

# Result Report

2nd quarter and 1st half year 2022



# From the CEO

The second quarter is once again a confirmation of a successful transformation of NRC Group. Our focus on profitability, by winning the right projects at the right price, clearly yields results. We will continue to focus on profitability and core processes in tendering and project execution. Going forward we will also capitalise on our leading position in the Nordics, by utilising competence and capacity across borders.

NRC Group reached several important milestones in the quarter. Our revenue grew by 25% compared to the same quarter last year, driven by good order intake the last twelve months with a book-to-bill ratio of 1.3. The EBITA increased by 34%, mainly driven by better results in our Norwegian and Swedish markets, and we continue to deliver strong results in Finland.

The order intake in second quarter was NOK 2.7 billion, the second highest in our history, resulting in a record high order backlog. We reached an important milestone in Sweden, renewing two out of four existing maintenance contracts. After the end of the second quarter, we also renewed the third contract. Securing three long-term contracts, provides us with a solid foundation to further develop our maintenance business and profitable growth in Sweden going forward. I would like to thank all our employees in the maintenance organisation, working systematically the past years to improve internal processes. Our ability to drive efficiency improvements, has enabled us to win contracts at the right price.

NRC Group's strategy is based on building sustainable infrastructure in a sustainable way. Second quarter also confirmed that our commitment to accelerate the green shift, yields commercial opportunities. Our investment in biogas trucks secured our largest contract in mass transportation to date, a contract valued at NOK 400 million.

Today, NRC Group released new long-term goals and an updated strategy. Our long-term goal is to generate an annual organic growth in revenue above 5% and to deliver EBITA margins between 5 – 7%. We are ready to capitalise on our leading Nordic position and well positioned for profitable growth going forward.

Stay healthy and safe.



Henning Olsen,  
CEO




«The EBITA increased by 34%, mainly driven by better results in our norwegian and swedish markets, and we continue to deliver strong results in finland»








# Key figures




## Quarterly figures

Revenue	EBITA*	EBITA* margin
 <b>1.9</b> BNOK	 <b>63</b> MNOK	 <b>3.3%</b>
Q2 21: 1.5 BNOK	Q2 21: 47 MNOK	Q2 21: 3.0%

## Orders

Order intake	Book-to-bill	Order backlog
 <b>2.7</b> BNOK	 <b>1.4</b>	 <b>8.3</b> BNOK
Q2 21: 2.2 BNOK	Q2 21: 1.4	Q2 21: 6.7 BNOK





## Liquidity

Operating cash flow	Cash position	Available liquidity
 <b>-90</b> MNOK	 <b>413</b> MNOK	 <b>613</b> MNOK
Q2 21: -45 MNOK	Q2 21: 441 MNOK	Q2 21: 641 MNOK



\*Before other income and expenses (M&amp;A expenses)

## Half year figures

Revenue	EBITA*	Operating cash flow	Order intake
 <b>3.1</b> BNOK	 <b>26</b> MNOK	 <b>-21</b> MNOK	 <b>3.5</b> BNOK
2021: 2.7 BNOK	2021: -12 MNOK	2021: -29 MNOK	2021: 3.0 BNOK

## Health and safety

LTI	Sickness absence
 <b>4.3</b>	 <b>4.3%</b>
Q2 21: 7.8	Q2 21: 3.9%

## Key figures

(Amounts in NOK million)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Revenue	1 912	1 529	3 088	2 658	5 957
EBITDA	109	93	115	77	302
EBIT	54	20	7	-57	42
EBITA*	63	47	26	-12	139
EBITA* (%)	3,3%	3,0%	0,8%	-0,5%	2,3%
Order intake	2 670	2 166	3 545	3 026	7 581
Order backlog	8 348	6 693	8 348	6 693	7 801
Cash flow from operating activities	-90	-45	-21	-29	358
Cash and cash equivalents	413	441	413	441	626
Net interest-bearing debt	1 009	1 179	1 009	1 179	891
Net interest-bearing debt excl. leasing	551	663	551	663	399
Equity ratio	47%	47%	47%	47%	47%
Employees	2 013	1 993	2 013	1 993	1 893

\*Before other income and expenses (M&amp;A expenses)

Comments to the quarter:

# Improved results and strong cash flow



The second quarter revenue was NOK 1,912 million compared to NOK 1,529 million for the same period of 2021. The revenue increased with 25% in the quarter, due to strong growth in Norway and Sweden. Adjusted for currency effects, the growth was 26%.

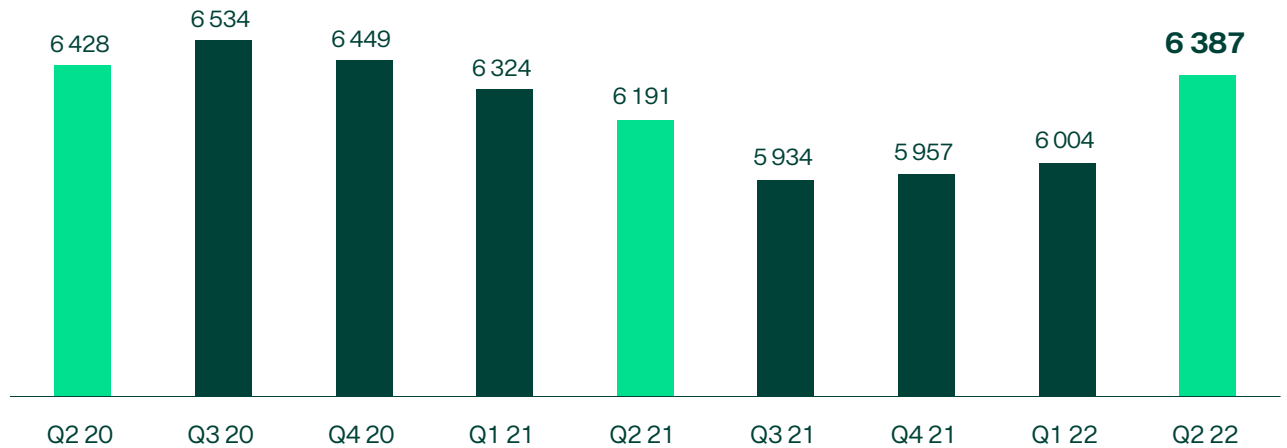
The Group's profitability, measured in EBITA\*, improved to NOK 63 million in the second quarter, compared to NOK 47 million in the same quarter last year. The result included profit from sale of fixed assets totalling NOK 5 million, compared to NOK 22 million in the same quarter last year. The Group's financial performance continued its positive trend as EBITA\* margin improved to 3.3% from 3.0% in the same quarter last year, due to improved profitability in Norway and Sweden.

