3rd quarter

# result report 2020

# From the CEO

Third quarter is high season for the industry, and our employees have been fully occupied across our countries building new infrastructure and to making sure existing infrastructure is refurbished and upgraded to allow smooth transport of people and goods. I want to thank all our employees for the effort put in and the high-quality work delivered.

Finland performed well in this quarter, with light rail projects as the main driver for both growth and increased profitability. In Norway, a low activity level and weaker margins within Environment lead to lower profitability. Most of the Swedish portfolio performed well, and our improvement program has reduced our fixed cost base significantly. Unfortunately, we still have challenges in some of the zero margin projects that impacted the results negatively. We will continue to improve our project execution, optimize our core processes, grow our talents and enhance our reputation across divisions and countries.

We see continued strong outlook for investments in sustainable infrastructure, confirmed by budget proposals in Norway, Sweden and Finland. The positive outlook creates opportunities for us. Our main priority is to build a strong orderbook by winning new exciting projects at the right terms. This is key to being able to develop our people, our organisation and build a sustainable company for the future.

The implications of Covid-19 will be lasting and impact our day-to-day operations. Employees have quickly adopted to work-from-home conditions and ensured business continuity in our projects by implementing stringent infection control measures. The adoption has been, and will continue to be, crucial to support customers successfully.

Thank you.

**Henning Olsen**

# Q3
## Highlights

### REVENUE
- NOK 1.96 billion (NOK 1.85 billion in Q3 19)

### EBITA*
- NOK 88 million (NOK 105 million in Q3 19)

### ORDERS
- Order intake of NOK 1.2 billion
- Order backlog of NOK 6.8 billion

### LIQUIDITY
- Cash flow from operations of NOK 129 million (NOK -21 million in Q3 19)
- Cash position of NOK 606 million

### KEY FIGURES
(Amounts in NOK million)

| | Q3 **2020** | Q3 **2019** | YTD **2020** | YTD **2019** | FY **2019** |
|---|---|---|---|---|---|
| Revenue | 1 956 | 1 850 | 4 871 | 4 531 | 6 193 |
| EBITDA* | 140 | 153 | 221 | 254 | 267 |
| EBITA* | 88 | 105 | 61 | 102 | 55 |
| EBITA* (%) | 4,5 % | 5,7 % | 1,2 % | 2,2 % | 0,9 % |
| Order backlog | 6 835 | 6 852 | 6 835 | 6 852 | 7 151 |

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

# Comments on third quarter 2020 results

Third quarter revenue was NOK 1,956 million compared to NOK 1,850 million reported for the same period of 2019. The revenue growth was 6% in the quarter due to positive currency effects. Group EBITA* was NOK 88 million compared to NOK 105 million for the same period last year. The EBITA* margin was 4.5%.

Revenue in Norway was NOK 541 million compared to NOK 683 million in the third quarter of 2019. The organic growth was -21%. The negative growth is mainly explained by lower activity in Civil construction due to lower win rate in tenders this year. EBITA* was NOK 16 million, compared to NOK 52 million in the same period of 2019. EBITA* margin was 3.0%, down from 7.6% in the third quarter last year. Lower revenue in Civil construction reduced the overall margin. In addition, the EBITA margin in parts of the Environmental division was lower than expected.

Revenue from the Swedish operation amounted to NOK 583 million for the quarter compared to NOK 460 million in the same period of 2019. The organic growth was 13% mainly driven by Rail construction. Several of the zero margin projects, following the project adjustments in Q4 2019, are in the final completion stage. Due to higher than expected production costs, additional write-downs of NOK -35 million are made in the quarter. Lower overhead costs and positive development in other projects off-set parts of the write-downs. EBITA* was NOK -7 million compared to NOK 2 million in 2019. The EBITA* margin in the third quarter was -1.2%.

