

Registration Document

25 March 2024



(a company existing under the laws of Norway with registration number 910 686 909 and LEI-code 5967007LIEEXZI5D463)

The information in this registration document (the "**Registration Document**") was originally prepared in connection with the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), of the NRC Group ASA Senior Unsecured Open Callable Green Bond Issue 2023/2027 with ISIN NO0013049403 (together the "**Bonds**") issued by NRC Group ASA (the "**Issuer**", and together with its Subsidiaries, the "**Group**") on 25 October 2023, pursuant to a bond agreement dated 24 October 2023 (the "**Bond Terms**") entered into between the Issuer and Nordic Trustee AS (the "**Trustee**") (the "**Bond Issue**").

This Registration Document does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein. This Registration Document serves as part of a listing prospectus as required by applicable laws, and no securities are being offered or sold pursuant to this Registration Document.

Investing in the Issuer and the Bonds involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 1 "*Risk factors*" below when considering an investment in the Issuer and the Bonds.

IMPORTANT INFORMATION

For the definition of certain capitalised terms used throughout this Registration Document, see Section 10 "*Definitions and Glossary of Terms*".

This Registration Document has been prepared by the Issuer in connection with the listing of the Bonds on the Oslo Stock Exchange and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129, as amended and implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**Prospectus Regulation**"), and comprises, inter alia, the information requested in the checklist for secondary issuances of non-equity securities (Annex 8).

This Registration Document together with the Securities Note constitutes the Prospectus. This Registration Document has been prepared solely in the English language.

This Registration Document was approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**NFSA**") on 25 March 2024, as competent authority under the Prospectus Regulation, and may be used for the issuance of Bonds or other securities for a period of up to 12 months from the date of the approval of this Registration Document, subject to separate approval of a Securities Note for such Bonds or other securities. The NFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, and such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Registration Document. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. New information that is significant for the Issuer or its subsidiaries may be disclosed after the Registration Document has been made public, but prior to listing of the Bonds. Such information will be published as a supplement to the Registration Document pursuant to the Prospectus Regulation. On no account must the publication or the disclosure of the Registration Document give the impression that the information herein is complete or correct on a given date after the date on the Registration Document, or that the business activities of the Issuer may not have been changed.

No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Registration Document or any other information supplied in connection with the Bonds, and if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

The distribution of this Registration Document in certain jurisdictions may be restricted by law. This Registration Document does not constitute an offer of, or an invitation to purchase, any of the Bonds in any jurisdiction. This Registration Document may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Registration Document are required to inform themselves of and observe any such restrictions. In addition, the Bonds may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The content of this Registration Document is not to be construed as legal, credit, business or tax advice. Each investor should consult its own legal, credit, business or tax advisor as to a legal, credit, business or tax advice. In making an investment decision, investors must rely on their own examination of the Issuer and the Bonds, including the merits and risks involved.

This Registration Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Registration Document.

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1 RISK FACTORS

1.1 General

An investment in the Bonds involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Registration Document, including the financial information and related notes. The risks and uncertainties described in this Section 1 are the material known risks and uncertainties faced by the Group as of the date hereof, and thus also represent the most material and important risk factors for investors to consider when contemplating an investment in relation to the Bonds. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 1 are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Issuer, taking into account their potential negative effect for the Issuer and the probability of their occurrence, are set out first.

1.2 Risk related to the business of the Group

1.2.1 Market risk

Governmental bodies and local municipalities, in particular the state-owned Bane NOR in Norway, the state-owned Trafikverket in Sweden and the Finnish Transport Infrastructure Agency, represent the Group's main customers. Moreover, governmental bodies and local municipalities make up approximately 80% of the Group's revenue, while private sector engagements make up approximately 20%. Accordingly, the majority of the Group's revenue is significantly dependent on continued governmental spending within the key area of operations for the Group (e.g. railway, track, etc.). Even though the approved National Transport Plans ("NTP") in Norway, Sweden and Finland confirm the commitment to increase railway spending in the planning period, public spending may be subject to significant fluctuations from year to year and from country to country. Even if there currently seems to be a broad political consensus on the need for railway investments, there can be no guarantee that a change in government may not affect the level of spending upon revision of the current transportation plans.

In addition, changes in the general economic situation could affect governmental spending, inter alia, as a consequence of the need to reduce governmental spending in order to avoid an overheating of the economy or in order to reduce governmental deficit, which may affect railroad infrastructure. Since the Group's customers, as described above, primarily are governmental bodies and local municipalities, any reduced spending on transportation infrastructure may have material adverse consequences for the Group's revenues, cash flow, financial condition and prospects.

1.2.2 Risks related to the highly competitive nature of the market segments in which the Group operates

The market segments in which the Group operates are highly competitive,, arising from the limited number of large-scale projects relative to the numbers of competitors, including national and international infrastructure companies. This situation leads to continuous pressure from competitors. The competitive position may be harmed by increased competition from national and international infrastructure companies or other companies, new or current participants, offering better technology and product offering, price reductions and/or increased capacity for other parts of the Group's business. Competitors that may pressure the Group's competitive advantage and decrease its margins are, inter alia, InfraNord, Strukton, Infrakraft, Baneservice, GRK and Destia. Should any of these players continue to expand, specialize or otherwise increase its market share and/or the Group fails to maintain its competitive advantages, this could have a material adverse effect on the Group's business, operating results and financial condition.

1.2.3 Risks related to the complex projects from which the Group generates the majority of its revenue

The Group currently is, and will in the future be, dependent on carrying out complex projects for governmental bodies and local municipalities, which is the core area of the Group's operations. For example, the Company's Finnish subsidiary, NRC Group Finland Oy, was appointed by the Finnish Transport Infrastructure Agency in Q2 2023 for a 2-3 year project with a projected value of EUR 27 million, relating to electro-, groundwork- and rail track work. These projects, including projects with less projected value, are currently also being undertaken by the Company's subsidiaries in Norway and Sweden. When carrying out these types of projects, there is an inherent threat that the Group will fail to meet some or more of its objectives,

either in the project preparations or during the actual construction works. Some projects also involve, inter alia, reparation and maintenance works.

Consequently, the various projects are, among other things, exposed to:

- poor project planning and project management, e.g. miscalculations, misprojections and misunderstanding of project descriptions, e.g. miscalculations in required materials leading to project delays, misprojections due to the underestimation of the complexity, misunderstanding of project description such as overlooking critical engineering specifications;
- safety- /health- and working environment hazards, e.g. incidents due to inadequate safety measures, exposure to hazardous materials without proper protective equipment;
- general project mismanagement, e.g. failure to secure permits causing delays and additional costs, insufficient quality control measures that requires costly corrections;
- liability, damages claims, fines, liquidated damages, etc. from breach of contracts, e.g. penalties in contracts with clients or subcontractors, fines from regulatory bodies for non-compliance with environmental, safety or industry specific regulations;
- damage to machinery and equipment, e.g. mechanical failures or damage from improper use or lack of maintenance;
- unknown site conditions, e.g. discovery of contaminated soil and unanticipated underground structures;
- natural disasters, e.g. severe winter conditions, flooding affecting construction sites;
- significant delays, e.g. delay of key materials due to supply chain disruptions; and
- various human errors, e.g. mistakes in handling or installing materials, miscommunications between project stakeholders.

Should any of these events or circumstances occur, either individually, cumulatively or collectively, the Group may suffer from serious reputational damage, liability, costly disputes or legal proceedings, reduced likelihood of winning public contracts in the future, as well as less generated revenue and cash flow than projected, any of which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In this connection, the Group's order backlog is subject to modification, termination or reduction of orders, which could negatively impact its financial results. If the Group fails to replace significantly delayed or cancelled orders, the sales and results of operation could be negatively impacted.

1.2.4 Risks related to the Group's participation in joint ventures

Finally, the Group currently participates in joint ventures and may also in the future enter into other joint arrangements or co-investment projects with third parties. Co-investments involve risks since the Group may not have strategic or operational control over the co-investment, and could have a material adverse effect on the Group's business, results and prospects. Particularly, the Group finds regulatory compliance, environmental standards and technological integration in cross-border ventures as areas of concern. Differences in approaches can increase the likelihood of disputes, limit the Group's capacity to shape joint venture activities, and potentially result in operational challenges, legal disputes, or damage to reputation. Disagreements with partners may also lead to decisions against the Group's interests and result in the Group's inability to pursue its desired strategy. There can be no assurance that the Group's partners will continue their relationships with the Group in the future or that the Group will pursue its strategies with respect to its co-investments.

1.2.5 Risks related to the Group's business strategy in order to improve profitability

The Group may not be successful in implementing its strategies. In August 2022, the Group updated its strategic priorities in order to improve profitability. The updated strategic priorities are based on:

- Capitalise on a leading Nordic position
- Continue to improve core processes to increase profitability
- Drive profitable growth through increased revenue from large projects and potential bolt-on M&A
- Implement best practice across the Nordics to increase competitiveness

- Leverage sustainability as a competitive edge

Successful execution of the Group's strategy depends on several factors, some of which are beyond the control of the Group. The Group may not necessarily be able to successfully execute its strategy in its main markets and achieve its financial targets and ambitions due to the market situation or a failure in the management of the Group. There are also no guarantees that the strategic priorities chosen by the Group are the right ones, that they will be effective and profitable, or that they will improve the Group's results of operations. The execution of the strategic priorities may also cause increased costs and consume more management's resources and time than anticipated.

If the strategic priorities are not accurately, timely, efficiently and correctly implemented, and/or the underlying assumptions and estimates of market developments, the number of future successful tenders and/or positive project margins for the individual projects are misjudged, the Group's earnings may not be maintained or savings may not be realized, which may adversely affect the Group's business, results of operations, financial condition, profitability and prospects.

1.2.6 Risks related to resource management

The Group's results depend on utilization of its resources, and any failure to plan and calculate risks related to resource management could lead to overcapacity of resources, which in turn may have a material effect on the Group's business, operating results and financial condition.

Large and complex projects require significant use of internal and external resources. The need for such resources will vary significantly over time and across different type of projects, e.g. if the project relates to either railway construction, waste management, maintenance etc. or a combination of such. The Group must to a certain extent keep resources available in between projects in order to respond in due time to project requests. Seasonal variations in the Group's business such as less activity during winter, can also tie up resources in periods of low productivity. The Group evaluates its needs for resources continuously, and its ability to plan according to the different variations in need may have a significant impact on the net profit of the Group. Failing to plan resources related to staff and machinery in an adequate manner, may lead to a substantial fixed cost base and risk of overcapacity in relation to the scope of projects in progress. Overcapacity of resources can have a significantly negative effect on the Group's business, operating results and financial condition.

Furthermore, the Group's success depends upon, to a significant extent, competent personnel, and the continued service of these resources who have substantial experience in the industry and in the local jurisdiction in which the Group operates being Norway, Sweden and Finland. Human capital is an important part of the Group's assets and access to and ability to attract competent personnel and contractors may in the short and/or long term influence the Group's operational and financial results.

1.2.7 Risks related to potential accidents and harmful spills

Due to the nature of the Group's business, it is exposed to the risk of potential accidents (such as structural failures, equipment accidents), harm to people (such as crushing, cuts, eye damaging, fall injuries) as well as harmful spills (such as oilspills from machines, sewage water or incorrect handling of contaminated masses) to the external environment. Further, in the projects the Group normally is engaged in, the resources, materials, machines and energy which is utilized have the potential to trigger materialisation of one or more of the above-mentioned risks. Although corporate social responsibility routines and policies have been implemented among the various Group companies, there is a risk that the routines and policies itself are not adequate or that other circumstances, internal or external, leads to harmful accidents to nature and/or humans. Should any of these events materialise, the Group's business and reputation may suffer as a consequence, which in turn can impact the probability of being awarded contracts in public tenders.

1.3 Risk related to laws and regulation

1.3.1 Risks related to changes in applicable laws, regulations and governmental interpretations

The Group's operations are subject to the national legal and regulatory framework in each jurisdiction. The operating conditions of the Group is therefore affected by changes in the applicable laws, regulations and governmental interpretations and practices. The Group must comply with, and is affected by, laws and regulations at a national, regional and municipal level. Parts of the Group's operations in Norway, Sweden and Finland (in particular the rail operations), depend on its personnel

being qualified and the Group having all necessary local approvals to conduct its operations, such as certification for personnel working with catenary, railway track and electrical safety on the railway line.

Furthermore, the Group and its various subsidiaries are dependent on being pre-qualified to participate in public tenders. Pre-qualification is the first step in a two-step procedure which all tenderers in so-called closed procedures must fulfil before they can participate. This means that large parts of Group's operations must satisfy certain requirements, such as, inter alia, management and personnel having sufficient competence, satisfactory health, safety and environmental routines, necessary financial strength, as well as a limited number of previous contractual breaches in tender processes.

If the Group fails to comply with any laws and regulations or fails to obtain necessary regulatory approval, the Group may be refused to participate in public tenders, and may be subject to, among other things, civil and criminal liability. The loss of such approvals or permits, could have a material adverse effect on the Group's business, operating results and financial condition. Also, failure to satisfy pre-qualification requirements could have a detrimental effect on the Group's anticipated revenue, financial results and/or condition.

1.3.2 Risk related to disputes and legal or regulatory proceedings

The Group is involved in several and complex long-term construction projects, and will in this respect from time to time be involved in disputes and legal or regulatory proceedings. These claims may derive from any party or person involved in the project, such as the Company's own personnel, third-parties, contractors, counterparties, suppliers, etc. Historically, the Group has experienced several liability claims and disputes relating to projects undertaken in relation to railway and track construction, maintenance etc. It is also the Company's perception that the type of projects it undertake significantly exposes the Group to liability claims, disputes and legal proceedings, especially due to the wide scope and type of services it offers in tenders and provides in contract work related to its projects. Such disputes and legal or regulatory proceedings may be expensive, but more importantly for the Group, time-consuming, which could divert management's attention from the Group's business. Furthermore, legal proceedings could be ruled against the Group and the Group could be required to, inter alia, pay millions of NOK in damages or fines, halt its operations, stop its projects or the sale of its products, or incur severe reputational damage etc., which can consequently have a material adverse effect on the Group's business and prospects.