The order intake in the quarter was solid with NOK 2,670 million. The book-to-bill ratio was 1.4 in the quarter and 1.3 over the last 12 months. The cash flow from operations was NOK -90 million compared to NOK -45 million in the same quarter last year. YTD the cash flow from operations was NOK -21 million, in line with first half of 2021 at NOK -29 million, despite the increased volumes.

Revenue for the first half of 2022 was NOK 3,088 million, an increase of 16% from same period last year, mainly explained by strong growth in Norway and Sweden. EBITA\* amounted to NOK 26 million compared with NOK -12 million in first half of 2021.

## Group Revenue LTM

NOK million



Finland had a revenue of NOK 712 million compared to NOK 695 million in the second quarter last year. Adjusted for currency effects the organic growth was 3%. The increase was due to higher volumes in rail construction, partly offset by somewhat lower volumes in other divisions. The EBITA\* was NOK 53 million compared to NOK 65 million in the same period of 2021, leading to an EBITA\* margin of 7.4% for the quarter, down from 9.4% last year. The reduction is related to net gain from sale of machinery at NOK 21 million in second quarter of 2021.

Revenue from the Swedish operation amounted to NOK 516 million for the quarter compared to NOK 400 million in the same period of 2021. Adjusted for currency, the organic growth in the quarter was 34%, with strong growth in rail construction, as

several projects won in 2021 have commenced. The EBITA\* for the quarter increased to NOK 2 million compared to -12 million for the same quarter last year, mainly due to improved project margins and increased volumes in rail construction.

Revenue in Norway was NOK 686 million compared to NOK 433 million in the second quarter of 2021. The organic growth was 58% in the quarter, driven by improvements in all divisions. EBITA\* was NOK 18 million compared to NOK 2 million in the same period of 2021, which leads to an EBITA\* margin of 2.6% in the quarter, up from 0.5% for the same quarter last year. The increased profitability was supported by volume increase in civil construction and improved results in environment.

The group operating profit (EBIT) for the second quarter was NOK 54 million, an improvement from NOK 20 million last year. Year to date EBIT was NOK 7 million compared to NOK -57 million last year.

Net financial items amounted to NOK -14 million for the quarter, compared to NOK -15 million for the same period last year. This included a reduction in net interest expenses from NOK -16 million to NOK -14 million due to debt down payment in the period. Year to date was NOK -28 million compared to -33 million last year.

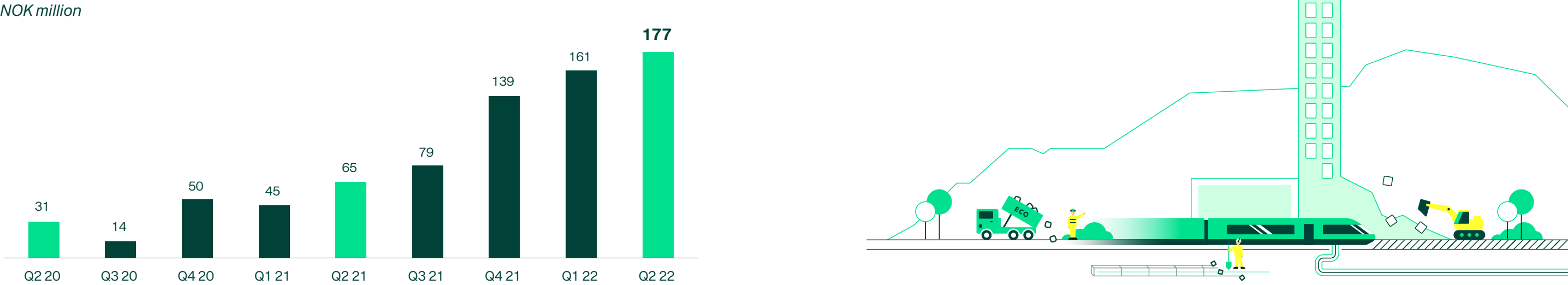
Earnings before tax (EBT) for the second quarter was NOK 40 million compared to NOK 5 million last year. Year to date EBT was NOK -22 million compared to NOK -90 million last year.

Net profit was NOK 32 million in the quarter compared to NOK -2 million last year, with an earnings per share (EPS) of NOK 0.44 compared to NOK -0.03 same period last year. Year to date, the net profit was NOK -17 million compared to NOK -77 million last year.

The order intake in the second quarter was NOK 2,670 million, split on announced contracts of NOK 1,727 million and unannounced contracts of NOK 943 million.

The order backlog amounted to NOK 8,348 million at the end of June, an increase of NOK 1,017 million from last quarter, including a currency adjustment of NOK 259 million. The order backlog for production in the

Group EBITA\* LTM



remaining of the year amounted to NOK 2,704 million at the end of June, an increase of 6% compared to the end of the same quarter in 2021.

In Finland, new orders included an appointed contract by FTIA of EUR 25 million for rehabilitation and upgrading of the railway yard Kuopio in Eastern Finland, scheduled for completion in October 2024. In the second quarter, NRC Group Finland was appointed to a contact for the work to design and build a sub-station for the line between Ylivieska and Iisalmi, a contract valued at EUR 3 million. The contract for rehabilitation and upgrading the railway yard Ilomantsi in Eastern Finland, valued at EUR 3.1 million, was appointed to NRC Group Finland in the same quarter. New orders also included a contract for production of wooden sleepers at own facility in Haapamäki, Finland, appointed by FTIA. The contract is valued at approximately EUR 24 million for the fixed 3 years period, with two additional one-year options. The contract will commence in January 2023 and is scheduled for completion in December 2025. The contract is not included in the order intake nor order backlog per second quarter 2022, as the final contract is not yet signed.

In Norway, new orders included an appointed contract by Borg Havn IKS of NOK 31 million related to ground, foundation and construction work in connection with phase 3 of the container quay at Borg Havn, scheduled for completion in August 2022. New orders in Norway also included a contract for the renovation of the Byvann dam, appointed by Bærum municipality. The contract is valued at approximately NOK 57.5 million

and will commence in August 2022. The project is scheduled for completion in October 2023. NRC Group Norway signed a contract with JV AF Ghella ANS, for transportation and disposal of masses in connection with the building of the new drinking water supply and distribution network to the City of Oslo. The project works are commissioned by the Municipality of Oslo. The contract is valued at NOK 400 million. The work commenced in May and is scheduled for completion in November 2027. In June, Kristiansand Havn IKS appointed NRC Group Norway to a contract for ground, foundation and construction work in connection with the extension of quay 36 in Kristiansand. The contract is valued at approximately NOK 75 million. The work will commence in August 2022 and is scheduled for completion in September 2023.