Finland had revenue of NOK 831 million compared to NOK 712 million in the third quarter of 2019. The organic growth was 8% in the quarter mainly driven by high activity in the light rail projects. The EBITA* was NOK 84 million compared to NOK 55 million in the same period of 2019. EBITA* margin was 10.1% in the quarter, an increase from 7.8% last year, mainly explained by improved margins in the light rail projects. In the second quarter, the profitability was negatively affected by too high production overhead due to overcapacity as the activity level was lower than expected. Measures to reduce costs and to increase flexibility in the cost base are being implemented and are expected to have full effect from the second quarter of 2021.

Group operating profit (EBIT) for the quarter was NOK 70 million compared to NOK 80 million last year. EBIT for the third quarter of 2020 includes M&A expenses (other income and expenses) of NOK 5 million. Net financial items amounted to NOK 23 million for the quarter, compared to NOK 17 million for the same period last year. The net finance expense increased due to higher interest rates and currency effects. The Group has a 20% interest in a joint venture sharing risks and rewards of two larger projects with Astaldi and Gülermak in connection with the Station Haga in Gothenburg. The projects are complex with substantial risk, hence net income from the associated company has been reported at zero.

The order backlog amounted to NOK 6,835 million at 30 September. Third-quarter order intake was NOK 1,193 million, split on announced contracts of NOK 341 million and unannounced order intake of NOK 852 million.

In Norway, new orders included appointed contracts of NOK 35 million by Statnett, for ground and construction work in Skien and of NOK 39 million, for ground and construction work at Sjursøya in Oslo. New orders in Finland included a maintenance contract in Central Finland valued at EUR 25 million. The work commences in February 2021 and is scheduled for completion in November 2025, with an additional two-year option period.

Tendering activity is high in Norway and Sweden. The Group has identified an addressable tender pipeline of approximately NOK 16 billion for the next nine months. This compares to a NOK 19 billion tender pipeline three months ago. The tender pipeline in Finland improved with approximately NOK 1 billion compared to the tender pipeline three months ago. In Sweden, the tender pipeline for maintenance is reduced by NOK 2.5 billion as Storstockholms Lokaltrafik (SL) has decided to postpone tenders due to the financial impact of Covid-19. The tender pipeline in rail construction is still strong. In Norway, the tender pipeline has declined with NOK 1.5 billion compared to three months ago, mainly due to reduction of larger rail construction tenders, but still a solid tender pipeline.

In October, the Norwegian parliament proposed a total budget for 2021 of NOK 26.5 billion, up close to 20% from revised budget for 2020, including an increase of NOK 4.6 billion to rail investment projects and a NOK 500 million increase to maintenance and renewal spending. The increase in investment projects is mainly targeted towards InterCity projects already awarded. The maintenance backlog is expected to increase further to NOK 23 billion at the end of 2021 as renewal and maintenance spending of NOK 3.5 billion yearly are required to offset actual wear on existing infrastructure. These factors indicate continued growth in railway infrastructure investments and activity in Norway. Start-up of several new larger infrastructure projects around the greater Oslo-area are expected to support continued high activity in the civil- and environment market.

The Swedish national budget proposed SEK 30.4 billion for rail investments and maintenance spending for 2021, with a SEK 2.9 billion increase allocated to investment projects. Most of the increase is targeted to already on-going projects. The government has also proposed a yearly increase in maintenance spending of SEK 500 million to keep up with the maintenance backlog.

Central Government in Finland announced in October a proposal for national budget in line with NRC Group's expectations. Rail investments and maintenance spending are at the same level next year as for 2020. Two years of a high investment level indicates a strong outlook. Light rail investments are expected to be at same level in 2021 as this year, mainly related to on-going projects. NRC Group is involved in all larger light rail projects under construction in Finland.

In February 2020, 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 to create the foundation 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 this quarter, NRC Group continued a sharp focus on adopting guidelines and policies to prevent and handle COVID-19 outbreaks. The Group monitors the development of the pandemic and its potential impact on the industry and on business continuity. The main risks are related to potential operational impact if outbreaks intensify and restrictions are resumed. A global rising rate of coronavirus infection leads to higher uncertainty. Governmental restrictions and recommendations are intensified in Norway, Sweden and Finland, as the numbers of affected are at highest levels since March. Restrictions related to workforce mobility has been implemented and will lead to higher cost for the impacted projects.

