 9 months, and assesed as relevant for the Group, based on the current group operations, to consider participation.

BOOK-TO-BILL ratio
The nominal value of orders received divided by external revenue for the corresponding period.

BOOK-TO-BILL ratio LTM
The nominal value of orders received last twelve months divided by external revenue for last twelve months.

CONTRACT VALUE
The amount stated in the contract for contract work excluding VAT.

EBIT
Operating profit.

EBIT*, EBITA* and EBITDA* (ex M&A)
EBIT, EBITA and EBITDA plus other income and expenses.

EBITA
Operating profit plus amortisations on intangible assets, including intangible assets such as customer relations and order backlog accounted for as part of the purchase price allocation under business combinations.

EBITA* (ex M&A) %
EBITA ex M&A in relation to operating revenues.

EBITDA
EBITA plus depreciations on fixed assets and right-to-use assets.

EBT
Profit before tax.

EQUITY RATIO
Total equity in relation to total assets.

INVESTMENTS
Cash proceeds for purchase of property, plant and equipment and net cash proceeds for acquisitions of subsidiaries.

M&A EXPENSES
Expensed external costs related to merger and acquisitions, including any subsequent adjustments to the final settlement of contingent considerations that is not included in the final purchase price allocation.

NET CASH/ NET DEBT
Cash and cash equivalents minus interest-bearing liability.

ORDER BACKLOG
Total nominal value of orders received less revenue recognized on the same orders.

ORGANIC GROWTH
Total revenue growth compared to comparable numbers for the same period prior year including full year revenue effect (proforma) for any acquired business, calculated in local currency.

OTHER INCOME AND EXPENSES
Other income and expenses consist of M&A expenses and including subsequent adjustment of contingent considerations in business combinations recognized in profit or loss.

ORDER INTAKE
Total nominal value of orders received.

Reconciliation of EBIT*, EBITA* and EBITDA* (ex M&A):

(Amounts in NOK million)

	Q2 **2020**	Q2 **2019**	YTD **2020**	YTD **2019**	FY **2019**
Operating profit/loss (EBIT)	12	30	-64	-90	-105
Other income and expenses	-2	4	6	52	91
EBIT*	**11**	**34**	**-59**	**-38**	**-15**
Amortisation	16	17	31	35	70
EBITA*	**27**	**51**	**-27**	**-3**	**55**
Depreciation	54	52	108	104	212
EBITDA*	**81**	**103**	**80**	**101**	**267**

NRC Group ASA

COMPANY INFORMATION

Visiting address
Lysaker Torg 25
1366 Lysaker
Norway

Postal address
P.O. Box 18
1324 Lysaker
Norway

3rd quarter 2020 results
10 November 2020

BOARD OF DIRECTORS

Helge Midttun
Chairman

Brita Eilertsen
Board member

Mats Williamson
Board member

Rolf Jansson
Board member

Eva Nygren
Board member

Tove Elisabeth Pettersen
Board member

David Montgomery
Board member

MANAGEMENT

Henning Olsen
CEO

Dag Fladby
CFO

Hans Olav Storkås
MD NRC Norway

Harri Lukkarinen
MD NRC Finland

Robert Röder
MD NRC Sweden

Lene Engebretsen
Head of communications

Mirka Nevala
Head of strategy and corporate development

NRC Group