NRC Group Sweden was appointed to a contract for the maintenance of railways in the area Västra Götaland Väst, appointed by the Swedish Transport Administration. The contract is valued at approximately SEK 337 million, and the work will commence in September 2023 and is scheduled for completion in August 2028. New orders in Sweden also included a contract for the construction of a new railway yard in Norrköping, appointed by the Swedish Transport Administration. The contract is valued at approximately SEK 157 million and will commence in August 2022. The work is scheduled for completion in May 2026. In April 2023, the contract for the maintenance of railways in the area BKB and KTK, will commence. The contract, appointed by the Swedish Transport Administration, is valued at SEK 378 million.

The Group has identified an addressable tender pipeline of approximately NOK 20 billion for the next nine months. This compares to a NOK 18 billion tender pipeline three months ago and NOK 20 billion at the same time in 2021.

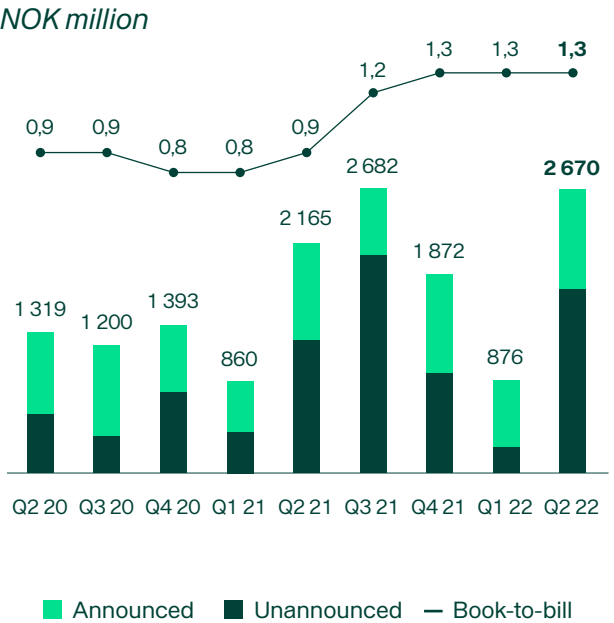
The tender pipeline in Finland is approximately NOK 1.8 billion, an increase of approximately NOK 0.6 billion compared to the tender pipeline three months ago mainly due to new tenders in maintenance and partly offset by less tenders in rail construction. The tender pipeline is approximately NOK 1.0 billion lower than the same period last year, related to reduced tender pipeline in rail construction.

The tender pipeline in Norway is approximately NOK 7.4 billion, an increase of NOK 1.2 billion compared

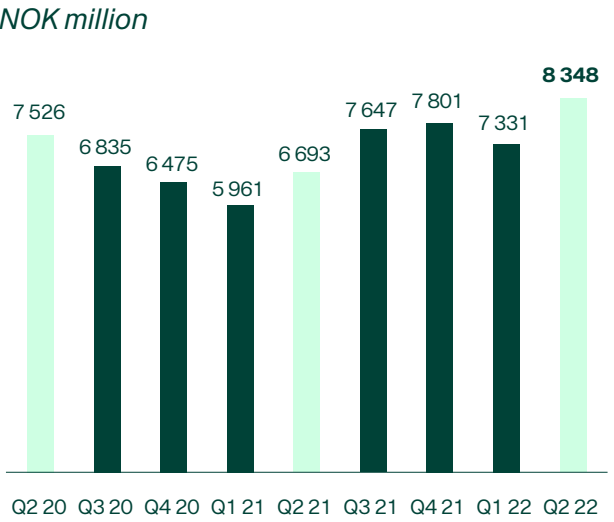
to the tender pipeline three months ago. The increase is in civil and environment divisions. The tender pipeline has decreased approximately NOK 0.9 billion compared with the same time last year. The decrease is mainly related to rail construction.

In Sweden, the tender pipeline is approximately NOK 10.7 billion, an increase of NOK 0.6 billion compared to the tender pipeline three months ago. The deviation is explained by a NOK 2.0 billion increase in rail and civil construction, mitigated by decreased tender pipeline volumes in maintenance after several awards during the second quarter. The tender pipeline is NOK 1.7 billion above the same period last year, which is related to increased level of tenders in both rail construction and maintenance.

Order Intake & Book-to-bill LTM



Order backlog





### IMPACTS OF THE GLOBAL ECONOMY AND THE WAR IN UKRAINE

A global pandemic has been followed by a war in Ukraine and the long-term impact globally, for both companies, societies, and people, is characterised by uncertainty.

The war in Ukraine has led to volatility in the financial market and uncertainty in the global economic outlook. Due to the situation, the outlook is more uncertain both related to material prices, supply chain risks, and government spending on infrastructure. NRC Group is actively managing the development and uncertainty.

The company has analysed the direct earnings sensitivity from increasing material and fuel prices. The findings conclude that NRC Group's business model yields good protection against increasing material prices. In addition to frequently used index regulations, the customer predominantly takes the risk on sector specific materials within rail infrastructure. The Group monitors the development, including both direct and indirect effects, and is actively evaluating opportunities to limit risk in the project portfolio.

NRC Group has limited direct supplies from Ukraine, and alternative sources have been identified.

### DIVIDEND

NRC Group 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 approved 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. On 5 May, the AGM resolved there will be no dividend paid for 2021.



### OUTLOOK

NRC Group is strongly positioned in a growing market with a substantial tender pipeline. Proposed national budgets and updated proposals of the National Transportation Plans with substantial long-term investments, confirm a positive market outlook.

Uncertainty in the world economy, characterised by high inflation, increasing interest rates, and the war in Ukraine, has had limited impact on NRC Group per date. The uncertain situation may lead to an evaluation of the public investments in infrastructure going forward in the Nordics.

NRC Group continues its focus on measures to improve profitability. For 2022, we expect a continued positive operational and financial development with moderate to strong revenue growth and moderate increase in EBITA\* margin compared to 2021.

### CASH FLOW

Net cash flow from operating activities for the second quarter of 2022 was NOK -90 million, below the reported EBITDA of NOK 109 million due to increased net working capital related to higher revenue and ordinary seasonal fluctuation. The comparable operating cash flow last year was NOK -45 million. For the first half of 2022 the cash flow from operation was NOK -21 million, in line with 2021 at NOK -29 million.

Net cash flow from investing activities in the second quarter was NOK -3 million compared to a positive cash flow last year of NOK 33 million. This included proceeds from sale of fixed assets of

NOK 7 million, compared to NOK 31 million in the same period in 2021.

The net cash flows from financing activities amounted to NOK -93 million for the quarter compared to NOK -94 million last year. The cash flows mainly include ordinary instalments and interests for loans and lease liabilities (financial and operating). Cash from sale of treasury shares relates to the employee share program.

The second quarter net change in cash was NOK -187 million compared to NOK -106 million last year. Cash at the end of the period amounted to NOK 413 million. The Group has an unused credit facility of NOK 200 million.