Operations 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. Due to the financial impact Covid-19 has for SL in Stockholm, tenders for maintenance and upgrades are on hold.

NRC Group's main priority is to keep employees safe while maintaining operations. The Group communicate regularly and transparently to equip teams for virtual working and safe project execution. The Group complies with restrictions and guidelines from relevant authorities and follow up with immediate actions when relevant and needed.

Parts 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.

The Covid-19 pandemic has had limited operational impact for NRC Group to date. Still, if outbreaks intensify and additional restrictions are implemented by the governments, it will impact the Group's day-to-day operations leading to higher production cost and slow progress in affected projects.

## Cash flow

Net cash flow from continuing operating activities for the third quarter of 2020 was NOK 129 million compared to NOK -21 million in 2019. Year to date, the cash flow from continuing operating activities was NOK 202 million compared to NOK -100 million in 2019. The increase of NOK 302 million is mainly due to reduced net working capital. Cash flow from discontinued operations relates to the Design business sold in 2019.

Net cash flow from investing activities for the third quarter in 2020 was NOK -110 million including settlement for a contingent consideration and final purchase price for Norsk Saneringsservice (NSS) and Gunnar Knutsen, amounting to NOK 92 million. A final settlement for NSS will take place in December 2020. On 2 July 2020, the Group also acquired Gästrike Signal & Projektering AB (GSP) in Sweden.

The net cash flows of NOK -100 million from financing activities include ordinary instalments and interests for loans and lease liabilities (financial and operating). Cash from sale of treasury shares relates to the 2020 employee share program.

In the third quarter, net change in cash was NOK -80 million mainly because of the investing activities. Cash at the end of the period amounted to NOK 606 million. Additionally, the Group had unused credit facilities of NOK 200 million.

## Financial position

The balance sheet has in 2020 been significantly impacted by currency changes to EUR and SEK, impacting all balance sheet items for the Group investments in Finland and Sweden. NOK weakened to both EUR and SEK in the third quarter.

Intangible assets increased by NOK 39 million to NOK 3,028 million at the end of the quarter. The acquisition of GSP increased goodwill by NOK 17 million and total amortisations reduced other intangible asset by NOK 13 million. The remaining change is related to currency adjustments.

Tangible assets and right-of use assets decreased slightly as new investments were lower than the effect of depreciations.

Inventory decreased by NOK 64 million in the quarter and NOK 108 million year-to-date. The reduction is related to additional sales initiatives to reduce the level of inventory including two larger transactions to FTIA (Finnish Transport Infrastructure Agency).

Total receivables increased by NOK 152 million to NOK 1,626 million during the quarter. The increase follows normal seasonal working capital changes tied to high activity in the third quarter.

Total assets increased by NOK 34 million to NOK 6,177 million in the quarter. The equity ratio increased and was 45.2% at 30 September 2020.

Interest-bearing liabilities consist of a EUR bank loan, a NOK 600 million bond and discounted cash flows related to lease agreements, including operating leases (mainly real estate rents) under IFRS 16. Total interest-bearing liabilities amounted to NOK 1,830 million at 30 September, including operating lease liabilities of NOK 158 million. The repayment of the EUR bank loan was NOK 39 million. There were no major changes to the net lease liabilities.

Net interest-bearing debt increased by NOK 55 million during the quarter to NOK 1,223 million. The increase is mainly due to cash used on investing activities.

## 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 at the end of the quarter was NOK -33 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 2,261 million at the end of the quarter, NOK 446 million more than short-term liabilities. Total cash amounted to NOK 606 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 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 Covid-19 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, a scenario with wide-spread virus infection, 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.

## Outlook

NRC Group maintains 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. The Group revised the financial targets in second quarter to an EBITA margin of 1.5-2.0% for 2020. Due to additional write-downs in third quarter, it is most likely that the EBITA margin will be in the lower end of this range. For 2021, the Group targets an EBITA margin up towards 4% based on existing order book and tender pipeline.