1.3.3 Risks related to compliance with climate related legal and regulatory requirements

The Group may not necessarily be able to comply with legal and regulatory requirements related to climate change and as a consequence meet its customers' or other stakeholders' general expectations, which could have a material adverse effect on the Group's business and brand value.

The Group's operations are exposed to more extreme weather – both acute and long-term weather changes. Heavy snowfalls or in other cases less snow, more frequent storms, soil, mud race, flooding and increased air temperature will impact the Group's operations in different ways, e.g. increased temperatures leading to shorter time slots for welding (due to high air temperatures) causing higher costs or delays if not accounted for in tender pricing processes. The Group owns few physical assets that may be damaged by extreme weather, however, the creosote facility in Finland may be impacted by more extreme weather like heavy rain or flooding. This could increase the risk of chemical spills. The main regulatory risks are changes in requirements concerning emissions from fossil fuel, waste management and usage of materials (upcycling, recycling etc.) and potential increased costs if not planned/managed well. The main technology risk for the Group concerns the machine park if public or private customers introduce requirements related to fossil free construction sites. Inability to keep up with emission free technology developments may in the future disqualify the Group from tenders or lead to losing tenders.

1.4 Risk related to financial matters

1.4.1 Risk related to interest rates

The Group's interest rate risk is associated with interest-bearing assets, interest-bearing loans, leasing liabilities and overdraft facilities. The Group's interest-bearing assets are cash and cash equivalents and the Group's profit and cash flow from operations are in general independent of changes in market interest rates. Approximately 65% of the Group's debt has a floating margin, while the remaining 35% has a fixed interest.

The interest-bearing debt and financial lease agreements are based on 3 months NIBOR, STIBOR or EURIBOR with a fixed margin and will change with the market. Since the debt can be repaid at the points in time when the interest rate is adjusted, the difference between the fair value and book value will be small and insignificant. The interest element in financial lease agreements is based on 3 months NIBOR, STIBOR or EURIBOR with a fixed margin and will therefore change in accordance with the market. The interest element in operational lease agreements is based on the incremental borrowing rate that will change with the market as well as with changes in the Group's credit risk. The value of the leased assets is set at inception and will be independent of any changes to the market interest rates. The bond issued 25 October 2023 carries an interest of three months NIBOR plus 4.40% until maturity on 25 October 2027. The three months NIBOR has been hedged to a fixed rate of 3.843% for the full period. Net interest expense for 2023 amounts to NOK 59 million (NOK 57 million in 2022). An increase in interest rate of 1 percentage point would have increased interest on debt by approximately NOK 8 million in 2023.

1.4.2 Risks related to reliance on subsidiaries

The Issuer is a holding company and relies principally on cash generated by its subsidiaries for its cash and financing requirements, including the funds necessary to service any debt it may incur. The Issuer's subsidiaries may be restricted in their ability to transfer funds to the Issuer whether in the form of dividends, loans or advances, and the imposition of such a limitation could materially and adversely limit the Issuer's ability to grow, make investments or acquisitions that could be beneficial to its businesses, pay dividends or otherwise fund and conduct its business. The inability of the subsidiaries to transfer cash to the Issuer may mean that, even though the Issuer may have sufficient resources on a consolidated basis to meet its obligations under its debt agreements, it may not be able to meet such obligations. Defaults by, or the insolvency of, certain subsidiaries of the Issuer could result in the obligation of the Issuer to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations, or cause cross-defaults on certain borrowings of the Issuer. There can be no assurance that the Issuer and its assets would be protected from any actions by the creditors of any subsidiary of the Issuer, whether under bankruptcy law, by contract or otherwise.

1.4.3 Fluctuations in foreign currency rates

The Group is exposed to fluctuations in foreign exchange rates, mainly SEK and EUR. As at the date of this Registration Document, the Group only has operations in Sweden and Finland outside of Norway. The Group is therefore exposed to fluctuations in the SEK and EUR when it comes to revenues and mainly with regard to the net investments in foreign subsidiaries. To a limited extent, the Group has purchase and sub-contractor agreements in other currencies. Hedging instruments have been used to a limited extent. The Group has an EUR currency loan to hedge the net investment in Finland. The Group's exposure is set out in the table below:

| (Amounts in NOK million) | 2023 | 2022 |
|-------------------------------------|-------------|-------------|
| Change in SEK rate | -5 % | -5 % |
| Effect on net income | 2 | 23 |
| Effect on equity | -21 | -15 |
| Effect on net interest-bearing debt | 3 | 8 |
| Change in EUR | -5 % | -5 % |
| Effect on net income | -4 | -5 |
| Effect on equity | -56 | -48 |
| Effect on net interest-bearing debt | 6 | 9 |

2 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

2.1 Person responsible for the information

The legal person responsible for the information given in this Registration Document is NRC Group ASA, a public limited liability company organised and existing under the laws of Norway registered with the Norwegian Register of Business Enterprises with business registration number 910 686 909 and LEI Code 5967007LIEEXZXI5D463, and with registered address at Lysaker torg 25, 1366 Lysaker, Norway. The shares of the Issuer are listed on the Oslo Stock Exchange under ISIN NO0013049403.

2.2 Declaration of responsibility

The Issuer accepts on the date of this Registration Document, 25 March 2024, responsibility for the information contained in this Registration Document. The Issuer confirms that, after having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of their knowledge, in accordance with the facts and that the registration document makes no omission likely to affect its import.

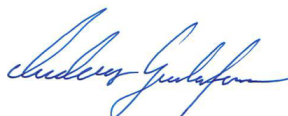
2.3 Regulatory statements

The Issuer confirms that:

- a) this Registration Document has been approved by the NFSA, as competent authority under the Prospectus Regulation;
- b) the NFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation;
- c) such approval shall not be considered as an endorsement of the issuer that is the subject of this Registration Document; and
- d) this Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

25 March 2024

NRC Group ASA



Name: Anders Fredrik Gustafsson

Title: Chief Executive Officer and Authorised Signatory

3 INFORMATION ABOUT THE GROUP AND ITS BUSINESS

3.1 Corporate information of the Issuer

NRC Group ASA is a public limited liability company organised and existing under the laws of Norway registered with the Norwegian Register of Business Enterprises with business registration number 910 686 909 and LEI Code 5967007LIEEXZXI5D463, and with registered address at Lysaker Torg 25, 1366 Lysaker, Norway. The principal place of business is in Norway. The Issuer operates under the Norwegian Public Limited Liability Company Act of 13 June 1997 no. 45 (No. *allmennaksjeloven*).

The shares of the Issuer are listed on the Oslo Stock Exchange under ISIN NO0013049403.

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 E-mail: contact@nrcgroup.no
 Website: www.nrcgroup.com

Please note that the information contained on the website above does not form part of the Registration Document, and the information at the Issuer's website is not incorporated by reference into this Registration Document.

3.2 Overview of the Group's principal activities, including the main products sold and services performed

The Group is a fully integrated infrastructure contractor covering the Norwegian, Swedish and Finnish markets with in-house capabilities to deliver complex infrastructure projects. The Issuer is a full-range supplier for the rail construction and transport related infrastructure as well as for the rail maintenance market. Its main markets are related to transport infrastructure with specialist expertise within railroads; including train, metro and tram, roads, harbours and environmental services such as demolition, reclamation and transport of loose materials and water and wastewater.

The Group has specialist capabilities across the entire spectre of rail services. This includes – in addition to railroads – terminals, stations and related infrastructure such as bridges and crossings. The Company has strengthened maintenance, construction and environmental offerings through its acquisitions. Ability to offer the full scope, execution capacity and competence are important factors to achieve competitive advantage. The Group has all the necessary approvals to work within the train, tram and subway segments.

Moreover, in the view of the Issuer, the Group's various subsidiaries in Norway, Sweden and Finland has certain established key positions across four main categories of services, including (i) rail construction, (ii) rail maintenance, (iii) civil works and (iv) environment.

In Norway, the established key positions are in rail construction, civil works and environment. In Sweden, the established key positions are in rail construction and rail maintenance. In Finland, the established key positions are in rail construction, light rail and rail maintenance.

The above description of established positions in the main service categories should be read in conjunction with the below descriptions of the various sub-service offerings of the Group.

The service offerings of the Company include:

- **Project Management:** The Group service deliverables include planning, management and reporting of production, quality, health, safety and environmental progress.
- **Security and Safety:** The Group can assume responsibility for security and safety during any groundwork or construction project and is an approved supervisor for electrical safety. The services include inspections, planning and execution of electrical safety plans, security installations and integration. Security and safety are required for all work in the proximity of the catenary.

- **Groundwork:** The Group delivers products and services covering the entire spectre of groundworks for the transport related infrastructure industry, including surveying, excavation, concrete works, carpentry, culvert and bridges. The Group also provides specialist water and wastewater work relating to rail developments in urban areas.
- **Signal & Telecom:** The Group offers services within maintenance, modifications and building of complete interlocking systems for the rail industry. This includes services for switches, track circuits and interlocking systems. The Group also provides specialist fibre services related to railways.
- **Electro:** The Group is approved by the Norwegian Directorate for Civil Protection (DSB) for engineering, building and maintenance of complete technical installations. This includes low and high voltage, catenary, fibre and installation.
- **Track:** The Group holds all required approvals and safety expertise needed for construction or maintenance of railroad tracks. The Issuer provides track workers and signal specialists in addition to the machines and equipment required for completion of projects within track works.
- **Environment:** The Group delivers services within decommissioning, reclamation and waste logistics for both internal and external projects.
- **Construction:** A full-scope supplier of railway and light rail systems utilizing subcontractors and component systems. Broad system and project expertise in substructures, superstructures, bridges, electricity, catenary, and signalling systems. Active in main- and subcontracting, design & build contracts as well as alliance projects. Key services include management and implementation of railway construction projects, including superstructure construction as well as work on track foundations, bridges and stations. Construction services for electrified railway and high voltage systems, substations and installations of control systems.
- **Maintenance:** NRC Finland and NRC Sweden delivers railway and electricity maintenance services. This covers inspection, servicing and repairs as well as infrastructure management measures. In addition, they offer expertise within automation systems maintenance and repair, as well as maintenance of traffic management equipment and traction switching stations and transformers. Further, NRC Finland maintains and repairs industrial companies' and harbours' private rail and rail related electrical systems.
- **Materials:** NRC Finland supplies railway specific materials to railway maintenance companies and contractors chosen by the Finnish Transport Infrastructure Agency. Materials covers the procurement and storage of railway materials, as well as impregnation of railway sleepers. Materials also offers impregnation services.

3.3 Material contracts

The Issuer has not entered into any material contracts outside its ordinary course of business, which could result in any member of the Group being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations in respect of the Bonds.

3.4 Legal proceedings

The Group is not, or has not been, during the course of the preceding 12 months, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

4 BOARD OF DIRECTORS AND MANAGEMENT OF THE ISSUER GROUP

4.1 The Issuer: NRC Group ASA

The board of directors and executive management of the Issuer currently consists of the following persons:

| Name | Position |
|------|----------|
|------|----------|

| | |
|--------------------------|-------------------------------|
| Rolf Jansson | Chairperson of the Board |
| 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 |
| Anders Gustafsson | Chief Executive Officer |
| Ole Anton Gulsvik | Chief Financial Officer |
| Lene Engebretsen | EVP & Head of Communications |
| Marianne Ulland Kellmer | EVP & Head of Human Resources |
| Harri Lukkarinen | EVP & MD NRC Group Finland |
| Arild Ingar Moe | EVP & MD NRC Group Norway |

The business address and the principal place of business of the Issuer's board of directors and executive management is Lysaker Torg 25, 1366 Lysaker, Norway.

Rolf Jansson, Chairperson of the Board

Rolf Jansson is currently CEO of Aspo Group. Prior to that, he held the position as President and CEO at VR Group, Finnish Railways. Before joining VR Group, Jansson worked in investment banking at Nordea Corporate Finance and holds extensive experience from management consulting primarily at Booz Allen Hamilton. Jansson currently holds 65,000 shares in the Issuer personally, and has been a member of the board of directors of the Issuer since January 2019.

Mats Williamson, Board Member

Mats Williamson has more than 35 years of experience from various positions within the Skanska Group. Williamson has been Executive Vice President for the Skanska Group, Business Unit President for Skanska's construction activities in Sweden and UK and Project Director for the Öresund Bridge. Williamson holds a MSc in Civil Engineering from Lund Institute of Technology and has an AMP from Harvard Business School. He has held positions as board member in several companies in Sweden. Williamson holds 30,000 shares in the Issuer, and has been a member of the board of directors of the Issuer since July 2018.

Eva Nygren, Board Member

Eva Nygren has more than 35 years of operational experience in the building and civil engineering industry, including as Director of Investment at Swedish Transport Administration, President and CEO of Rejlers AB and President of Sweco Sverige AB. Since 2016 she has been active as a professional board member and chairperson in several stock exchange listed, private and state-owned companies in the Nordics. Nygren is currently a board member of Ballingslöv International AB, Troax Group AB and Swedavia AB. Nygren currently holds 3,000 shares in the Issuer, and has been a member of the board of directors of the Issuer since January 2019.