### FINANCIAL POSITION

NOK weakened towards SEK and EUR during the second quarter of 2022 leading to a net positive translation difference recognised in other comprehensive income of NOK 81 million, compared to a positive adjustment of NOK 31 million last year.

Intangible assets increased by NOK 86 million to NOK 2,883 million during the quarter due to currency adjustments. Amortisations amounted to NOK 9 million.

Tangible and right-of-use assets increased with NOK 7 million during the quarter. Net of currency adjustments they decreased by NOK 7 million as depreciations exceeded new investments. Increase in other non-current assets relates to increased fair value of the interest hedge for the bond.

Total receivables increased by NOK 385 million to NOK 1,540 million during the quarter due to high-season activity and increasing volumes at the end of the period.

Total assets at NOK 5,573 million increased by NOK 317 million in the quarter. The equity ratio was 47% on 30 June 2022.

Interest-bearing liabilities consist of a EUR 35.5 million bank loan, a NOK 600 million bond and discounted cash flows related to lease agreements, including operating leases under IFRS 16. Total interest-bearing liabilities amounted to NOK 1,422 million at the end of June, including operating lease liabilities of NOK 143 million. The repayment of the EUR bank loan amounted to NOK 35 million in the quarter. Total lease liability decreased by NOK 2 million to NOK 459 million as the discounted value of new lease agreements was lower than the lease payments and terminated agreements.

Net interest-bearing debt increased by NOK 166 million during the quarter to NOK 1,009 million mainly due to the negative operating cash flow and currency effects. Increase of net interest-bearing debt due to currency amounted to NOK 30 million.

Net interest-bearing debt excluding lease liabilities increased by NOK 168 million during the quarter to NOK 551 million.

**RISKS**  
NRC Group is exposed to operational, financial and market risks. Operational risks include

risk assessment and contingency appraisal in project tendering, project execution, significant market adjustments in cost of goods, materials or services, 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 political changes including change in government spending, demand or priorities.

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 has an EUR 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

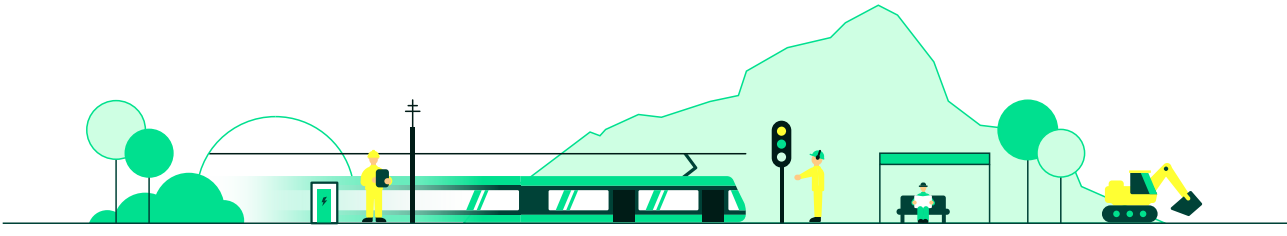
interest of three months NIBOR + 4% until maturity on 13 September 2024. The three months NIBOR has been hedged to a fixed rate of 1.838% for the full period. The fair market value of the hedge at the end of the quarter was NOK +15 million, impacting other comprehensive income.

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due. The Group had total current assets of NOK 1,994 million at the end of the quarter, NOK 209 million higher than the short-term liabilities. Total unrestricted cash amounted to NOK 413 million in addition to an unused 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 provide appropriate 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 direct impact of global events such as the Covid-19 outbreaks and the war in Ukraine, has been limited for the Group. The volatile global market may however impact on risks related to material prices, supply chain and government spending on infrastructure. NRC Group is actively managing the development and uncertainty.





A chain of commitments:

# Building a sustainable company



The increasing demand to build and maintain high-quality infrastructure in the Nordics, together with the opportunities that lie in urbanisation and climate positive city development, promise an exciting outlook for NRC Group. Supporting our mission of

creating infrastructure that goes beyond the demands of today and tomorrow, we pursue a strategy of sustainable growth, promoting climate-friendly solutions and proactively work to becoming a zero-emission industry.

## Sustainable Finance and the EU Taxonomy

The EU Taxonomy is the EU's classification system for sustainable economic activities, developed to create a unified definition of sustainable activity. The intention is to scale up sustainable investments with a net positive climate and/or environmental impact. For an activity to be considered as sustainable according to the Taxonomy, it must contribute substantially to at least one of six environmental objectives, defined by technical screening criteria. NRC Group has considered the environmental objective related to climate change mitigation. In addition, the activity must “do no significant harm” (DNSH) towards the remaining five objectives and comply with minimum social safeguards (UN Guiding Principles including ILO core conventions and OECD guidelines). One highly important DNSH criteria for NRC Group is to meet the minimum 70% recycling rate for business activities.

The EU Taxonomy is first and foremost a list of criteria that must be met, for an activity to be considered sustainable. The Taxonomy

framework is proposed to be incorporated into Norwegian law via the European Economic Area (EEA) Agreement through a new sustainable finance law. It is expected that the Taxonomy reporting requirements will be incorporated into Norwegian law in 2023 (covering the 2022 annual financial reporting period). NRC Group voluntarily reported the following disclosures in the annual report for 2021:

- The share of Taxonomy-eligible economic activities in relation to total activities
- The Key Performance Indicators (KPIs) as defined in the Taxonomy related to turnover (revenue), operational expenses (OpEx) and investments (CapEx)
- Qualitative information

### ALIGNED ACTIVITIES FOR NRC GROUP ACTIVITIES

88% of the Group's activities in first half of 2022, in terms of revenue, is defined as eligible and 69% as aligned under the EU Taxonomy. The most relevant eligible activities for NRC Group include infrastructure for rail transport

# Sustainability approach

## How NRC Group operates

and infrastructure enabling low-carbon road transport and public transport. Activities performed by the Group that are currently not defined as eligible, include parts of both the environmental and the civil construction business. Most of the eligible activities meet the technical screening criteria, the do no

significant harm criteria and the other requirements to be classified as sustainability aligned.

Based on the Group's review of economic activities for the first half of 2022, the following KPIs have been consolidated:

### Taxonomy KPIs

	Eligible	Aligned
<b>KPIs</b>		
Turnover (Revenue)	88%	69%
Operational expenses (OpEx)	88%	69%
Investments (CapEx)	76%	68%

The sustainability strategy of NRC Group sets out how NRC Group operates to achieve our sustainability goals. The strategy is focused on six core impact areas. The sustainability strategy is brought to life through its adoption in our operations and the way we work every day. We are actively building our sustainability competence as we develop our unique internal sustainability culture. We set clear targets and aim to empower our customers and partners to reach theirs.