# 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.**

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At 30 September, NRC Group had 1,975 employees compared to 2,126 the same time last year. At 30 September, 9.9% of the total workforce at NRC Group were 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.

> **"Due to the male dominance in this industry, my friends were certain that I wouldn't enjoy the work. They were totally wrong. I'm very pleased with my choice. I work together with really nice and competent people and being the only female, I'm noticed in a very positive way"**
>
> *Trainee in NRC Group Norway, Meena Mujadeddi, Electrical installer*

The industry is still male-dominated, and NRC Group will continue to work for a more balanced workforce and equality.

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.

**9.9%**

**OF THE WORKFORCE ARE WOMEN**

## 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. With a sharp focus on safety, NRC Group is committed to proactively influence the industry.**

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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 term and during the Annual Safety Weeks arranged in Norway during third quarter. The safety training and HSE courses ensure that all employees are equipped to work safely during a project. In Sweden, the Annual Safety Week will be held in November.

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 September, the LTI-1 was 5.2 (6.0 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, also including injuries that require medical treatment and alternative work (including subcontractors). By the end of September, the LTI-2 rate was 12.2 (14.3 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.

**5.2**

**LTI-1**

Sickness absence was 5.0% in September and increased from the same period in 2019 mainly due to COVID-19 regulations. 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.


**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 aim to take responsibility for the impact the company has on the environment and the society at large.**

NRC Group recognize 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.

## Innovation in Finland

The traffic between Pori and Mäntyluoto harbor has increased the last years and caused vibration for the neighbourhood. To reduce noise and vibration, traditional wooden and metal sleepers are replaced with composite sleepers on a track length of 1.3km.

## Reducing CO2 footprint in Sweden

To reduce the $CO_2$ footprint in Hallsberg, 30,000 cubic meter of surface materials are reused onsite in the project, among other to create a noise barrier construction.

## Recycling 20,000 meters of rail tracks

12,500 sleepers and 19,440 meters of rail tracks are moved from Lund-Arlöv to Halmstad. The materials will be re-used in another project and reduce the CO2 emission by 2,200 tonnes.

## Annual HSE Weeks in Norway

In September, 510 employees attended Annual HSE Weeks in Norway to increase the competence and knowledge about health, safety and environment. The trainings covered environmental project management, greenhouse gas accounting, tabletop emergency response training, risk analysis and infection control training.

# Interim condensed consolidated statement of profit or loss

(Amounts in NOK million)

| | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|---|---|---|---|---|
| Revenue | 1 956 | 1 850 | 4 871 | 4 531 | 6 193 |
| Operating expenses | 1 816 | 1 697 | 4 650 | 4 277 | 5 927 |
| **EBITDA before other income and expenses** | **140** | **153** | **221** | **254** | **267** |
| Other income and expenses | -5 | -7 | -10 | -59 | -91 |
| **EBITDA** | **136** | **146** | **210** | **195** | **176** |
| Depreciation | 53 | 48 | 160 | 152 | 212 |
| **Operating profit/loss before amortisation (EBITA)** | **83** | **98** | **50** | **43** | **-36** |
| Amortisation | 13 | 18 | 44 | 53 | 70 |
| **Operating profit/loss (EBIT)** | **70** | **80** | **6** | **-10** | **-105** |
| Net financial items | -23 | -17 | -64 | -53 | -73 |
| **Profit/loss before tax (EBT)** | **47** | **63** | **-58** | **-63** | **-178** |
| Taxes | -6 | -14 | 16 | -3 | 26 |
| **Net profit/loss from continuing operations** | **40** | **49** | **-42** | **-66** | **-152** |
| Net profit from discontinued operations | 0 | 2 | -3 | 14 | 80 |
| **Net profit/loss** | **40** | **50** | **-45** | **-52** | **-72** |
| | | | | | |
| **Profit/loss attributable to:** | | | | | |
| Shareholders of the parent | 40 | 50 | -45 | -52 | -73 |
| Non-controlling interests | 0 | 0 | 0 | 0 | 1 |
| **Net profit / loss** | **40** | **50** | **-45** | **-52** | **-72** |
| | | | | | |
| **Earnings per share in NOK (ordinary)** | | | | | |
| From continuing operations | 0,55 | 0,90 | -0,58 | -1,23 | -2,83 |
| From discontinued operations | 0,00 | 0,03 | -0,04 | 0,27 | 1,48 |
| | | | | | |
| **Earnings per share in NOK (diluted)** | | | | | |
| From continuing operations | 0,55 | 0,89 | -0,58 | -1,23 | -2,83 |
| From discontinued operations | 0,00 | 0,03 | -0,04 | 0,26 | 1,47 |