Tove Elisabeth Pettersen, Board Member

Tove Elisabeth Pettersen has extensive experience from several senior management positions at Hafslund and at Bane NOR and Jernbaneverket, and since 2020 as CFO at Norwegian Red Cross. Pettersen has served as board member in listed and public companies, including Infratek ASA, Klemetsrudanlegget AS and Statsnett SF. Pettersen is currently a board member in Å Energi. Pettersen holds 5,000 shares in the Issuer and has held the position as board member in the Issuer since May 2020.

Outi Henriksson, Board Member

Outi Henriksson has an extensive senior management background from banking, transportation and telecom and has 20 years of experience as CFO, since 2017 at Aktia Bank Plc and formerly in VR Group. Henriksson serves as a board member of Patria Group and Aktia Livsförsäkring AB and has served as a board member and chairperson of the Audit committee of Adapteo Plc and Sponda Plc. Henriksson holds 5,000 shares in the Issuer, and has been a member of the board of directors of the Issuer since May 2021.

Heikki Allonen, Board Member

Allonen is a board professional with extensive experience from senior management and board positions. He has in his career worked as CEO in public and listed companies like SRV Oyj, Fiskars Corporation and Patria Group for some 20 years. Allonen is currently the vice-chairman of the board of directors of Savox Oy, board member of Lapti Group Oy and Port of Helsinki Oy. Allonen has previously served as chairperson of the board for the Norwegian defence company Nammo AS and as the vice-chairperson of the board of directors of VR Group Oy. Allonen holds 28,000 shares in the Issuer, and has held the position as board member in the Issuer since May 2021.

Karin Bing Orgland, Board Member

Bing Orgland has a broad financial background. During the period of 1985-2013 she held different managerial positions within the DNB Group, latest from 2009-2013 as Group Executives Vice President Corporate and Personal Banking Norway. Since 2013, Orgland has been active as a professional board member in different listed and government-owned companies. She is currently chairperson of the board in Entur and board member of Storebrand ASA and Kid ASA. Orgland holds 15,000 shares in the Issuer, and has held the position as board member in the Issuer since May 2022.

Anders Gustafsson, Chief Executive Officer

Gustafsson has more than 30 years of industrial experience. He previously held various management positions at NCC. From 2017-2023 he was the President and CEO at Svevia, a Swedish public owned company, specialised in road and construction work. He holds a Master of Science degree in Economics with Business Administration as the main field of study and an Executive MBA from the University of Stockholm. Gustafsson has been CEO of the Issuer since October 2023.

Ole Anton Gulsvik, Chief Financial Officer

Gulsvik has more than 15 years of experience from various managerial roles. He comes from the role as CEO of Seven Seas Group (former Eitzen Maritime Services), where he served as CEO from 2016 and as CFO from 2012 to 2015 when the company was listed at the Oslo Stock Exchange. Gulsvik holds a strong capital market background from among others Carnegie and Handelsbanken as analyst both within equity and credits, and later in corporate finance. Gulsvik holds a Master's degree in Engineering from the Norwegian University of Technology and Science (NTNU) in Trondheim, Norway. Gulsvik holds 90,000 share options, 11,446 shares and through his wholly-owned company Jodfabrikken AS, 133,996 shares in the Issuer, and has been CFO of the Issuer since March 2022. As of the date of this Prospectus, Ole Gulsvik has submitted his notice of resignation to accept a position as CFO in Entra ASA. The share options will thus expire. NRC Group has started the process to recruit a successor. He will continue as Chief Financial Officer until a new successor is in place or by the latest 1 August 2024.

Lene Engebretsen, EVP & Head of Communications

Engebretsen comes from the position as Director for Internal Communications Europe in Cognizant. She has been responsible for strategic communications and change management lead for several large projects the last years. Her previous roles in Cognizant include Director of Business Relations and Head of Communications. Before joining Cognizant in 2016, she held positions as Head of Communications for different tech and media companies. Engebretsen holds a Master's of Finance degree from BI Norwegian Business School (2002). Engebretsen holds 51,000 share options and 9,259 shares in the Issuer, and has held the position as EVP and Head of Communications in the Issuer since May 2020.

Marianne Ulland Kellmer, EVP & Head of Human Resources

Kellmer comes from the position as HR Director for NRC Group Norway, and before joining the Issuer she was Nordic HR Transformation Specialist in Oracle. Since 2007 Kellmer has held various HR leadership roles in different industries, and among others she has been Head of Group HR in the Norsk Gjenvinning Group, HR Manager in Scandic hotels and Organizational and Communications Manager within the public transportation sector in greater Oslo region. She holds a Bachelor's Degree in Service Management from the University of Stavanger, Norway. Kellmer holds 4,000 share options and 4281 shares in the Issuer, and has held the position as EVP and Head of Human Resources in the Issuer since August 2022.

Harri Lukkarinen, EVP & MD NRC Group Finland

Lukkarinen has more than 20 years of railway industry experience. He was previously CEO of VR Track Oy and Director for infrastructure projects at CMC Terasto Oy which was part of Pöyry Group. He served as a management team member of VR

Group. Lukkarinen has been Managing Director of NRC Finland since January 2019. Harri Lukkarinen holds 157,500 share options and 16,962 shares in NRC Group ASA.

Arild Ingar Moe, EVP & MD NRC Group Norway

Moe has more than 30 years' experience from the civil industry. Since 2009 he has been Vice President for the Civil Construction division and a part of the executive management at AF Gruppen in Norway. Previous roles in AF Gruppen include leading the integration of the acquired construction company Ragnar Evensen and the position as Managing Director for this company, which later became AF Bygg Oslo. Moe holds an Engineering degree from Oslo Ingeniørhøgskole (1988) and a Bachelor's degree in economics from Agder Ingeniør og Distrikshøgskole (1989). Moe holds 96,000 share options and 239,198 shares in the Issuer, and has held the position as EVP and MD NRC Group Norway since November 2020.

4.2 Conflict of interest

There are no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any board member or member of management in the Issuer was selected as a member of the Issuer's board of directors or management nor other actual or potential conflicts of interest between the Issuer and the private interests or other duties of any of the board members and the members of the management of the Issuer, including, to the knowledge of the Issuer, any family relationships between such persons.

5 MAJOR SHAREHOLDERS

At the date of this Registration Document, VR-Yhtymä Oy, J.P. Morgan SE and The Bank of New York Mellon SA/NV own approximately 18 %, 15 % and 9 % of the issued share capital of the Issuer, respectively. As major shareholders of the Issuer, each of them could significantly influence the outcome of matters submitted for vote in the general meetings. Their commercial goals and interests as shareholders and the commercial goals and interest of the Issuer and/or the other shareholders, may not always be aligned. Other than general rules in the Norwegian companies legislation to prevent abuse of major shareholding, there are no measures in place to ensure that the above mentioned shareholders do not abuse its positions as major shareholders.

There is no arrangement known to the Issuer that may lead to a change of control in the Issuer.

6 FINANCIAL INFORMATION

6.1 Financial Statements of the Issuer

The following audited historical accounts and the published unaudited interim accounts for the Issuer are included in Schedule 2 (together, the "**Financial Statements**"):

- a) Audited consolidated financial statements of NRC Group ASA for 2022, including auditor report, prepared in accordance with applicable International Financial Reporting Standards and interpretations, as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act of 17 July 1998 no. 56 (as amended).
- b) Unaudited interim consolidated accounts for NRC Group ASA for Q1 2023
- c) Unaudited interim consolidated accounts for NRC Group ASA for Q2 2023
- d) Unaudited interim consolidated accounts for NRC Group ASA for Q3 2023
- e) Unaudited interim consolidated accounts for NRC Group ASA for Q4 2023

There is no financial information in this Registration Document not extracted from the Financial Statements.

The Issuer's independent auditor is currently, and has been for the period covered by the historical financial information, Ernst & Young AS with registration number 976 389 387, a member of the Norwegian Institute of Public Accountants (Nw.: *Den norske Revisorforening*). The audit report contains no qualifications, modifications of opinion, disclaimers or an emphasis of matter.

No other information in the this registration document other than the audited consolidated financial statements of NRC Group ASA for 2022 has been audited by the auditors.

6.2 Financial performance and position – Statement of no significant changes

There has been no significant changes in the financial performance or financial position of the Issuer or the Group as such since the since the end of the last financial period for which financial information has been published, meaning 31 December 2023, and to the date of this Registration Document.

6.3 Additional information

There have been no material adverse changes in the prospects of the Issuer or the Group since the date of its last published audited financial statements.

6.4 Information on any known trends, uncertainties, demands, commitments or events

The Issuer is not aware of any known trends uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

7 PROFIT FORECASTS AND/OR ESTIMATES

No profit forecast or profit estimate is included in this Registration Document.

8 REGULATORY DISCLOSURES

Public limited liability companies listed on the Oslo Stock Exchange are subject to disclosure requirements pursuant to the Norwegian Securities Trading Act. The table below provides an overview of the disclosures published by the Issuer under the category "Inside Information" on its profile on www.newsweb.no during the last 12 months prior to the date of this Registration Document.

| Inside Information | | |
|---------------------|---|---|
| Category: Contracts | | |
| Date | Title | Description |
| 11 January 2023 | Appointed to a contract in Finland – EUR 5.4 million | The Issuer announced that Tampere Tramway Oy had appointed NRC Group Finland Oy, a company wholly owned by the Issuer, to a contract for Tampere Tramway Maintenance in Tampere. It was announced that the work was phased in 2 years maintenance periods whereby NRC's share of the first maintenance period was approximately EUR 5.4 million. |
| 12 January 2023 | NRC Group ASA enters into agreement to sell its subsidiaries NRC Gravco and Septik Tank Co to Norva24 | The Issuer announced that NRC Norge Holding AS, a wholly owned subsidiary of the Issuer, entered into a share purchase agreement to sell 100% of the shares in its wholly owned subsidiaries NRC Gravco AS and Septik Tank Co AS to Norva24 AS, the Northern European market leader within underground infrastructure maintenance services (UIM). |
| 27 January 2023 | Appointed to a contract in Sweden – SEK 55 million | The Issuer announced that Lindesbergs municipality had appointed NRC Sverige AB, a company wholly owned by the Issuer, to a contract for ground, foundation and construction work with an approximate value of SEK 55 million. |
| 30 January 2023 | Appointed to a contract in Finland – EUR 4.4 million | The Issuer announced that Ruskeasuon Varikkokiinteistö Oy had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for the construction of a tram depot |

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| | | management system in Helsinki with an approximate value of EUR 4.4 million. |
| 6 February 2023 | Appointed to a contract in Sweden – SEK 117 million | The Issuer announced that the Swedish Transport Administration had appointed NRC Sverige AB, a company wholly owned by the Issuer, to a contract for catenary work on the railway connection between Västeråsby and Långsele with an approximate value of SEK 117 million. |
| 2 March 2023 | Appointed to a contract in Sweden – SEK 35 million | The Issuer announced that the Swedish Transport Administration had appointed NRC Sverige AB, a company wholly owned by the Issuer, to a contract for signal work on the railway connection between Hovfors and Granstanda with an approximate value of SEK 35 million. |
| 7 March 2023 | Appointed to a contract in Finland – EUR 3.5 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for signal work on the Seinäjoki station and the Seinäjoki raw wood terminal yard with an approximate value of EUR 3.5 million. |
| 31 March 2023 | Appointed to contracts in Norway – EUR NOK 64 million | The Issuer announced that Marthinsen & Duvholt AS had appointed NRC Norge AS, a company wholly owned by the Issuer, to a contract for electro and track work in Tønsberg with an approximate value of NOK 37 million, and for a contract for track, electro and signal work on the railway connection between Holmestrand and Nykirke with an approximate value of NOK 37 million. |
| 14 April 2023 | Appointed to a contract in Finland – EUR 3.1 million | The Issuer announced that VM Suomalainen Oy had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for tramway construction work in Helsinki with an approximate value of EUR 3.1 million. |
| 20 April 2023 | Appointed to a contract in Finland – EUR 4.8 million | The Issuer announced that the City of Oulu had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for Traffic light maintenance in Oulu, North Ostrobothnia and Kainuu, with an approximate value of EUR 4.8 million. |
| 27 April 2023 | Appointed to a contract in Finland – EUR 3.9 million | The Issuer announced that Wellbeing services County of Vantaa and Kerava rescue department had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for building a rescue station in Vantaa with an approximate value of EUR 3.9 million. |
| 27 April 2023 | Appointed to a contract in Sweden – SEK 41 million | The Issuer announced that the Swedish Transport Administration had appointed NRC Sverige AB, a company wholly owned by the Issuer, to a contract for signal installation |

REGISTRATION DOCUMENT – NRC GROUP ASA

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| | | on the railway connection between Kolbäck and Västerås with an approximate value of SEK 41 million. |
| 16 May 2023 | Appointed to a maintenance contract in Finland – EUR 14.3 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for track and signalling maintenance on maintenance area 9, ranging from Oulu to Kokkola and Iisalmi, with an approximate value of EUR 14.3 million. |
| 31 May 2023 | Appointed to a contract in Finland – EUR 26.6 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for track, electro and groundworks at Turku railway yard with an approximate value of EUR 26.6 million. |
| 15 June 2023 | Appointed to a contract in Norway – NOK 58 million | The Issuer announced that Kristiansand Havn IKS had appointed NRC Norge AS, a company wholly owned by the Issuer, to a contract for ground and foundation work in connection with the construction of a quay in Kristiansand with an approximate value of NOK 58 million. |
| 30 June 2023 | Appointed to a contract in Finland – EUR 3.9 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) had appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for rail works on the railway connection between Helsinki and Riihimäki and at Järvenpää station with an approximate value of EUR 3.9 million. |
| 11 August 2023 | Appointed to a contract in Sweden – SEK 39.9 million | The Issuer announced that the Swedish Transport Administration had appointed NRC Underhåll AB, a company wholly owned by the Issuer, to a contract for track and signal installation in Skåne with an approximate value of SEK 39.9 million. |
| 28 August 2023 | Appointed to a contract in Norway – NOK 115 million | The Issuer announced that Skanska appointed Gunnar Knutsen AS, a company wholly owned by the Issuer, to a contract for transportation and disposal of masses on the road connection between Lyasker and Ramstadsletta with an approximate value of NOK 115 million. |
| 24 October 2023 | Appointed to a major track renewal contract in Sweden – SEK 392 million | The Issuer announced that the Swedish Transport Administration appointed NRC Group Sverige AB, a company wholly owned by the Issuer, to a contract for track renewal on "Pitebanan" and "Skelleftebanan" in Sweden with an approximate value of SEK 392 million. |
| 13 November 2023 | Appointed to a maintenance contract in Finland – EUR 9.2 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) appointed NRC Group Finland, a company wholly owned by the Issuer, to a contract for |