### BUILDING THE LOW-CARBON FUTURE

NRC Group is highly aware of our customer and stakeholder expectations on climate impacts, and of the likelihood of climate-related regulation. That is why, as a provider of services to build sustainable transport solutions, NRC Group is positioning itself to be the sustainable infrastructure partner of choice. Shifting our business to a low-carbon operation is a key priority.

### 10% Annual reduction target from 2022

We have set a 10% annual reduction target for our GHG emissions over the next three years. We are committed to align our reduction efforts with the Paris agreement and have set the long-term goal of being net zero by 2050. We are continuing to investigate the setting

of a science-based target (SBTi), including identifying and reporting a useful intensity factor which measures the carbon intensity of our operations on a relevant basis. Our total scope 1 and 2 GHG emissions in 2021 were 11,698 tonnes (2020: 13,530 tonnes) of carbon dioxide equivalents (t CO2e). This represents an absolute reduction in our scope 1 and 2 GHG emissions of 13.5%.

### A SAFE AND SECURE WORKPLACE FOR ALL OUR EMPLOYEES

We are committed to providing a safe and secure workplace for all our employees, sub-contractors and partners. Our goal is that all employees, sub-contractors and partners shall return home every day completely free of injuries. Safety is embedded in everything we do, and our approach is formally set out in NRC Group's policy for health, working environment and safety. The safety and health of our employees is of utmost importance.

The LTI frequency was 4.3 per 30 June 2022, down from 7.8 in the same period last year. Sickness absence rate increased to 4.3% from 3.9% at the same time last year. TRI was 16.6 per 30 June, a decrease compared to 20.5 from last year.



2nd quarter and 1st half year :

# Interim condensed consolidated financial statement



## Interim condensed consolidated statement of profit or loss

(Amounts in NOK million)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Revenue	1 912	1 529	3 088	2 658	5 957
Operating expenses	-1 804	-1 430	-2 972	-2 569	-5 621
Depreciation	-45	-52	-90	-101	-196
<b>EBITA before other income and expenses</b>	<b>63</b>	<b>47</b>	<b>26</b>	<b>-12</b>	<b>139</b>
Other income and expenses	0	-5	-1	-11	-34
Amortisation and impairment	-9	-21	-18	-33	-64
<b>Operating profit/loss (EBIT)</b>	<b>54</b>	<b>20</b>	<b>7</b>	<b>-57</b>	<b>42</b>
Net financial items	-14	-15	-28	-33	-66
<b>Profit/loss before tax (EBT)</b>	<b>40</b>	<b>5</b>	<b>-22</b>	<b>-90</b>	<b>-24</b>
Taxes	-8	-6	5	13	-3
<b>Net profit/loss</b>	<b>32</b>	<b>-2</b>	<b>-17</b>	<b>-77</b>	<b>-27</b>
<b>Profit/loss attributable to:</b>					
Shareholders of the parent	32	-1	-17	-76	-26
Non-controlling interests	0	-1	0	-1	-1
<b>Net profit / loss</b>	<b>32</b>	<b>-2</b>	<b>-17</b>	<b>-77</b>	<b>-27</b>
Earnings per share in NOK (ordinary)	0,44	-0,03	-0,23	-1,05	-0,38
Earnings per share in NOK (diluted)	0,43	-0,03	-0,23	-1,05	-0,38



# Interim condensed consolidated statement of comprehensive income

(Amounts in NOK million)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
<b>Net profit / loss</b>	<b>32</b>	<b>-2</b>	<b>-17</b>	<b>-77</b>	<b>-27</b>
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Translation differences	81	31	29	-52	-97
Net gain on hedging instruments	5	2	15	10	17
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Net actuarial gain/loss on pension expense	0	0	0	0	-4
<b>Total comprehensive profit/loss</b>	<b>118</b>	<b>31</b>	<b>28</b>	<b>-119</b>	<b>-112</b>
<b>Total comprehensive profit/loss attributable to:</b>					
Shareholders of the parent	118	32	28	-117	-111
Non-controlling interests	0	-1	0	-1	-1
<b>Total comprehensive profit/loss</b>	<b>118</b>	<b>31</b>	<b>28</b>	<b>-119</b>	<b>-112</b>

# Interim condensed consolidated statement of financial position

(Amounts in NOK million)	30.06.2022	30.06.2021	31.12.2021
<b>ASSETS</b>			
Deferred tax assets	130	114	137
Goodwill	2 705	2 710	2 666
Customer contracts and other intangible assets	48	94	63
<b>Intangible assets</b>	<b>2 883</b>	<b>2 917</b>	<b>2 867</b>
Tangible assets	182	206	184
Right-of-use assets	490	527	514
Other non-current assets	24	10	9
<b>Total non-current assets</b>	<b>3 579</b>	<b>3 661</b>	<b>3 574</b>
Total inventories	42	39	28
Total receivables	1 540	1 469	1 359
Cash and cash equivalents	413	441	626
<b>Total current assets</b>	<b>1 994</b>	<b>1 949</b>	<b>2 013</b>
<b>Total assets</b>	<b>5 573</b>	<b>5 610</b>	<b>5 587</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in-capital	2 395	2 396	2 398
Other equity	249	215	222
<b>Total equity attributable to owners of the parent</b>	<b>2 645</b>	<b>2 611</b>	<b>2 619</b>
Non-controlling interests	2	0	2
<b>Total equity</b>	<b>2 646</b>	<b>2 611</b>	<b>2 622</b>
<b>Liabilities</b>			
Pension obligations	16	11	16
Long-term leasing liabilities	304	340	319
Other non-current interest-bearing liabilities	813	957	880
Deferred taxes	3	5	2
Other non-current liabilities	4	18	8
<b>Total non-current liabilities</b>	<b>1 141</b>	<b>1 331</b>	<b>1 225</b>
Short-term leasing liabilities	154	175	173
Other interest-bearing current liabilities	151	148	146
Other current liabilities	1 480	1 344	1 422
<b>Total current liabilities</b>	<b>1 786</b>	<b>1 667</b>	<b>1 741</b>
<b>Total equity and liabilities</b>	<b>5 573</b>	<b>5 610</b>	<b>5 587</b>