# Interim condensed consolidated statement of comprehensive income

(Amounts in NOK million)

| | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|---|---|---|---|---|
| **Net profit / loss** | **40** | **50** | **-45** | **-52** | **-72** |
| *Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):* | | | | | |
| Translation differences | 21 | 17 | 161 | 4 | 14 |
| Net gain on hedging instruments | 1 | 5 | -26 | -12 | -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** | **62** | **72** | **89** | **-60** | **-72** |
| | | | | | |
| **Total comprehensive profit/loss attributable to:** | | | | | |
| Shareholders of the parent | 62 | 72 | 90 | -60 | -73 |
| Non-controlling interests | 0 | 0 | 0 | 0 | 1 |
| **Total comprehensive profit/loss** | **62** | **72** | **89** | **-60** | **-72** |

# Interim condensed consolidated statement of financial position

(Amounts in NOK million)

| ASSETS | 30.09.2020 | 30.09.2019 | 31.12.2019 |
|---|---|---|---|
| Deferred tax assets | 71 | 41 | 69 |
| Goodwill | 2 863 | 2 581 | 2 611 |
| Customer contracts and other intangible assets | 93 | 134 | 119 |
| **Intangible assets** | **3 028** | **2 757** | **2 799** |
| Tangible assets | 291 | 280 | 276 |
| Right-of-use assets | 572 | 576 | 522 |
| Other non-current assets | 25 | 9 | 24 |
| **Total non-current assets** | **3 916** | **3 622** | **3 621** |
| Total inventories | 28 | 168 | 136 |
| Total receivables | 1 626 | 1 741 | 1 511 |
| Cash and cash equivalents | 606 | 74 | 154 |
| Other current financial assets | 0 | 7 | 1 |
| Assets classified as held for sale | 0 | 419 | 0 |
| **Total current assets** | **2 261** | **2 409** | **1 802** |
| **Total assets** | **6 177** | **6 031** | **5 423** |

| EQUITY AND LIABILITIES | | | |
|---|---|---|---|
| **Equity** | | | |
| Paid-in-capital | 2 389 | 1 717 | 1 716 |
| Other equity | 404 | 327 | 314 |
| **Total equity attributable to owners of the parent** | **2 792** | **2 043** | **2 030** |
| Non-controlling interests | 2 | 3 | 3 |
| **Total equity** | **2 795** | **2 046** | **2 033** |
| | | | |
| **Liabilities** | | | |
| Pension obligations | 13 | 15 | 11 |
| Long-term leasing liabilities | 388 | 420 | 339 |
| Other non-current interest-bearing liabilities | 1 109 | 1 454 | 1 161 |
| Deferred taxes | 18 | 29 | 23 |
| Other non-current liabilities | 39 | 54 | 0 |
| **Total non-current liabilities** | **1 568** | **1 972** | **1 534** |
| Short-term leasing liabilities | 171 | 172 | 186 |
| Other interest-bearing current liabilities | 162 | 198 | 101 |
| Other current liabilities | 1 482 | 1 549 | 1 569 |
| Liabilities directly associated with assets held for sale | 0 | 94 | 0 |
| **Total current liabilities** | **1 814** | **2 013** | **1 857** |
| **Total equity and liabilities** | **6 177** | **6 031** | **5 423** |