REGISTRATION DOCUMENT – NRC GROUP ASA

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| | | operating and maintaining Saimaa canal with an approximate value of EUR 9.2 million. |
| 17 November 2023 | Appointed to a major civil contract in Norway – NOK 303 million | The Issuer announced that Helse Sør-Øst had appointed NRC Norge AS, a company wholly owned by the Issuer, to a contract for foundation and groundwork in connection with the expansion of New Aker Hospital, with an approximate value of NOK 303 million. |
| 4 January 2024 | Appointed to a major civil contract in Norway – NOK 625 million | The Issuer announced that Forsvarsbygg has appointed NRC Norge AS, a company wholly owned by the Issuer, to a contract for ground, foundation and construction work in connection with a new quay at Haakonsværn Naval Base with an approximate value of NOK 625 million. |
| 11 January 2024 | Appointed to a rail contract in Finland – EUR 18 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) has appointed NRC Group Finland, a company wholly owned by the Issuer, and YIT Finland as construction parties for Area 2 at Espoo City Rail. The contract is valued at approximately EUR 36 million, and NRC's share is 50% valued at approximately EUR 18 million. |
| 15 January 2024 | Appointed to a major rail contract in Sweden – SEK 456 million | The issuer announced that the Swedish Transport Administration has appointed NRC Group Sverige AB, a company wholly owned by NRC Group ASA, to a contract for catenary work on the railway connection between Alingsås and Olskroken. The contract was valued at approximately SEK 456 million. |
| 2 February 2024 | Appointed to a major rail contract in Norway – NOK 436 million | The issuer announced that Bane Nor has appointed NRC Norge AS, a company wholly owned by NRC Group ASA, to a contract for rehabilitation and upgrading of the catenary infrastructure on the railway between Hønefoss and Nesbyen. The contract is appointed to a joint venture together with Nettpartner, and NRC's share is valued at approximately NOK 436 million. |
| 13 February 2024 | Appointed to contract in Norway – NOK 78 million | The issuer announced that Å Energi Vannkraft has appointed NRC Norge AS, a company wholly owned by NRC Group ASA, to a contract for the renovation of Dam Nespervatn. The contract is valued at approximately NOK 78 million. |
| 14 February 2024 | Appointed to contract in Finland – EUR 6,5 million | The issuer announced that Fingrid Oyj has appointed NRC Group Finland, a company wholly owned by NRC Group ASA, to a contract for the construction of 3 substations at Harjavalta in Finland. The contract is valued at approximately EUR 6,5 million. |
| 23 February 2024 | Appointed to rail contract in Norway – NOK 116 million | The issuer announced that Bane Nor has appointed NRC Norge AS, a company wholly owned by NRC Group ASA, to a contract for track renewal on the railway connection between |

| | | Lillestrøm and Gardermoen. The contract is valued at approximately NOK 116 million and will involve rail services such as track and electrical work. |
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| Category: Financials | | |
| Date | Title | Description |
| 2 February 2023 | Preliminary EBITA* of NOK 151 million for 2022 | The Issuer announced a preliminary EBITA of NOK 31 million for the fourth quarter of 2022 and NOK 1.95 billion in revenue. It was announced that the estimated EBITA for 2022 was NOK 151 million, resulting in an EBITA margin of 2.1% for 2022, and that the estimated revenue for 2022 was NOK 7.0 billion. |
| 21 February 2023 | Q4 2022 results | The Issuer announced that it had published its financial results for the fourth quarter of 2022. |
| 24 May 2023 | Q1 2023 results | The Issuer announced that it had published its financial results for the first quarter of 2023. |
| 22 August 2023 | Invitation to presentation of Q2 2023 results | The Issuer announced that it would release its financial results for the second quarter of 2023 on Tuesday 29 August at 07:00 a.m. (CET). |
| 9 October 2023 | Fixed income investor meetings and bank refinancing | The Issuer announced that it had mandated Danske Bank as Global Coordinator and Green Structuring Advisor, and Carnegie as Joint Lead Manager, to arrange a series of physical and virtual fixed income investor meetings commencing 10 October 2023. It was announced that a new 4-year NOK 400 million senior unsecured floating rate green bond issue may follow, subject to inter alia market conditions. |
| 13 October 2023 | Successfully completed a new senior unsecured green bond issue and notice of exercise of call option | <p>The Issuer announced that it had successfully completed a new 4-year senior unsecured green bond issue with an initial issue amount of NOK 400 million.</p> <p>It was also announced that concurrently with the new bond issue, the Issuer had repurchased approximately NOK 275 million in outstanding bonds under the NRC Group ASA FRN Senior Unsecured Open Callable Bond Issue 2019/2024" (NRC01/ISIN NO0010861768).</p> <p>The Issuer furthermore announced that it had notified Nordic Trustee AS of the exercise of its call option for the remaining outstanding bonds in the bond issue "NRC Group ASA FRN Senior Unsecured Open Callable Bond Issue 2019/2024" (NRC01/ISIN NO0010861768) with original maturity date 13 September 2024, and that each Bondholder was thereby given notice thereof.</p> |
| 17 November 2023 | Invitation to presentation of Q3 2023 results | The Issuer announced that it was to release its financial results for the third quarter of 2023 on Friday, 24 November, at 07:00 a.m. (CET). |

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| 24 November 2023 | Third quarter 2023 results | The Issuer announced that it had published its financial results for the third quarter of 2023. |
| 20 December 2023 | FTIA has exercised a contract option in Finland – EUR 11 million | The Issuer announced that the Finnish Transport Infrastructure Agency (FTIA) had decided to exercise the contract option part 2 for track, electro and groundworks at Turku railway yard. The contract option was valued at approximately EUR 11 million. |
| 20 February 2024 | Invitation to presentation of Q4 and full year 2023 results | The issuer announced that it was to release its financial results for the fourth quarter and full year 2023 on Tuesday, 27 February, at 07:00 a.m. (CET). |
| Category: Changes to management | | |
| Date | Date | Date |
| 26 April 2023 | Henning Olsen is leaving NRC Group | The Issuer announced that Henning Olsen, CEO of the Issuer at the time, had submitted his notice of resignation. He accepted to start as CEO at Eidsiva Energi AS, the largest regional energy and telecom company in Norway. |
| 28 June 2023 | Anders Gustafsson new CEO of NRC Group ASA | The Board of Directors of the Issuer announced the appointment of Anders Gustafsson as the new Chief Executive Officer (CEO). |
| 30 January 2024 | CFO resigns from NRC Group | The issuer announced that Ole Gulsvik, CFO of the issuer, has submitted his notice of resignation to accept a position as CFO in Entra ASA. |

9 ADDITIONAL INFORMATION

For the life of this Registration Document, the following documents (and copies thereof) are available for inspection at the Issuer's offices and can be downloaded from the Issuer's web page at www.nrcgroup.com/investor:

- a) up to date Articles of Association of the Issuer;
- b) this Registration Document; and
- c) the Financial Statements.

Any information sourced from third parties in this Registration Document has been accurately reproduced and, as far as the Issuer is aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition the source of such information has been identified where relevant.

The Issuer confirms that no letter, valuation, statement, report or other document attributed to a person as an expert is referred to in this Registration Document save for the Financial Statements referred to above, and no such document is consequently not made available for inspection.

10 DEFINITIONS AND GLOSSARY OF TERMS

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| Bond Terms | The bond agreement dated 24 October 2023 entered into between the Issuer and Nordic Trustee AS. |
| Bonds | NRC Group ASA Senior Unsecured Open Callable Green Bond Issue 2023/2027 with ISIN NO0013049403. |
| EUR..... | The Euro, the lawful currency of 20 of the 27 member states of the European Union. |
| EURIBOR..... | Euro Interbank Offered Rate. |
| Financial Statements | The financial statements included in <u>Schedule 2</u> . |
| Group | The Issuer and its Subsidiaries as at the date of this Registration Document. |
| Issuer..... | NRC Group ASA. |
| LEI | Legal Entity Identifier. |
| NFSA | The Financial Supervisory Authority of Norway. |
| NIBOR..... | The Norwegian Interbank Offered Rate. |
| NOK | Norwegian Kroner, the lawful currency of Norway. |
| Norwegian Securities Trading Act..... | The Norwegian Securities Trading Act of 29 June 2007 No. 75. |
| Oslo Stock Exchange..... | Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA. |
| Prospectus Regulation.. | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Registration Document to be published when securities are offered to the public or admitted to trading on a regulated market, repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act. |
| Registration Document | This document dated 25 March 2024. |
| Securities Note | The document to be prepared for each new issue of bond under the Prospectus, including, but not limited to, the Issuer's securities note dated 25 March 2024. |
| SEK..... | Swedish Krona, the lawful currency of Sweden. |
| STIBOR..... | The Stockholm Interbank Offered Rate. |
| Trustee | Nordic Trustee AS, a Norwegian private limited liability company with company registration number 963 342 624. |



NRC Group ASA
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SCHEDULE 1: ARTICLES OF ASSOCIATION OF THE ISSUER

ARTICLES OF ASSOCIATION**NRC GROUP ASA**

(org. nr. 910 686 909)

(as of 4. May 2023)

§ 1

The name of the company is NRC Group ASA. The company is a public limited company.

§ 2

The objective of the company is investment in, and operational management of, companies offering services within the transport and infrastructure sector.

§3

The company's registered office is in Bærum.

§4

The company's share capital is NOK 72 954 549, divided into 72 954 549 shares, each with a nominal value of NOK 1.

§5

The company's board of directors shall consist of three to nine shareholder-elected board members. The board members shall serve for two years. It is possible to elect as many deputy members as there are members of the board. The deputy members are also elected for two years.

§6

The board of directors manages the company's operations in accordance with these Articles of Association and the decisions of the shareholders' meeting.

The board of directors appoints the CEO and determines his salary, job description and other terms. The CEO conducts the daily management of the company and carries out the decisions adopted by the company bodies.

The board of directors forms a quorum when more than half of its members are present. Minutes are taken of the board of directors negotiations. The minutes are signed by all attending board members.

The shareholders' meeting elects the chairman of the board. The deputy chairman is elected of and within the board of directors when needed. The company is jointly signed by the chairman of the board and the CEO, two board members and the chairman of the board, or two board members and the CEO. The CEO has the power of procuration. The board of directors may grant power of procuration to others.

§7

The shareholders' meeting is convened by the board of directors with a minimum of 21 days' written notice to the company's shareholders. Shareholders attending the shareholders' meeting must register with the company within the deadline specified in the notice.

The board of directors may decide that documents relating to matters to be considered at the shareholders' meeting, are not to be distributed to shareholders when these are made available on the company's website. This also applies to documents that by law must be included in or attached to the notice of the shareholders' meeting. However, a shareholder may, without charge, demand to receive documents relating to matters to be discussed at the shareholders' meeting.

The annual shareholders' meeting shall deal with and decide upon the following matters:

Approval of the annual accounts and the annual report, including distribution of dividends.

Election of the board of directors and determination of the fees to the board of directors.

Other issues which, according to the notice to the shareholders' meeting, applicable company law or these Articles of Association, are to be decided upon by the shareholders' meeting.

§8

Each share carries one vote at the company's shareholders' meeting.

§9

With regard to issues not dealt with in these Articles of Association, the provisions of applicable company law shall be complied with at all times.

§10

The company shall have a nomination committee consisting of three members, where at least two members shall be independent from the board of directors and company management. The chairman of the committee and other members are elected by the shareholders' meeting for a period of two years. The nomination committee shall prepare the election of board members and make recommendations to the shareholders' meeting on fees to the board of directors. The nomination committee makes proposals to the shareholders' meeting on the election of committee members. The shareholders' meeting determines instructions for the nomination committee and sets annual fees for its members.

SCHEDULE 2: FINANCIAL STATEMENTS OF THE ISSUER

- a) Audited consolidated financial statements of NRC Group ASA for 2022, including auditor report, prepared in accordance with applicable International Financial Reporting Standards and interpretations, as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act of 17 July 1998 no. 56 (as amended).
- b) Unaudited interim consolidated accounts for NRC Group ASA for Q1 2023
- c) Unaudited interim consolidated accounts for NRC Group ASA for Q2 2023
- d) Unaudited interim consolidated accounts for NRC Group ASA for Q3 2023
- e) Unaudited interim consolidated accounts for NRC Group ASA for Q4 2023

ANNUAL REPORT

20 22



/// NRC Group

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ABOUT NRC GROUP

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CEO's letter

The solid order backlog and order intake in 2022, are the foundation for our future value creation and reflect our strengthened tendering framework.

NRC Group delivered strong revenue growth of 18% in 2022 against the backdrop of a more complex macroeconomic environment. We proved the resilience of our business model with robust mechanisms for risk sharing that limit the exposure to the current high inflation environment, supported by our continued focus on discipline in project tendering, planning and execution processes.