# Interim condensed consolidated statement of cash flows

<i>(Amounts in NOK million)</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Profit/loss before tax	40	5	-22	-90	-24
Depreciation and amortisation	55	73	109	134	260
Taxes paid	-30	-8	-37	-17	-30
Net interest expenses	14	16	28	33	67
Gain from sale of property, plant and equipment	-5	-22	-24	-36	-75
Change in working capital and other accruals	-164	-109	-75	-53	161
<b>Net cash flow from operating activities</b>	<b>-90</b>	<b>-45</b>	<b>-21</b>	<b>-29</b>	<b>358</b>
Purchase of property, plant and equipment	-11	-8	-16	-15	-25
Acquisition of companies, net of cash acquired	0	10	-21	10	-47
Net proceeds from sale of property, plant and equipment	7	31	27	48	90
Proceeds from sale of shares and other investments	0	0	0	3	16
<b>Net cash flow from investing activities</b>	<b>-3</b>	<b>33</b>	<b>-10</b>	<b>46</b>	<b>34</b>
Repayments of borrowings	-35	-37	-71	-74	-147
Payments of lease liabilities	-41	-41	-83	-84	-168
Interest paid	-12	-14	-26	-31	-62
Net proceeds from acquisition/sale of treasury shares	-4	-2	-4	-1	0
<b>Net cash flow from financing activities</b>	<b>-93</b>	<b>-94</b>	<b>-184</b>	<b>-190</b>	<b>-377</b>
<b>Net change in cash and cash equivalents</b>	<b>-187</b>	<b>-106</b>	<b>-215</b>	<b>-172</b>	<b>14</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>593</b>	<b>551</b>	<b>626</b>	<b>610</b>	<b>610</b>
Translation differences	7	-4	2	4	2
<b>Cash and cash equivalents at the end of the period</b>	<b>413</b>	<b>441</b>	<b>413</b>	<b>441</b>	<b>626</b>
<i>Hereof presented as:</i>					
Free cash	413	441	413	441	626
Restricted cash	0	0	0	0	0

# Interim condensed consolidated statement of changes in equity

<i>(Amounts in NOK million)</i>	Share capital	Treasury shares	Other paid-in capital	Hedge reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity at 1 January 2021</b>	<b>73</b>	<b>0</b>	<b>2 322</b>	<b>-20</b>	<b>109</b>	<b>243</b>	<b>2 727</b>	<b>4</b>	<b>2 731</b>
Profit/loss for the period						-76	-76	-1	-77
Other comprehensive income				10	-52		-42		-42
Dividend							0	-2	-2
Employee share program			5				5		5
Share-based payments			1				1		1
Acquisition of treasury shares		0	-4				-4		-4
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10</b>	<b>-52</b>	<b>-76</b>	<b>-116</b>	<b>-4</b>	<b>-120</b>
<b>Equity at 30 June 2021</b>	<b>73</b>	<b>0</b>	<b>2 323</b>	<b>-10</b>	<b>57</b>	<b>168</b>	<b>2 611</b>	<b>0</b>	<b>2 611</b>
<b>Equity at 1 January 2022</b>	<b>73</b>	<b>0</b>	<b>2 325</b>	<b>-3</b>	<b>12</b>	<b>213</b>	<b>2 619</b>	<b>2</b>	<b>2 622</b>
Profit/loss for the period						-17	-17	-1	-17
Other comprehensive income				15	29		44		44
Employee share program			5				5		5
Share-based payments			0				0		0
Acquisition of treasury shares		0	-7				-7		-7
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>15</b>	<b>29</b>	<b>-17</b>	<b>25</b>	<b>-1</b>	<b>25</b>
<b>Equity at 30 June 2022</b>	<b>73</b>	<b>0</b>	<b>2 323</b>	<b>12</b>	<b>41</b>	<b>196</b>	<b>2 645</b>	<b>2</b>	<b>2 646</b>

# 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 Stock exchange under the ticker "NRC" and with ISIN NO0003679102.

## ACCOUNTING POLICIES AND BASIS FOR PREPARATION

The condensed consolidated financial statements as per 30 June 2022 are prepared in accordance with IFRS as approved by the EU and comprise NRC Group ASA and its subsidiaries. The interim financial report is presented in accordance with IAS 34, Interim Financial Reporting. The accounting principles applied in the interim report are the same as those described in the consolidated accounts for 2021.

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 2021. 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 second quarter financial report for 2021, and the audited financial report for the full year of 2021.

## 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. 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.



**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 the 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.

Most sensitive to impairment is our operations in Sweden with a book value of goodwill of SEK 640 million as of 30 June 2022. The current headroom of approximately SEK 130 million

is most sensitive to the discount rate and the estimated future cash flows. The last impairment test was carried out at the end of 2021.

**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

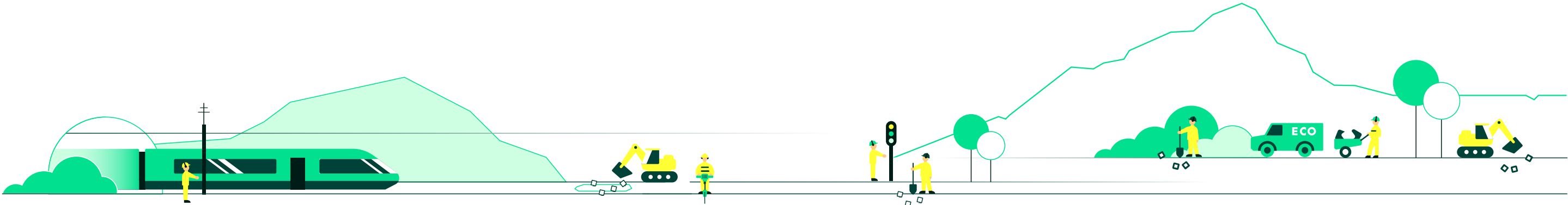
this will impact on the calculations. These calculations require the use of assumptions and estimates related to future cash flows and discount rate.

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.

**RECOGNITION OF DEFERRED TAX ASSETS**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that

deferred tax liability or taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The Group has total tax losses carried forward in Norway of NOK 471 million and in Sweden of NOK 715 million corresponding to gross deferred tax assets of NOK 104 million in Norway and NOK 147 million in Sweden that can be used to reduce future tax payments. Net of deferred taxes and un-recognised assets, deferred tax assets of NOK 90 million in Norway and NOK 47 million in Sweden have been recognised as it is assumed probable that they can be utilised against future taxable profit based on forecasts and projections.