# Interim condensed consolidated statement of cash flows

(Amounts in NOK million)

| | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|---|---|---|---|---|
| Profit/loss before tax | 47 | 63 | -58 | -63 | -178 |
| | | | | | |
| Depreciation and amortisation | 65 | 66 | 204 | 205 | 281 |
| Taxes paid | 1 | 0 | -22 | -26 | -58 |
| Net interest expenses | 18 | 17 | 58 | 53 | 73 |
| Change in working capital and other accruals | -3 | -167 | 20 | -269 | -155 |
| **Net cash flow from operating activities - cont. oper.** | **129** | **-21** | **202** | **-100** | **-37** |
| Net cash flow from operating activities - disc. oper. | 1 | -4 | 15 | 55 | 109 |
| **Net cash flow from operating activities** | **129** | **-24** | **217** | **-46** | **71** |
| | | | | | |
| Purchase of property, plant and equipment | -8 | -4 | -28 | -22 | -40 |
| Acquisition of companies, net of cash acquired | -106 | 0 | -118 | -1 151 | -1 146 |
| Net proceeds from sale of property, plant and equipment | 4 | 0 | 15 | 27 | 41 |
| **Net cash flow from investing activities - cont. oper.** | **-110** | **-4** | **-131** | **-1 146** | **-1 145** |
| Net cash flow from investing activities - disc. oper. | 0 | 0 | -17 | -218 | 214 |
| **Net cash flow from investing activities** | **-110** | **-4** | **-148** | **-1 364** | **-931** |
| | | | | | |
| Net proceeds from issue of shares | 0 | 5 | 672 | 7 | 4 |
| Proceeds from borrowings | 0 | 600 | 0 | 2 022 | 2 022 |
| Repayments of borrowings | -39 | -648 | -79 | -735 | -1 128 |
| Payments of lease liabilities | -40 | -40 | -137 | -110 | -165 |
| Interest paid | -21 | -28 | -53 | -59 | -84 |
| Net proceeds from acquisition/sale of treasury shares | 1 | 2 | 0 | -8 | -5 |
| Dividend paid | 0 | 0 | 0 | 0 | -1 |
| **Net cash flow from financing activities - cont. oper.** | **-100** | **-109** | **402** | **1 118** | **642** |
| Net cash flow from financing activities - disc. oper. | 0 | -4 | 0 | -9 | -14 |
| **Net cash flow from financing activities** | **-100** | **-112** | **402** | **1 108** | **628** |
| | | | | | |
| **Net change in cash and cash equivalents** | **-80** | **-141** | **471** | **-301** | **-232** |
| **Cash and cash equivalents at the start of the period** | **691** | **226** | **154** | **396** | **396** |
| Translation differences | -4 | -1 | -19 | -11 | -9 |
| **Cash and cash equivalents at the end of the period** | **606** | **84** | **606** | **84** | **154** |
| *Hereof presented as:* | | | | | |
| Free cash | 606 | 83 | 606 | 83 | 153 |
| Restricted cash | 1 | 1 | 1 | 1 | 1 |
| | | | | | |
| Cash and cash equivalents - continuing operations | 606 | 74 | 606 | 74 | 154 |
| Cash and cash equivalents - discontinued operations | 0 | 10 | 0 | 10 | 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 | Reserve of disposal group held for sale | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Equity at 1 January 2019** | **44** | **0** | **1 009** | **18** | **-6** | **0** | **375** | **1 440** | **2** | **1 442** |
| Profit/loss for the period | | | | | | | -52 | -52 | 0 | -52 |
| Other comprehensive income | | | | -12 | 4 | | | -8 | | -8 |
| Discontinued operations | | | | -5 | 1 | 5 | | 0 | | 0 |
| Increase share capital | 10 | | 654 | | | | | 664 | | 664 |
| Costs related to capital increase | | | -3 | | | | | -3 | | -3 |
| Employee share program | | | 12 | | | | | 12 | | 12 |
| Share-based payments | | | 3 | | | | | 3 | | 3 |
| Acquisition of treasury shares | | 0 | -12 | | | | | -12 | | -12 |
| **Total changes in equity** | **10** | **0** | **654** | **-18** | **5** | **5** | **-52** | **604** | **0** | **604** |
| **Equity at 30 September 2019** | **54** | **0** | **1 663** | **0** | **-1** | **5** | **323** | **2 043** | **3** | **2 046** |
| | | | | | | | | | | |
| **Equity at 1 January 2020** | **54** | **0** | **1 662** | **1** | **8** | **0** | **305** | **2 030** | **3** | **2 033** |
| Profit/loss for the period | | | | | | | -45 | -45 | 0 | -45 |
| Other comprehensive income | | | | -26 | 161 | | | 134 | | 134 |
| Increase share capital | 19 | | 681 | | | | | 700 | | 700 |
| Costs related to capital increase | | | -28 | | | | | -28 | | -28 |
| Employee share program | | | 6 | | | | | 6 | | 6 |
| Share-based payments | | | 1 | | | | | 1 | | 1 |
| Acquisition of treasury shares | | 0 | -6 | | | | | -6 | | -6 |
| **Total changes in equity** | **19** | **0** | **654** | **-26** | **161** | **0** | **-45** | **762** | **0** | **762** |
| **Equity at 30 September 2020** | **73** | **0** | **2 316** | **-26** | **169** | **0** | **261** | **2 792** | **2** | **2 795** |