Profitability improved in our core rail activities and for our environmental business. The development of our operations in Finland and Norway is according to plan. However, we recognised losses in the Swedish Civil construction operations. Restoring profitability in Sweden is our main priority and we will explore strategic options for the Civil business going forward.

Strong foundation

In 2022, we won NOK 7 billion worth of new contracts and had a solid order backlog of NOK 7.8 billion. These projects are the foundation for our future value creation and reflect our strengthened tendering framework. I would like to highlight the award of four long-term maintenance contracts in Sweden with a combined value of SEK 1.6 billion. These provide visibility and a solid base



During the year, we shifted our focus from business transformation to profitable growth and exploiting the opportunities of our unique Nordic position.



to further develop our maintenance business, capture synergies with rail construction and position us for future profitable growth in the Swedish market.

During the year, we shifted our focus from business transformation to profitable growth and exploiting the opportunities the benefits of our unique Nordic position. This means that we will continue to implement the operational improvements that drive profitability, while putting more emphasis on growth and competitiveness. Growth enables organisational development, the execution of bigger and more complex projects and economies of scale.

Succeeding as a leader in sustainable infrastructure

In August, we presented our updated strategy centred around the strategic priorities of capitalising on our leading Nordic position, strengthening core processes, disciplined profitable growth, and increasing competitiveness through the sharing of best practice, Nordic collaboration and sustainability. We set long-term targets and ambitions for our growth, for emission reductions and our ambition to resume dividend payments.

With our strong Nordic market position, our relentless work to improve core processes and clear strategic priorities, I am confident that we are set to deliver continued positive operational and financial development.

Preferred partner and employer

A key element of the transformation over the past two years has been to attract and retain the right leadership, project managers and a skilled workforce. Our people are the foundation for our continued success together with a strengthened project selection, tender and execution model.

In 2022, we established a set of leadership principles that describe the most important behaviours expected from leaders at all levels of the organisation across our countries. They also apply to our executive management and through the organisation to site managers and safety leaders. Shared values and a common understanding

With our strong Nordic market position, our relentless work to improve core processes and clear strategic priorities, I am confident that we are set to deliver continued positive operational and financial development.



about how we should behave and interact, how we make decisions and how we carry out our work activities, help us build a strong internal culture. It will support the sharing of competence and capacity across countries and help position NRC Group as the preferred partner and employer in our industry. Together with our values, the leadership principles strengthen our culture and support the execution of our strategy.

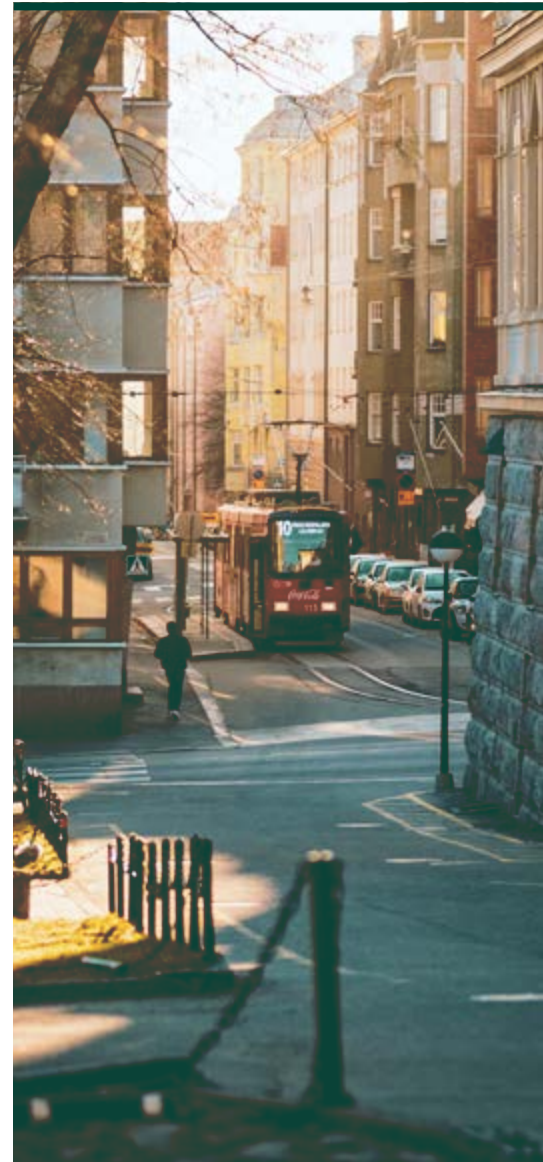
The quality of our business model is supported by ISO certifications, our business ethics and the Code of Conduct. We are also conducting analysis of our approach to human rights due diligence according to the Norwegian Transparency Act.

I want to thank our employees for their continued efforts to deliver safe and efficient operations. As the impact of COVID-19 pandemic eased in 2022, new challenges emerged. The war in Ukraine affects us all, and while it is outside of our core operating area, it impacts both people and our markets through potential scarcity of certain materials, through inflation and higher interest rates. Despite the increased uncertainty, we delivered improved performance as one team.

Positioned for sustainable and profitable growth

Our markets are driven by population growth, urbanisation and increased requirements for efficient, low-carbon transport systems. There is broad political consensus in the Nordics that railways and metro lines are solutions for the future, and we are ready to deliver the infrastructure for this. How we do that is very important. Putting safety first and minimising our impact on the external environment are prerequisites for NRC Group's long-term success, together with a strong framework for transparent management of material social and environmental factors. We estimate that approximately 87% of our business activities, in terms of revenues, are considered eligible under the EU Taxonomy.

We pursue sustainable and profitable growth. We are proactively working to become a zero-emission industry by 2050 at the latest and to reduce our own CO₂ emissions by at least 30% by 2025, compared to our baseline numbers

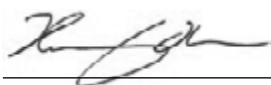


in 2021. We have experienced first-hand that sustainability is a competitive edge for us. In 2022, we won a NOK 400 million mass removal and disposal contract for the City of Oslo's new drinking water supply using biogas trucks to significantly reduce the CO₂ emissions.

Our operational priorities of winning the right projects at the right price with excellence in project execution, remain firm, supported by our continued focus on improving core processes, capturing the full potential of our unique Nordic position and on turning sustainability into contract wins. The strong order backlog and robust financial position provides a strong platform for long-term growth and value creation as a leader in sustainable infrastructure.

Stay healthy and safe.

Oslo, 29 March 2023



Henning Olsen,
CEO

The strong order backlog and robust financial position provides a strong platform for longterm growth and value creation as a leader in sustainable infrastructure.

2022 in figures

Revenue

↑ **7,030** MNOK

2021: 5,957 MNOK

EBITDA

↑ **333** MNOK

2021: 302 MNOK

EBIT**

↓ **-240** MNOK

2021: 42 MNOK

EBITA*

↑ **151** MNOK

2021: 139 MNOK

EBITA* %

↓ **2.1%**

2021: 2.3 %

Order intake

↓ **6,959** MNOK

2021: 7,581 MNOK

Order backlog

↓ **7,795** MNOK

2021: 7,801 MNOK

Operating cash flow

↓ **235** MNOK

2021: 358 MNOK

Cash and cash equivalents

↓ **472** MNOK

2021: 626 MNOK

Net interest-bearing debt

↓ **950** MNOK

2021: 891 MNOK

Equity ratio

↓ **45%**

2021: 47 %

Employees

↑ **1,960**

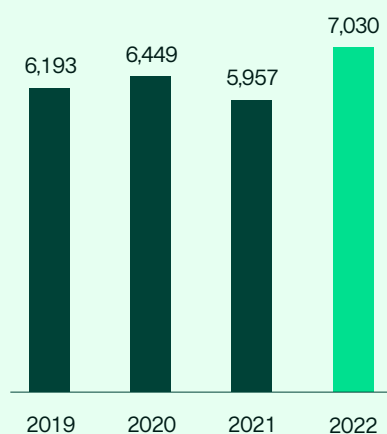
2021: 1,893

* Before other income and expenses (M&A expenses) ** 2022 figures include goodwill impairment expense of NOK 352 million

2022 in graphs

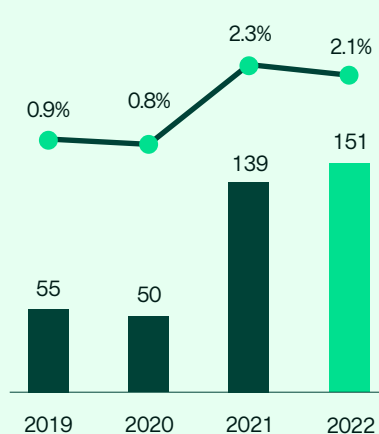
Total revenue

NOK million



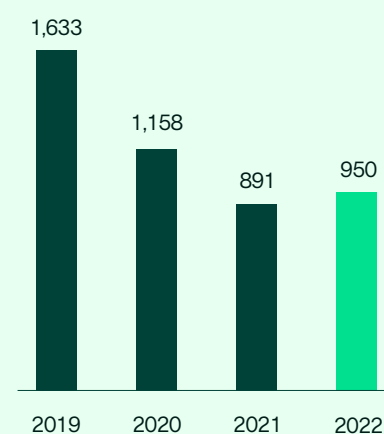
EBITA* & EBITA* Margin

NOK million and percent



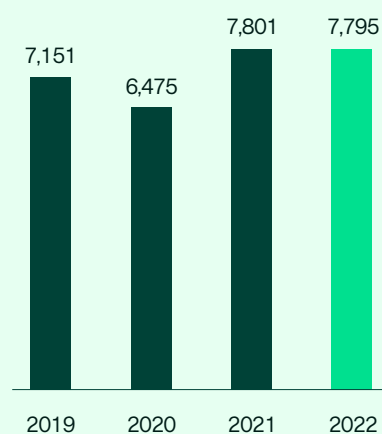
Net interest-bearing debt

NOK million



Order backlog

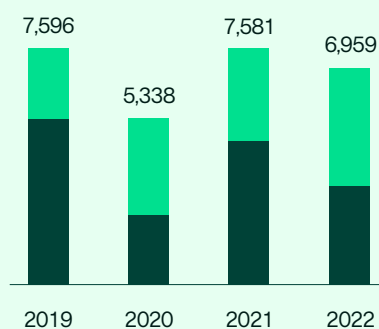
NOK million



Order intake

NOK million

■ Announced
■ Unannounced



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

2022 in projects

NRC Group creates sustainable ways for people and cities to connect.

Access to high-quality, low-carbon sustainable infrastructure solutions is becoming increasingly important as the region's cities and populations grow. NRC Group creates and maintains the infrastructure, and helps to promote greener, safer and more efficient transportation of people and goods.

Sweden:

Maintenance Mitt- and Ådalsbanan

Major rail maintenance contract covering the Mitt- and Ådalsbanan in central and northern Sweden.

It is the largest contract awarded to NRC Group Sweden to date and will involve rail services such as track, signalling and electro. The contract covers a five-year period with an additional two-year option period.

The contract is valued at approximately SEK 773 million.

Start: June 2023

Completion: May 2028 + 2-year option period

Client: Trafikverket (The Swedish Transport Administration)



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Norway:

Mass transportation Oslo water supply

Contract awarded NRC Group's wholly owned Norwegian subsidiary Gunnar Knutsen 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.

Valued at approximately NOK 400 million, and is the largest mass transportation contract awarded to NRC Group to date.

Start: May 2022

Completion: November 2027

Client: JV AF Ghella ANS for the Municipality of Oslo

Sweden:

Norrköping railway yard

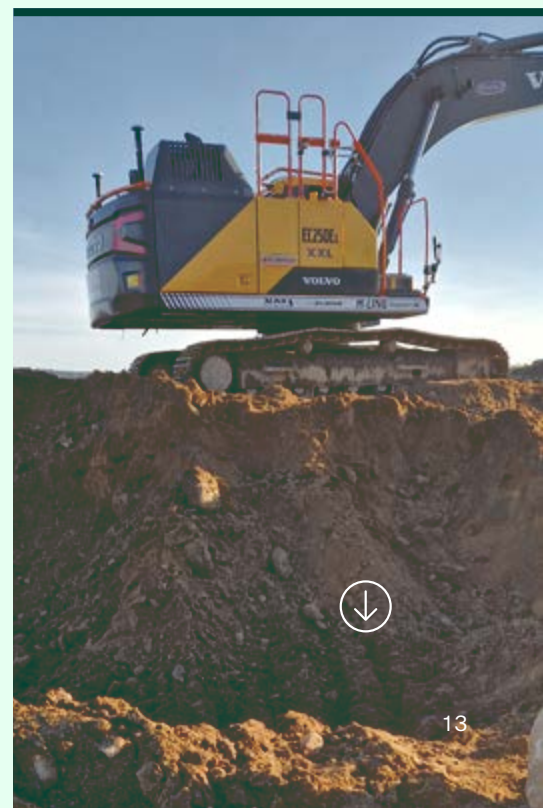
Contract for construction of a new railway yard in Norrköping. The contract is executed by NRC Group Sweden and involves rail services such as groundwork, track, signal/telecom and electro.

The contract of approximately SEK 157 million.

Start: August 2022

Completion: May 2026

Client: Trafikverket (The Swedish Transport Administration)



Finland:

Kuopio railway yard

Appointed to a contract for rehabilitation and upgrading of the railway yard Kuopio in Eastern Finland. The project involves services such as track construction, electro, signal, groundworks and bridges.

The contract for NRC Group Finland is valued at approximately EUR 25 million.

Start: July 2022

Completion: October 2024

Client: The Finnish Transport Infrastructure Agency (FTIA)



2022 in brief

Succeeding as a leader in sustainable infrastructure

NRC Group was created to capitalise on strong Nordic infrastructure markets. In August 2022, the Group provided a capital markets update focused on strategy, operations, markets, financial development and outlook. Combined, these factors provide a robust foundation for long-term growth and continued improved profitability enabled by the recent year's business transformation focused on the integration of acquired companies and operational improvements. The result is more robust processes for project selection, tendering and execution and a strengthened organisation which position NRC Group for future profitable growth.