# Segments

<i>(Amounts in NOK million)</i>	Norway	Sweden	Finland	Other	Consolidated
<b>Q2 2022</b>					
External	722	479	712	0	1 912
Inter-segment	-36	37	0	-1	0
<b>Total revenue</b>	<b>686</b>	<b>516</b>	<b>712</b>	<b>-1</b>	<b>1 912</b>
Operating expenses	-645	-503	-647	-9	-1 804
Depreciation	-23	-11	-12	0	-45
<b>EBITA*</b>	<b>18</b>	<b>2</b>	<b>53</b>	<b>-10</b>	<b>63</b>
Other income and expenses	0	0	0	1	0
Amortisation	0	-1	-8	0	-9
<b>EBIT</b>	<b>18</b>	<b>2</b>	<b>44</b>	<b>-9</b>	<b>54</b>
<b>Order backlog</b>	<b>2 261</b>	<b>2 526</b>	<b>3 562</b>		<b>8 348</b>
<b>Q2 2021</b>					
External	433	400	695	0	1 529
Inter-segment	0	0	0	0	0
<b>Total revenue</b>	<b>433</b>	<b>400</b>	<b>695</b>	<b>0</b>	<b>1 529</b>
Operating expenses	-404	-400	-618	-8	-1 430
Depreciation	-27	-13	-12	0	-52
<b>EBITA*</b>	<b>2</b>	<b>-12</b>	<b>65</b>	<b>-8</b>	<b>47</b>
Other income and expenses	-4	-10	8	0	-5
Amortisation	-10	-1	-10	0	-21
<b>EBIT</b>	<b>-11</b>	<b>-23</b>	<b>63</b>	<b>-9</b>	<b>20</b>
<b>Order backlog</b>	<b>2 030</b>	<b>1 881</b>	<b>2 783</b>		<b>6 693</b>

\* Before other income and expenses (M&amp;A expenses)

<i>(Amounts in NOK million)</i>	Norway	Sweden	Finland	Other	Consolidated
<b>YTD 2022</b>					
External	1 237	750	1 101	0	3 088
Inter-segment	-52	54	0	-2	0
<b>Total revenue</b>	<b>1 185</b>	<b>804</b>	<b>1 101</b>	<b>-2</b>	<b>3 088</b>
Operating expenses	-1 119	-802	-1 033	-18	-2 972
Depreciation	-43	-22	-25	0	-90
<b>EBITA*</b>	<b>22</b>	<b>-20</b>	<b>44</b>	<b>-21</b>	<b>26</b>
Other income and expenses	0	0	-1	0	-1
Amortisation	0	-1	-17	0	-18
<b>EBIT</b>	<b>22</b>	<b>-21</b>	<b>26</b>	<b>-20</b>	<b>7</b>
<b>YTD 2021</b>					
External	857	660	1 141	0	2 658
Inter-segment	0	0	0	0	0
<b>Total revenue</b>	<b>857</b>	<b>660</b>	<b>1 141</b>	<b>0</b>	<b>2 658</b>
Operating expenses	-822	-681	-1 049	-17	-2 569
Depreciation	-49	-26	-25	0	-101
<b>EBITA*</b>	<b>-15</b>	<b>-47</b>	<b>67</b>	<b>-17</b>	<b>-12</b>
Other income and expenses	-7	-10	7	-1	-11
Amortisation	-10	-1	-21	-1	-33
<b>EBIT</b>	<b>-32</b>	<b>-59</b>	<b>53</b>	<b>-19</b>	<b>-57</b>

\* Before other income and expenses (M&amp;A expenses)

<i>(Amounts in NOK million)</i>	Norway	Sweden	Finland	Other	Consolidated
<b>FY 2021</b>					
External	1 864	1 453	2 640	0	5 957
Inter-segment	-5	15	0	-10	0
<b>Total revenue</b>	<b>1 859</b>	<b>1 468</b>	<b>2 640</b>	<b>-10</b>	<b>5 957</b>
Operating expenses	-1 739	-1 486	-2 375	-22	-5 621
Depreciation	-93	-50	-52	-1	-196
<b>EBITA*</b>	<b>27</b>	<b>-67</b>	<b>213</b>	<b>-32</b>	<b>139</b>
Other income and expenses	-10	-18	-5	-1	-34
Amortisation	-11	-3	-49	-1	-64
<b>EBIT</b>	<b>6</b>	<b>-89</b>	<b>159</b>	<b>-35</b>	<b>42</b>
<b>Order backlog</b>	<b>2 214</b>	<b>2 008</b>	<b>3 579</b>		<b>7 801</b>

\* Before other income and expenses (M&amp;A expenses)

### INTERESTS IN ASSOCIATED COMPANIES

The Group has a 20% interest sharing risks and rewards of two larger projects with Webuild (40%) and Gülermak (40%) in connection with Station Haga in Gothenburg. The projects commenced during 2018/2019 and are scheduled to be completed by 2026. The projects are complex with substantial risk, which has increased, hence net income from the associated company has been provided for in full. The Group is represented in the board of the company but is not operationally involved in any of the projects. The book value of AGN Haga AB in the Group accounts is unchanged at NOK 500,000. Note 28 to the Group accounts in the annual report for 2021 provides further disclosures regarding the associated company.

### TRANSACTIONS BETWEEN RELATED PARTIES

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the second quarter of 2022. Note 29 to the Group accounts in the annual report for 2021 provides 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, investments, management recruitment and other. The agreements are based on hourly rates and are carried out on arm's length terms. Currently, there exists one agreement with Mats Williamson. Total fees year to date amount to SEK 0.1 million.

### CORPORATE EVENTS

On 16 March 2022, 444,000 share options were granted as part of the senior executive share

option program of the Company. The share options have a strike price of NOK 17.70 and can be vested over a period of three years, with 1/3 of the aggregate number each year. The share options for the CFO, Ole Anton Gulsvik, has a strike price of NOK 20.04. All options expire after 36 months.

On 23 March, the Annual report 2021 and the Sustainability report 2021 were published.

On 5 May, the Annual General Meeting approved all items in accordance with the Notice to the General Meeting. The Annual General Meeting appointed Karin Bing Orgland as a new member of the Board of Directors.

On 11 May, NRC Group announced a share buyback program to be used in connection with the Company's employee share program. Subsequently, between 11 May and 7 June the Company purchased 371,033 shares at an average price of 18.69 per share. Following the transactions, NRC Group owned 371,616 of its own shares.

On 8 June, NRC Group ASA completed the 2022 share program for employees in the Company and the Company's subsidiaries in Norway, Sweden and Finland, where the employees were offered the opportunity to purchase shares in the Company at a 20% discount on the average closing price through the subscription period. Hence, each participant paid NOK 14.94 per share. In connection with the program, the Company transferred 254.960 of its shares held in treasury to employees participating. The Company holds 116,656 shares in treasury following the transaction.



Contract announcements

The table presented below provides an overview of the Stock Exchange announced contracts above NOK 30 million during second quarter 2022.