# 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 September 2020 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 2019.

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 third quarter financial reports for 2019 and the 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.

## 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 recognizes 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 recognized 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 recognized 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)

| Q3 2020 | Norway | Sweden | Finland | Other | Conso-lidated |
|---|---|---|---|---|---|
| External | 541 | 583 | 832 | 0 | 1 956 |
| Inter-segment | 0 | 0 | -1 | 1 | 0 |
| **Total revenue** | **541** | **583** | **831** | **1** | **1 956** |
| **EBITDA*** | **41** | **4** | **100** | **-5** | **140** |
| Depreciation | 25 | 11 | 16 | 0 | 53 |
| **EBITA*** | **16** | **-7** | **84** | **-5** | **88** |
| Amortisation | 1 | 1 | 11 | 0 | 13 |
| **EBIT*** | **16** | **-8** | **72** | **-5** | **75** |
| Other income and expenses | 4 | 1 | 0 | -1 | 5 |
| **EBIT** | **11** | **-9** | **72** | **-5** | **70** |
| Order backlog | 1 704 | 2 144 | 2 986 | | 6 835 |

| Q3 2019 | Norway | Sweden | Finland | Other | Conso-lidated |
|---|---|---|---|---|---|
| External | 680 | 459 | 710 | 0 | 1 850 |
| Inter-segment | 3 | 0 | 2 | -5 | 0 |
| **Total revenue** | **683** | **460** | **712** | **-5** | **1 850** |
| **EBITDA*** | **75** | **14** | **70** | **-5** | **153** |
| Depreciation | 22 | 11 | 15 | 0 | 48 |
| **EBITA*** | **52** | **2** | **55** | **-5** | **105** |
| Amortisation | 7 | 0 | 10 | 1 | 18 |
| **EBIT*** | **45** | **2** | **45** | **-6** | **87** |
| Other income and expenses | 6 | 0 | 1 | 0 | 7 |
| **EBIT** | **39** | **2** | **45** | **-6** | **80** |
| Order backlog | 1 299 | 2 445 | 3 108 | | 6 852 |

| YTD 2020 | Norway | Sweden | Finland | Other | Conso-lidated |
|---|---|---|---|---|---|
| External | 1 421 | 1 379 | 2 071 | 0 | 4 871 |
| Inter-segment | 3 | 2 | 0 | -5 | 0 |
| **Total revenue** | **1 424** | **1 381** | **2 071** | **-5** | **4 871** |
| **EBITDA*** | **98** | **-11** | **153** | **-20** | **221** |
| Depreciation | 69 | 36 | 54 | 1 | 160 |
| **EBITA*** | **29** | **-47** | **99** | **-20** | **61** |
| Amortisation | 9 | 2 | 33 | 1 | 44 |
| **EBIT*** | **21** | **-49** | **66** | **-21** | **16** |
| Other income and expenses | 5 | 1 | 1 | 4 | 10 |
| **EBIT** | **16** | **-50** | **65** | **-25** | **6** |