Improved processes in all project phases

NRC Group ended 2022 with a high order backlog due to a growing market resilient to macro downturns, and the Group's continuous focus on winning the right projects to the right price. The new orders reflect improved processes across all project phases from tendering to completion. The order backlog ended at NOK 7.8 billion, at the same level as last year. This supports NRC Group's long-term growth and profitability ambitions as the leading rail infrastructure company in the Nordics with a strong ESG anchoring.



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Clear strategic priorities and long-term ambitions

At the 2022 capital markets update, NRC Group presented its updated strategic priorities:

- Capitalise on a leading Nordic position
- Continue to improve core processes to increase profitability
- Drive profitable growth through increased revenue from large projects and potential bolt-on M&A
- Implement best practice across the Nordics to increase competitiveness
- Leverage sustainability as a competitive edge

For 2023, NRC Group expects continued positive operational and financial development with a slight decrease in revenue and moderate increase in EBITA* margins.

The updated strategy forms the basis for the Group's new medium-term targets and long-term ambitions for profitability, sustainable growth and the resumption of dividend distributions in line with the dividend policy. The Group targets an EBITA margin in the 5-7% range and revenue growth is expected to exceed 5% per year over the cycle plus bolt-on M&A on a longer-term ambition. The Group also targets a 30% reduction in CO2 emissions in 2025 vs. 2021 (for scope 1+2).



Reaffirming strong maintenance market position

In Sweden, NRC Group won four multi-year rail maintenance contracts with combined total value exceeding SEK 1.6 billion. Three of the contracts represent a continuation of work in maintenance areas currently served by the Group, and the fourth represents growth into a new region. The awards provide a solid foundation for further development of the maintenance business and support future profitable growth in Sweden. The new contracts are for five years with options to extend. This includes the SEK 773 million contract for the Mitt- and Ådalsbanan area, which is the biggest contract to date for NRC Group in Sweden.



Company introduction

**The future is on rails.
We deliver the infrastructure.**

NRC Group creates sustainable ways for people and cities to connect. The Group has experienced strong growth since its inception in 2011 and is today a leading Nordic infrastructure company building sustainable transport solutions in Norway, Sweden and Finland.

NRC Group delivers the complete value chain and in-house capabilities for the prioritised markets of rail construction, civil construction, rail maintenance and environmental services. The offering includes groundwork, concrete work, specialised trackwork, electro, signalling systems, demolition, recycling and mass transportation. A unique set of capabilities and services from planning and project management to construction and maintenance, is provided to execute complex rail, light rail and civil engineering projects. As a total supplier of railway infrastructure, the Group applies its wide range of competencies and expertise within rail infrastructure to meet clients'.

The Company's mission is to create infrastructure that goes beyond the demands of today and tomorrow - both for people and the society. Access to high-quality sustainable infrastructure solutions with low carbon footprint enabling safe and efficient transport solutions, is increasingly important.



NRC Group is positioning itself to be the sustainable partner of choice and a Nordic leader. In 2022, the Group updated its strategic priorities for succeeding as a leader in sustainable infrastructure, improve profitability and drive growth:

- Capitalise on a leading Nordic position
- Continue to improve core processes to increase profitability
- Drive profitable growth through increased revenue from large projects and potential bolt-on M&A
- Implement best practice across the Nordics to increase competitiveness
- Leverage sustainability as a competitive edge

Through operational improvements, the company will capitalise on the leading Nordic position and a strong market outlook with clearly defined operational, financial and sustainability targets and ambitions.

NRC Group recognises that people are the key enablers for achieving its targets. This is reflected in the Company's vision; being the most attractive partner and employer of tomorrow's infrastructure. Sound business conduct and sustainability focus are also enablers of growth and profitability. Together with the complete rail infrastructure value chain offering, knowledge and experience, they represent NRC Group's key competitive advantages.

NRC Group sees a long-term positive outlook for rail, light rail and metro line developments, including complementary services. Market fundamentals are supported by population growth and urbanisation trends, and environmental challenges will add to already increasing maintenance backlogs within rail.

Market fundamentals are supported by population growth and urbanisation trends, and environmental challenges will add to already increasing maintenance backlogs within rail.

Values

The Group operates by a set of values which are shared throughout the organisation.

CREDIBLE

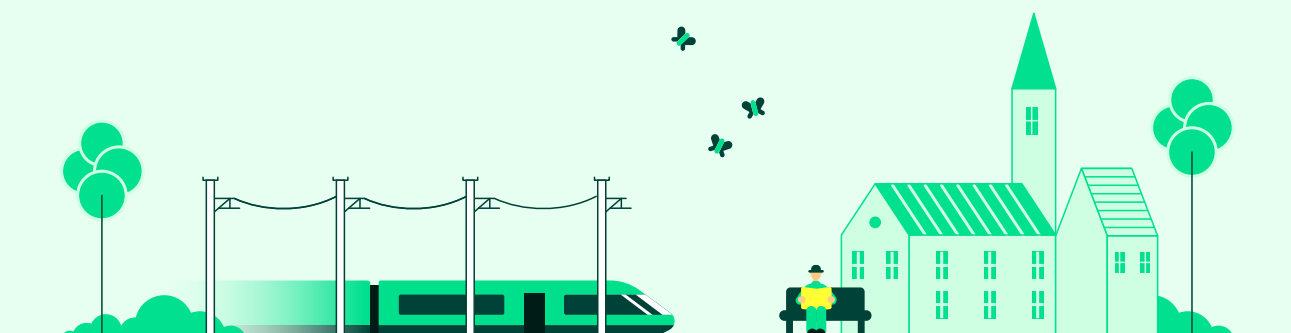
We work according to high ethical standards, we keep our promises, and deliver on agreed time, budget and quality. For us, promises exist to be kept.

ENTREPRENEURIAL

We deliver infrastructure, not bureaucracy. We are driven by a strong commercial mindset.

CARING

We care for the safety of our employees and suppliers. We make sure to plan and act for the safety of people and our society.



Group structure and presence

NRC Group's head office is located at Lysaker near Oslo, Norway. The Group has three operating segments, Norway, Sweden, and Finland.

NRC Group Norway is responsible for operations in Norway and has branch offices in the eastern and southern parts of Norway. In 2022, there were three operating divisions in Norway.

- Rail construction
- Civil construction
- Environment

NRC Group Sweden is responsible for operations in Sweden and has its head office in Stockholm, with branch offices across the country. In 2022, there were three operating divisions in Sweden.

- Rail construction
- Rail maintenance
- Civil construction

NRC Group Finland is responsible for operations in Finland and has its head office in Helsinki and branch offices in several cities. In 2022, there were three operating divisions in Finland.

- Rail construction
- Rail maintenance
- Materials

Share of revenue by market

2022 figures, in percent



- Finland: **37%** (2021: 44%)
- Norway: **34%** (2021: 31%)
- Sweden: **30%** (2021: 25%)

Operations and markets

NRC Group is a fully integrated infrastructure contractor with in-house capabilities to deliver complex projects.

Operations

NRC Group offers a complete set of services such as rail, light rail and metro systems, and related civil construction. The service offering includes groundwork, signalling systems, telecom, electro, catenary systems, tracks, as well as station buildings and terminals. The offering also includes complementary services within concrete work, groundwork, recycling and mass transport that are integral to complete large rail projects and enable the Group to provide stand-alone solutions to clients.

Rail and light rail

Construction

NRC Group holds all necessary approvals to work within the rail, light rail and metro segments including electrical installations with specialist capabilities across the entire rail value chain. In addition to railroads, stations and terminals, the offering includes related infrastructure such as bridges and crossings.

Construction work can be divided into these main categories:

Substructure: Substructure ensures stable tracks and railroads. The substructure is the foundation and consists of the mass that the track is placed upon, in addition to different technical constructions. Substructure includes among other groundwork, tunnels, bridges and culverts.



Superstructure: Superstructure ensures the interaction between the train and the track, and makes sure trains move safely, comfortably, and fast at the same time. Among other, the superstructure consists of ballasts, sleepers, rails, switches and cable channels.

Signalling system: The signalling system ensures safety, speed and time management for trains on the move.

Power supply system: Secures continuous power transfer to the trains. Includes all electro and catenary work.

Other complementary services: services such as concrete works, recycling, demolition and mass transport are delivered where a full-scale service range is required.

The ability to offer full scope and execution capacity is an important factor in a tender process within the rail industry. NRC Group has capabilities across the entire spectre of rail services, which serves as a competitive advantage for the company.

Maintenance

NRC Group is an established provider of railway maintenance services in Finland and Sweden and utilises the same competencies and equipment as for rail construction projects. Maintenance contracts are multi-year agreements to perform specific tasks to maintain railway infrastructure in a geographical area to a specified standard.

Civil construction

NRC Group in Norway and Sweden has established separate divisions specialising in civil construction. This includes groundwork, concrete work, installation and construction of steel structures and landscaping. The services support the development of railway infrastructure.

NRC Group offers a complete set of services such as rail, light rail and metro systems, and related civil construction. The offering also includes complementary services within recycling and mass transportation.



Other complementary services

The construction business and infrastructure development are subject to substantial climate and environmental responsibilities. NRC Group aims to be a Nordic leader in sustainable infrastructure, and environmental considerations are essential for the projects the Group executes, and an integrated part of the value chain.

In Norway, a separate division, Environment, provides services within transport and handling of masses, demolition and recycling. This division acts both as a service provider to projects for NRC Group and as a provider to external contractors. In Finland, a separate division, Materials, provides procurement, logistics and warehousing for the Finnish Transportation Infrastructure Agency (FTIA).

Market

NRC Group addresses a growing market for specialist infrastructure services. Population growth, urbanisation and the need for environmentally friendly and efficient transport solutions are strong macro- and socio-economic factors driving this development. In addition, there is significant and growing maintenance deficit in the public railroad, light rail and metro systems following years of underinvestment.

The national agencies for railway services; Bane NOR in Norway, Trafikverket in Sweden and the Finnish Transport Infrastructure Agency in Finland are NRC Group's largest clients. Increased light rail and metro development



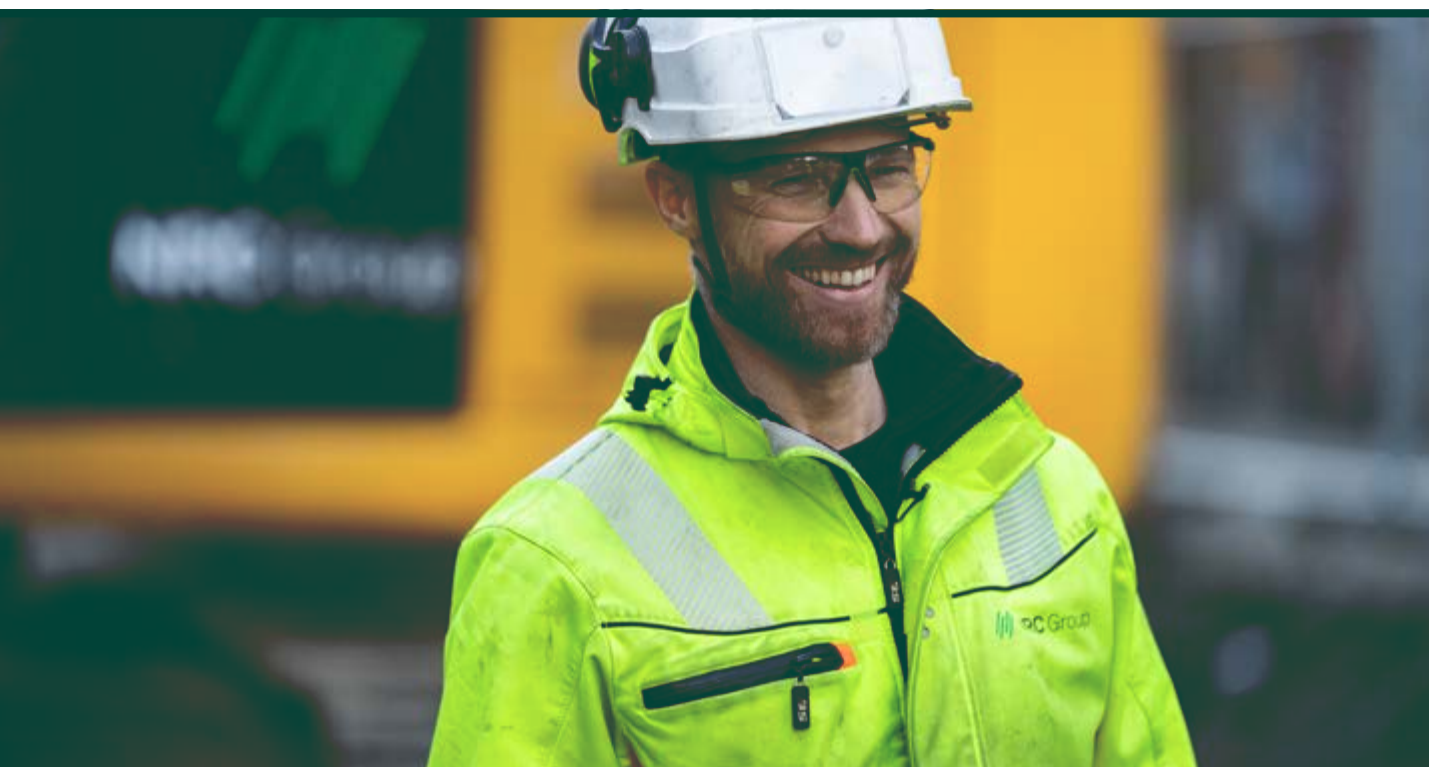
NRC Group's main customers are national transport authorities on a state, regional and municipal level.



activities have in recent years increased the relative importance of municipalities. Additionally, there are also some private clients within industry and logistics.