<i>(Amounts in NOK million)</i>	Estimated value	Country
<b>CLIENT</b>		
Bærum municipality	58	Norway
Finnish Transport Infrastructure Agency	260	Finland
The Swedish Transport Administration	370	Sweden
Kristiansand Havn IKS	75	Norway
Finnish Transport Infrastructure Agency	32	Finland
Finnish Transport Infrastructure Agency (not in order backlog)	244	Finland
The Swedish Transport Administration	152	Sweden
JV AF Ghella ANS	400	Norway
The Swedish Transport Administration	320	Sweden
Finnish Transport Infrastructure Agency	29	Finland
Borg Havn IKS	31	Norway
<b>Total</b>	<b>1,971</b>	

EVENTS AFTER THE  
END OF THE PERIOD

On 6 July, NRC Group was appointed to a contract by the Swedish Transport Administration for the maintenance of railways in the area Mittbanan and Ådalsbanan. The contract is valued at approximately SEK 773 million and is the largest contract awarded to NRC Group Sweden to date. The contract will involve rail services such as track, signalling and electro. The work will commence in June 2023 and is scheduled for completion in May 2028, with an additional 2-year option period.

On 1 August, Marianne Ulland Kellmer took on the role as EVP & Head of Group HR.

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 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](http://www.newsweb.no), and the company's website, [www.nrcgroup.com](http://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 half year of 2022. 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.

## THE BOARD OF DIRECTORS OF NRC GROUP ASA

**Rolf Jansson**  
*Chairman of the BoD*

**Outi Henriksson**  
*Board member*

**Mats Williamson**  
*Board member*

**Heikki Allonen**  
*Board member*

**Eva Nygren**  
*Board member*

**Karin Bing Orgland**  
*Board member*

**Tove Elisabeth Pettersen**  
*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\* (\*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 of 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, EBITDA, net interest-bearing debt and net working capital differently, the Company's presentation of these APMs may not be comparable to similar titled measures used by other companies.

## Reconciliation of EBITA\* (ex M&A)

<i>(Amounts in NOK million)</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FY 2021
Operating profit/loss (EBIT)	54	20	7	-57	42
Other income and expenses	0	-5	-1	-11	-34
Amortisation and impairment	-9	-21	-18	-33	-64
<b>EBITA*</b>	<b>63</b>	<b>47</b>	<b>26</b>	<b>-12</b>	<b>139</b>
Depreciation	-45	-52	-90	-101	-196
<b>EBITDA*</b>	<b>108</b>	<b>99</b>	<b>116</b>	<b>89</b>	<b>336</b>

## Reconciliation of Net cash/net interest-bearing position

<i>(Amounts in NOK million)</i>	30.06.2022	30.06.2021	31.12.2021
Long-term leasing liabilities	304	340	319
Other non-current interest-bearing liabilities	813	957	880
Short-term leasing liabilities	154	175	173
Other interest-bearing current liabilities	151	148	146
<b>Interest-bearing debt</b>	<b>1 422</b>	<b>1 620</b>	<b>1 518</b>
Minus:			
Cash and cash equivalents	413	441	626
<b>Net interest-bearing debt</b>	<b>1 009</b>	<b>1 179</b>	<b>891</b>
Minus:			
Total leasing liabilities	459	515	492
<b>Net interest-bearing debt excl. leasing</b>	<b>551</b>	<b>663</b>	<b>399</b>

## Reconciliation of Net working capital (NWC)

<i>(Amounts in NOK million)</i>	30.06.2022	30.06.2021	31.12.2021
Total inventories	42	39	28
Total receivables	1 540	1 469	1 359
<b>Current assets (ex cash)</b>	<b>1 581</b>	<b>1 508</b>	<b>1 387</b>
Minus:			
Other current liabilities	1 480	1 344	1 422
<b>Net working capital</b>	<b>101</b>	<b>164</b>	<b>-35</b>



# Definitions

<i>Term</i>	<i>Description</i>
<b>Addressable tender pipeline</b>	The total of any tender processes above NOK 30 million expected to be made available during the next 9 months and relevant for the Group, based on the current group operations, to consider participation.
<b>Book-to-bill ratio</b>	The nominal value of orders received divided by external revenue for the corresponding period.
<b>Contract value</b>	The amount stated in the contract for contract work excluding VAT.
<b>EBIT</b>	Operating profit.
<b>EBITA</b>	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 and IT software investments.
<b>EBITA* (ex M&amp;A)</b>	EBITA plus other income and expenses.
<b>EBITA* (ex M&amp;A) %</b>	EBITA ex M&A in relation to operating revenues.
<b>EBITDA</b>	EBITA plus depreciations on fixed assets and right-to-use assets.
<b>EBT</b>	Profit before tax.
<b>Financial Lease Agreements</b>	Lease agreements transferring the main risk and control of the assets to the lessee.
<b>Equity ratio</b>	Total equity in relation to total assets.
<b>LTI</b>	Injuries resulting in absence at least one full day per million man-hours including subcontractors.
<b>LTM</b>	Last twelve months on a rolling basis.

<i>Term</i>	<i>Description</i>
<b>M&amp;A expenses</b>	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.
<b>Net cash/ net interest-bearing debt</b>	Cash and cash equivalents minus interest-bearing liability.
<b>Net working capital (NWC)</b>	The net amount of inventories, receivables (including contract assets) and other current liabilities (including contract liabilities).
<b>Operating lease agreements</b>	Lease agreements that are not financial lease agreements, including real estate rent.
<b>Order backlog</b>	Total nominal value of orders received less revenue recognised on the same orders.
<b>Order intake</b>	Total nominal value of orders received.
<b>Organic growth</b>	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.
<b>Other income and expenses</b>	Other income and expenses consist of M&A expenses, subsequent adjustment of contingent considerations or other subsequent adjustments of final purchase price allocation in business combinations that are recognised in profit or loss.
<b>Sickness Absence</b>	Absence from work related to illness or injury in alignment with local employment legislation on sickness absence, calculated as number of days with sickness absence divided by number of possible workdays.
<b>TRI</b>	Frequency of injuries with and without absence for personnel (employees and rented workers) and subcontractors per million hours worked.

## Executive Management

**Henning Olsen**  
*CEO*

**Ole Anton Gulsvik**  
*CFO*

**Arild Ingar Moe**  
*EVP and MD NRC Group Norway*

**Harri Lukkarinen**  
*EVP and MD NRC Group Finland*

**Robert Röder**  
*EVP and MD NRC Group Sweden*

**Lene Engebretsen**  
*EVP and Head of communications*

**Jussi Mattsson**  
*EVP and Head of Strategy Group and Finland*

**Marianne Ulland Kellmer**  
*EVP and Head of HR*

## Board of Directors

**Rolf Jansson**  
*Chairman of the BoD*

**Mats Williamson**  
*Board member*

**Eva Nygren**  
*Board member*

**Tove Elisabeth Pettersen**  
*Board member*

**Outi Henriksson**  
*Board member*

**Heikki Allonen**  
*Board member*

**Karin Bing Orgland**  
*Board member*

## Company information

### Visiting Address

Lysaker Torg 25  
1366 Lysaker  
Norway

### Postal Address

P.O. Box 18  
1324 Lysaker  
Norway

## Financial calendar

### 3rd quarter results:

8 November 2022