| YTD 2019 | Norway | Sweden | Finland | Other | Conso-lidated |
|---|---|---|---|---|---|
| External | 1 692 | 1 168 | 1 670 | 0 | 4 531 |
| Inter-segment | 7 | 1 | 4 | -12 | 0 |
| **Total revenue** | **1 699** | **1 169** | **1 674** | **-12** | **4 531** |
| **EBITDA*** | **153** | **-6** | **138** | **-32** | **254** |
| Depreciation | 64 | 36 | 51 | 1 | 152 |
| **EBITA*** | **89** | **-42** | **87** | **-33** | **102** |
| Amortisation | 22 | 0 | 30 | 1 | 53 |
| **EBIT*** | **67** | **-42** | **57** | **-33** | **49** |
| Other income and expenses | 11 | 0 | 47 | 1 | 59 |
| **EBIT** | **56** | **-42** | **10** | **-34** | **-10** |

| 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 | 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 September 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. Total revenue from the date of acquisition is NOK 3.2 million, of which all is group internal. The corresponding profit before tax is NOK 0.4 million. Transaction costs expensed as Other income and expenses is NOK 0.4 million year-to-date.

### Gästrike Signal & Projektering AB (GSP)

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 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 17 million. Goodwill is related to the fair value of expected synergies arising from the organisation's competence within signalling projects. Total revenue from the date of acquisition is NOK 10 million of which group internal is NOK 8,2 million. The corresponding profit before tax is NOK 3.4 million. Transaction costs expensed as Other income and expenses is NOK 0.8 million year-to-date.

## Interests in associated companies

The Group has a 20% interest in a joint venture sharing risks and rewards of two larger projects with Astaldi and Gülermak in connection with Station Haga in Gothenburg, accounted for using the equity method. The projects commenced during 2018/2019 and are scheduled to be completed in 2021 and 2026. The projects are complex with substantial risk, hence net income from the associated company has been reported at zero.

## 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 de-recognized upon the sale 1 November 2019. For further information, see note 25 in the annual accounts for 2019.

## Transactions between related parties

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the third 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, 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.

## Contract announcements

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

| Client | Estimated value | Country |
|---|---|---|
| Statnett SF | 35 | Norway |
| Finnish Transportation Infrastructure Agency | 267 | Finland |
| Oslo Havn KF | 39 | Norway |
| **Total** | **341** | |

(Amounts in NOK million)

## Events after the end of the quarter

On 20 October, the Company was appointed to a contract for tramway related work by Tampere Tramway Oy and the City of Tampere in Finland. The contract is an extension of the ongoing alliance contract where NRC Finland's share of the extension is approximately EUR 16 million. The alliance consists of NRC Group Finland, YIT, Sweco and AFRY.

On 28 October, the Company was appointed to a SEK 35 million contract by the Swedish Transport Administration for rehabilitation of a catenary system on a railway connection in Sweden.

On 29 October, the Company was appointed to a NOK 65 million demolition and remediation contract by Skanska in Norway.

## IR Policy

The 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.

# 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 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 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
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.

### 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)

| | Q3 **2020** | Q3 **2019** | YTD **2020** | YTD **2019** | FY **2019** |
|---|---|---|---|---|---|
| Operating profit/loss (EBIT) | 70 | 80 | 6 | -10 | -105 |
| Other income and expenses | 5 | 7 | 10 | 59 | 91 |
| **EBIT*** | **75** | **87** | **16** | **49** | **-15** |
| Amortisation | 13 | 18 | 44 | 53 | 70 |
| **EBITA*** | **88** | **105** | **61** | **102** | **55** |
| Depreciation | 53 | 48 | 160 | 152 | 212 |
| **EBITDA*** | **140** | **153** | **221** | **254** | **267** |

# NRC Group ASA

## COMPANY INFORMATION

**Visiting address**
Lysaker Torg 25
1366 Lysaker
Norway

**Postal address**
P.O. Box 18
1324 Lysaker
Norway

4th quarter 2020 results
**17 February 2021**

## 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*

**Arild Moe**
*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

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