The market development is largely a function of annual budget allowances to rail-based and other transport infrastructure in the national budgets and at a municipal level in the larger cities such as Stockholm and Gothenburg in Sweden, Oslo and Bergen in Norway, and Tampere and Helsinki in Finland.

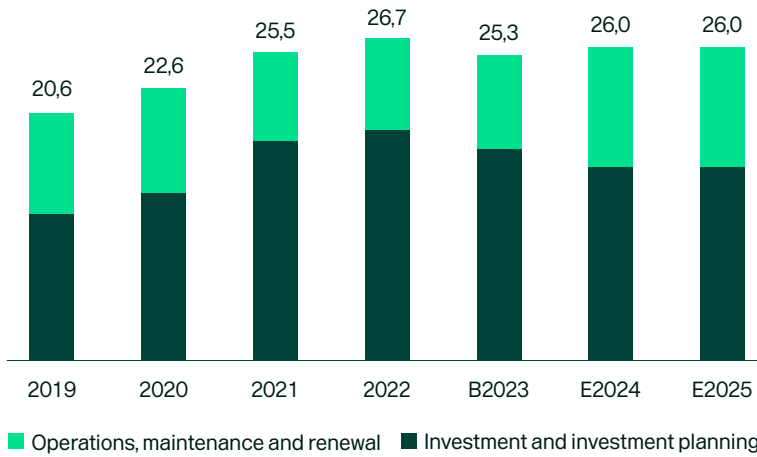
The Governments of Norway, Sweden and Finland develop their transportation systems according to 12-year National Transport Plans (NTP), which are updated and approved by Parliament every fourth year.



The Norwegian market is expected to grow over time, reflecting broad political support to improve the national railway system. In the 2023 budget, NOK 25.3 billion was allocated to the railway sector, slightly down from NOK 26.7 billion in 2022. The maintenance backlog is expected to increase further, as spending continues to lag the levels required to offset actual wear on existing infrastructure.

Rail investments and maintenance spending

NOK billion, 2019-25



The National Transport Plan (NTP) 2022 - 2033, is updated every four years and confirms the Government's transport goals, strategies and priorities in a long-term perspective.

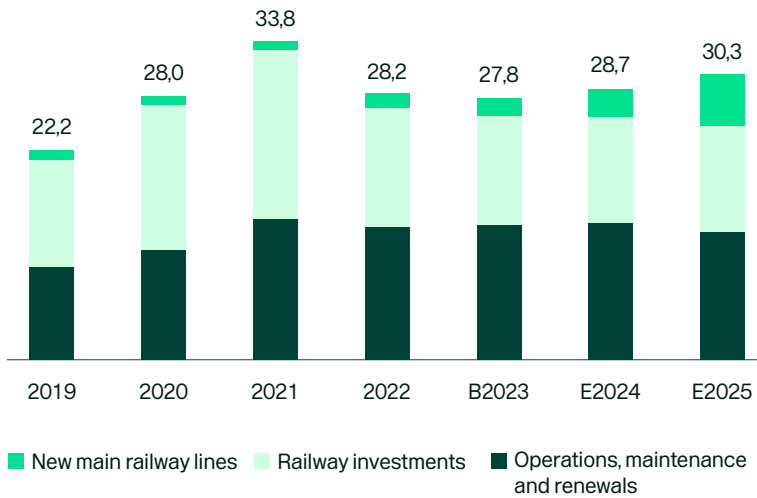


The Swedish market is expected a slight decline in planned investments for 2023. The Swedish national budget for rail investments and maintenance spending in 2023 is SEK 27.8 billion, compared with SEK 28.2 billion in 2022. This is mainly due to lower expected new railway investments. Planned maintenance and renewals are at SEK 14.3 billion. The maintenance backlog is forecasted to remain stable.

The national plan for transport infrastructure describes how state-owned infrastructure is to be maintained and developed from 2022-2033 in Sweden. The fund for maintenance and renewals of railways, is approximately SEK 165 billion in the period.

Long-term railway spending

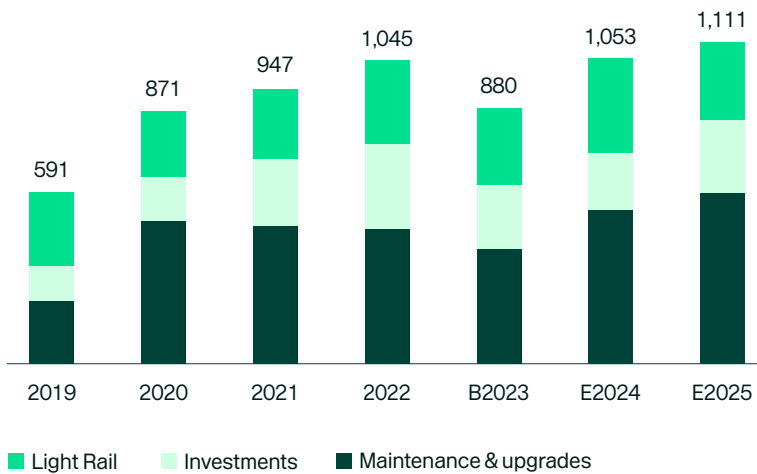
SEK billion, 2019 - 2025



In Finland, the investment level is still expected to be high in the coming years. The addressable market is estimated at EUR 880 million in 2023, down from EUR 1.05 billion in 2021. Light rail projects, where NRC Group Finland is a market leader, remain as one of the key drivers for market growth together with high rail renewal and investment activity. The Maintenance segment is expected to decrease in 2023.

Rail investments and maintenance spending

EUR million, 2019-25



The National Transport System Plan for 2021–2032, is a strategic plan for developing the transport. This is the first 12-year transport plan made in Finland. It will be updated every four years.



There is broad political commitment in Norway, Sweden and Finland to increase spending on developing, maintaining and modernising railroad, light rail and metro lines in major cities, as well as improving other key components of the national transport infrastructure. All the three countries operate with 12-year National Transport Plans to address the same underlying factors, supporting long-term growth in infrastructure investments and maintenance.

The public aspect of transport infrastructure developments provides NRC Group with long-term visibility and low counterparty risk. However, the potential economic size and complexity of such developments may influence the political processes leading up to project sanction and therefore impact overall activity in the markets where NRC Group operates short-term.

In Norway, several large rail development projects are planned or underway including the Intercity development to improve connectivity between the major cities in the populous areas surrounding Oslo.

Additionally, in Norway, significant investments are planned for major upgrades and maintenance projects on light rails and metro systems in Oslo and Akershus. Similarly, in Sweden, the metro line development is progressing in Stockholm.

The long-term growth in the Finnish rail construction market is driven by large light rail projects, with several developments are in various stages of planning, combined with new railway developments to upgrade the network as well as growth in maintenance activity. NRC Group Finland holds a central role in light-rail alliance projects such as Crown Bridges tramway in Helsinki, and is also market leader within construction and maintenance.

The National Transport Plans and local plans for investments in transport-related infrastructure in Norway, Sweden and Finland, increasing maintenance backlog in all countries and strong demand for sustainable and environment-friendly transport solutions, support expectations for continued long-term growth in NRC Group's main markets.



The Crown Bridges project

We are promoting sustainable transport by creating a new light rail line and making new areas accessible by bicycle or on foot.

The Crown Bridges project in Finland consists of a new light rail line from Helsinki city centre to the growing southeastern neighbourhood of Laajasalo and three new bridges that will make the Kalasatama, Korkeasaari, Mustikkamaa and Laajasalo areas accessible by bicycle or on foot. The project is a collaboration between our alliance partners and includes groundwork, tracks, electrical and technical systems, and safety equipment work. Due to the large scale of the bridges, the project will significantly impact the cityscape and shape how people travel in the Helsinki area.

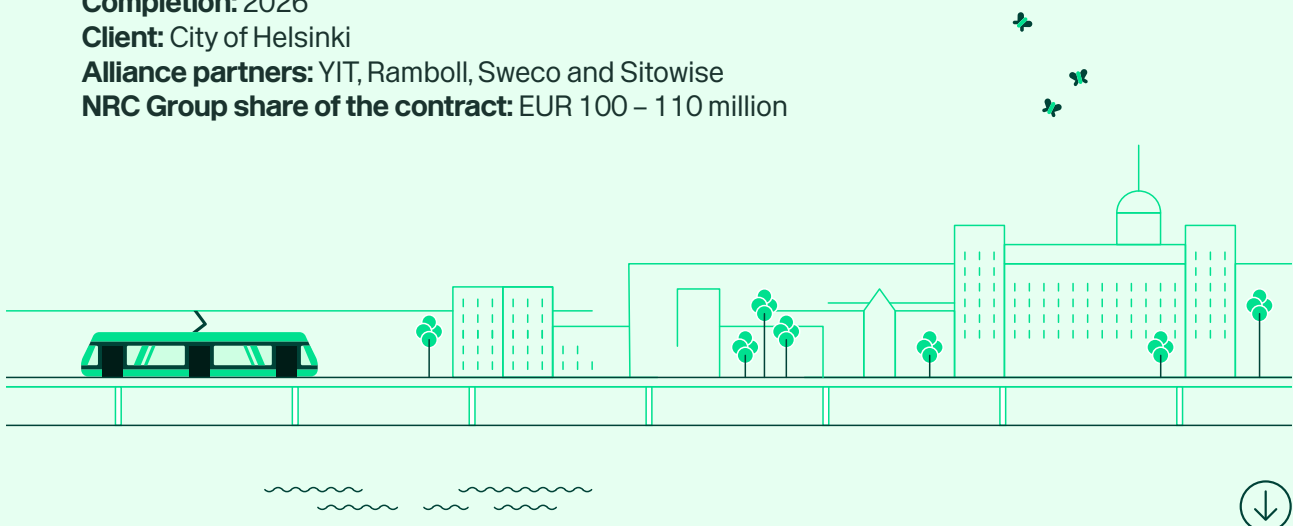
Start: 2021

Completion: 2026

Client: City of Helsinki

Alliance partners: YIT, Ramboll, Sweco and Sitowise

NRC Group share of the contract: EUR 100 – 110 million

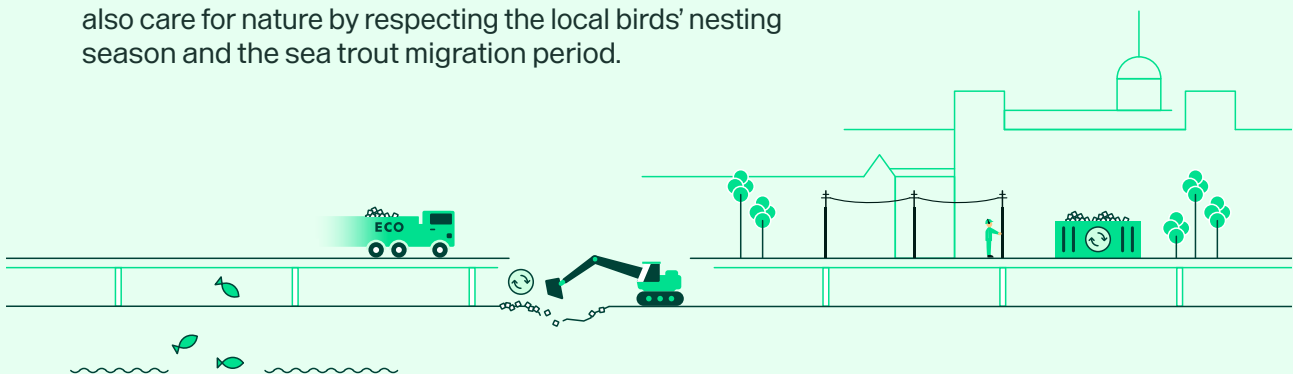


The new line between Hakaniemi and Laajasalo promotes sustainable transport by reducing the journey from 11 to 5.5 kilometers. **This will shorten the travel time with 10 minutes** and more than halve the travel time for cyclists.



The project aims for the BREEAM Infrastructure certification – a globally recognised environmental assessment method and rating system. The mission is to improve sustainability and environmental performance in areas such as energy use, water efficiency, materials, waste, pollution, transport, and health and well-being.

This means, among other things, that **we will constantly look for opportunities to use recycled and reusable materials in construction.** We will reuse cleaned masses and kerbstones and have local depots for them. We will also care for nature by respecting the local birds' nesting season and the sea trout migration period.



SUSTAINABILITY

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Introduction

Sustainability is embedded in our company's values, strategy and the way we work.

We build sustainable infrastructure that creates economic, social and environmental value now and for the future. We are committed to operating to the highest sustainability standards and transparently reporting our performance.

Our sustainability framework is based on our core competencies and most material impacts. It provides a clear structure for how we approach and address environmental, social and governance topics. The six key pillars of our framework are:

- Building a low-carbon future
- Improving environmental performance
- Providing a safe and secure workplace
- Emphasizing diversity and equal opportunities
- Training and developing our people
- Ensuring ethical business practice

Our sustainability framework provides a clear structure for how we approach and address environmental, social and governance topics.



Building a low carbon future

We are working on projects across the Nordics that have real and positive impacts on decarbonising society. At the same time, we are converting our sustainability credentials into a contract-winning competitive advantage.

In 2022, Gunnar Knutsen (owned by NRC Group) signed a major mass removal contract in Norway valued at NOK 400 million. Gunnar Knutsen delivers transport services with biogas trucks for a new drinking water supply in the Oslo area.

Our work on Fyrspåret Malmö–Lund, a quadruple-track railway project in Sweden, was recognised as the most sustainable infrastructure project of the year at Sweden's Green Building Awards 2022. Through innovative solutions, the project avoided over 18,000 tonnes of greenhouse gas emissions.

As a business, we have set a net zero climate impact ambition by 2050 with unambiguous near-term targets. We aim to reduce our greenhouse gas emissions by 30% by 2025. Our concrete climate target is further embedded in the organisation through its inclusion as a criterion in top management's executive compensation



Sustainability is a competitive edge for us. We won a NOK 400 million mass removal and disposal contract for the City of Oslo using biogas trucks to significantly reduce the emissions.



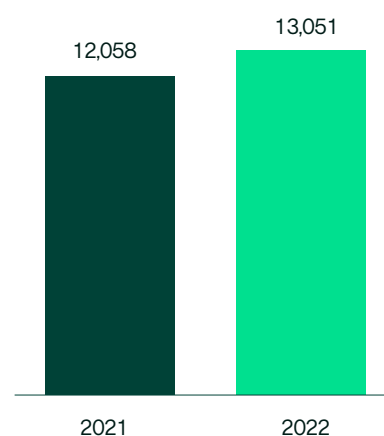
scheme. In 2022, we achieved meaningful annual emissions reduction in both Sweden (-8.4%) and Norway (-10.4%), and we are actively working to enhance our emissions reduction strategy across the Group. Total GHG emissions for the Group in 2022 were 13,051 tonnes carbon dioxide equivalents (2021: 12,058).

We continued monitoring our climate-related risks and opportunities in 2022 and have disclosed these in our Sustainability Report following the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We've also been actively following the development of the EU Taxonomy and its related legislation, which comes into force in Norway in 2023. NRC Group voluntarily discloses the Key Performance Indicators (KPIs) as defined in the current Taxonomy structure.

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

Total GHG emissions

CO₂ tonnes (Scope 1, 2 and 3)



| | Eligible | Aligned |
|-----------------------------|----------|---------|
| KPIs | | |
| Turnover (Revenue) | 87% | 67% |
| Operational expenses (OpEx) | 87% | 67% |
| Investments (CapEx) | 81% | 73% |



Environmental performance

Improving environmental performance

Our approach to environmental management is guided by our environmental policies and management systems. Environmental regulations, contract conditions for environmental management and stakeholder expectations regarding environmental performance continue to increase. To meet these expectations we are implementing innovative approaches, such as the incentives used in the delivery of the award-winning Fyrspåret Malmö–Lund railway project. Through the selection and reuse of materials throughout project NRC Group helped to achieve significant waste and greenhouse gas savings. A case-study of the project is included in our 2022 Sustainability report.

All of our work sites operate waste minimisation plans and have a goal of eliminating the creation of waste in the first instance. In 2022 we maintained our group-wide recycling rate at 94% (2021: 96%). Where unavoidable waste materials were generated, we investigated reuse and recycling options. We are setting recycling targets and continue to pursue our zero waste ambitions. Ultimately, we aspire to operate our business in a circular economic model, where waste is designed out of the system.

Some of our most visible environmental impacts occur on our work sites. Impacts such as noise, dust, vibration, emissions, soil and vegetation removal are all regulated and specified in many of our project contracts. We are meeting and exceeding these environmental performance requirements, primarily through the implementation of NRC Group's environmental management system. Our Norwegian and Finnish operations are certified to ISO14001, the internationally recognised environmental management standard. A key premise of our approach to responsible site management is maintaining positive



dialogue with the local community about our projects and responding to their information needs. There were zero reported environmental compliance breaches or formal community complaints in 2022 and zero incidents involving hazardous substances or harmful spills.

We see our suppliers as key partners in our business. Their success enables our success. The Covid-19 pandemic and war in Ukraine have demonstrated the importance of a robust and resilient supply chain. We approach the management of our supply chain in two ways. Firstly, we actively select suppliers that align with our vision and values. This means they meet our expectations and requirements for health and safety, environmental performance and other relevant factors. Secondly, we seek to build meaningful and long-term relationships with our suppliers. In doing so, we establish trustful working relationships where we can learn and grow successfully together.

All of our work sites operate waste minimisation plans and have a goal of eliminating the creation of waste in the first instance.



Safe workplace

Providing a safe and secure workplace

Our number one priority is that all employees and partners shall return home safe and free of injuries every day. We work and focus on safety in all we do, in line with our policies for health, working environment and safety. All employees shall have a safe and secure working environment at NRC Group.

All of NRC Group's countries operate a health and safety system that is certified to the ISO 45001 standard and is independently audited annually. Health and safety training starts from onboarding and continues throughout employment at NRC Group. We maintain a focus on learning from all incidents to enhance our knowledge and continuously upgrade our health and safety systems. Our ultimate goal is zero injuries. Our approach includes supporting proactive health measures for our employees and building a single, strong health and safety culture throughout the organisation.

Our LTI frequency rate (injuries resulting in absence at least one full day per million man-hours) decreased to 6.0 in 2022 (2021: 6.4). Subcontractors are included in the figures. We had two serious injuries in 2022 (2021: 0). The sickness absence rate in 2022 was 4.2% (2021: 3.9%).

Health and safety is a core value and a critical priority for NRC Group. While our LTI result in 2022 is an improvement on the previous year, we are unwavering in our focus in making our workplaces safer and reducing our injury rates. We believe health and safety is a core function of responsible leadership. We have now elevated this principle so that it is reflected in all aspects of our leadership development.

LTI frequency rate

2022 figure

6.0

(2021: 6.4)



Emphasizing diversity and equal opportunities

We believe that diversity creates value. Being able to listen to and acknowledge different opinions, different backgrounds, experiences and perspectives, makes for more effective corporate decision-making. A diverse workforce leads to diversity in thinking - a key driver for innovation and growth.

The proportion of females in our workforce of 1960 employees is 10.7% (2021: 10.7%). Female representation in country leadership teams and top management is 40.5% (2021: 40.5%) and 57% (2021: 50%) on NRC Group's Board of Directors. In our efforts to build a diverse workforce we are focusing on our recruitment and internship programs. We are proactively promoting roles with diversity as a key selection criterion.

Training and developing our people

NRC Group considers competence and knowledge development as important factors for building a shared company culture, as well as to attract and retain great people. We believe that by investing in our people we achieve a more skilled, loyal and effective work force. Our people's passion, dedication and expertise are essential for delivering high quality projects.

To achieve our sustainability goals and develop our people NRC Group has developed specific training programmes in sustainability and leadership. In 2022, 81% of all employees completed the company's certified sustainability training course (2021: 63%). The training programme builds a shared understanding of sustainability within the business and is a powerful driver of positive environmental and social performance.

Females in our workforce

2022 figure, proportion in percent

10.7%

(2021: 10.7%)

Females in our leadership

2022 figure, proportion in percent

40.5%

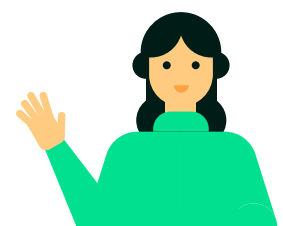
(2021: 40.5%)

Females in our BoD

2022 figure, proportion in percent

57%

(2021: 50%)



Ethical practice

Ensuring ethical business practice

NRC Group's business success is built on a foundation of trust. We believe that our business behaviour should reflect the highest ethical standards. Our long-term relationships with our customers and suppliers are where we demonstrate our commitment to ethical business practice.

The new Norwegian Transparency Act (Åpenhetsloven) came into force in July 2022. By 30 June 2023, Norwegian companies which are covered by the Act are obligated to carry out due diligence on their supply chain regarding fundamental human rights and decent working conditions. As an infrastructure company operating in the Nordics, NRC Group is exposed to a low level of human rights risks and decent working conditions in its own direct workforce, with limited to increasing risks being present in its value chain – this predominantly relates to third party contractors through to the products it purchases. NRC Group is currently undertaking a human rights' risks analysis and a gap analysis is planned for its approach to human rights due diligence to identify potential areas for improvements. A formal Transparency Act Statement will be made available on www.nrcgroup.com on or before June 30, 2023 to meet the requirements to the new law. A detailed description of how we comply with the Act and our approach to upholding human rights is contained within our 2022 Sustainability Report.

The business ethics programme at NRC Group focuses on priority ethics areas including transparency, anti-corruption, anti-bribery, fair competition and supply chain integrity. Routines and systems for whistleblowing have been established in accordance with the Norwegian Working Environment Act. The Business Ethics and Code of Conduct Policy serves as NRC Group's primary governance document for ethical business practices.



Since 2019, NRC Group Norway has been ISO 37001 certified, the internationally recognised ISO standard for anti-bribery management systems. An annual risk analysis is undertaken as part of the certification process. All managers have completed formal anti-corruption training.

Whistleblowing reports are dealt with in accordance with NRC Group's formal whistleblowing process. Employees can anonymous report in local languages or in English. External stakeholders can report from our webpages. Following a whistleblowing report, any investigations and actions are considered on a case-by-case basis. NRC Group will, as soon as possible upon receiving a whistleblowing report, draw up a draft action plan. The plan may include the initiation of internal investigations and an assessment of sanctions in accordance with labour law legislation. Six whistleblowing reports were received in 2022 (2021: 10). The reports were followed up in accordance with NRC Group's formal whistleblowing process and the Business Ethics and Code of Conduct Policy. Following investigation, no reports were elevated for further action.



Since 2019, NRC Group Norway has been ISO 37001 certified, the internationally recognised ISO standard for antibribery management systems.

SHAREHOLDER INFORMATION

03



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Management team



Ole Anton Gulsvik
Chief Financial Officer (CFO)
NRC Group ASA

Gulsvik has more than 15 years of experience from various managerial roles. He comes from the role as CEO of Seven Seas Group (former Eitzen Maritime Services), where he served as CEO from 2016 and as CFO from 2012 to 2015 when the company was listed at the Oslo Stock Exchange. Gulsvik holds a strong capital market background from among others Carnegie and Handelsbanken as analyst both within equity and credits, and later in corporate finance. Gulsvik holds a Masters degree in Engineering from the Norwegian University of Technology and Science (NTNU) in Trondheim, Norway. Currently, he holds 138,277 shares (including 133,996 shares held by Jodfabrikken AS, a company wholly owned by Ole Anton Gulsvik) and 90,000 share options in NRC Group.



Henning Olsen
Chief Executive Officer (CEO)
NRC Group ASA

Olsen comes from the position as executive vice president in AF Gruppen, where he has been responsible for the Building business area in Norway since 2016. His previous roles in AF Gruppen include head of AF Eiendom, financial director within AF Bygg Oslo and group controller. Before joining AF Gruppen in 2010, he has been employed at Statkraft and Boston Consulting Group. Henning holds a Master of Science degree in Business from BI Norwegian Business School (2003). Olsen holds 165,000 share options and 114,306 shares in the company.



Harri Lukkarinen
EVP and Managing Director
NRC Group Finland

Lukkarinen has more than 20 years of railway industry experience. He was previously CEO of VR Track Oy and Director for infrastructure projects at CMC Terasto Oy which was part of Pöyry Group. He served as a management team member of VR Group. Lukkarinen has been Managing Director of NRC Finland since January 2019. Lukkarinen holds 16,962 shares and 157,500 share options in the company.



**Arild Ingar Moe**

EVP and Managing Director
NRC Group Norway

Moe has more than 30 years' experience from the civil industry. Since 2009 he has been Vice President for the Civil Construction division and a part of the executive management at AF Gruppen in Norway. Previous roles in AF Gruppen include leading the integration of the acquired construction company Ragnar Evensen and the position as Managing Director for this company, which later became AF Bygg Oslo. Moe holds an Engineering degree from Oslo Ingeniørhøgskole (1988) and a Bachelor of Economics degree from Agder Ingeniør og Distrikshøgskole (1989). He holds 232,033 shares and 96,000 share options in the company.

**Lene Engebretsen**

EVP and Head of
Communications

Engebretsen comes from the position as Director for Internal Communications Europe in Cognizant. She has been responsible for strategic communications and change management lead for several large projects the last years. Her previous roles in Cognizant include Director of Business Relations and Head of Communications. Before joining Cognizant in 2016, she held positions as Head of Communications for different tech and media companies. Lene holds a Master of Finance degree from BI Norwegian Business School (2002). She holds 9,259 shares and 51,000 share options in NRC Group.





Marianne Ulland Kellmer
EVP and Head of HR

Kellmer comes from the position as HR Director for NRC Group Norway, and before joining NRC Group she was Nordic HR Transformation Specialist in Oracle. Since 2007 Kellmer has held various HR leadership roles in different industries, and among others she has been Head of Group HR in the Norsk Gjenvinning Group, HR Manager in Scandic hotels and Organizational and Communications Manager within the public transportation sector in greater Oslo region. Marianne holds a Bachelor Degree in Service Management from the University of Stavanger, Norway. Kellmer holds 4,281 shares and 4,000 share options in NRC Group.



Jussi Mattsson
EVP and Head of Strategy
and Business Development

Jussi Mattsson joined NRC Group 1 February 2021. Before joining NRC Group, Jussi worked for Rettig Group, a family owned investment company, where he focused on value creation for the company's core investments. Prior to that he worked for Boston Consulting Group. He has a master of Science degree from the Aalto University School of Economics. Mattsson holds 5,252 shares and 45,000 share options in NRC Group.

Board of directors



Mats Williamson
Board member

Williamson has more than 35 years of experience from various positions within the Skanska Group. Williamson has been Executive Vice President for the Skanska Group, Business Unit President for Skanska's construction activities in Sweden and UK and Project Director for the Öresund Bridge. Williamson holds a MSc in Civil Engineering from Lund Institute of Technology and has an AMP from Harvard Business School. He has held positions as Board member in several companies in Sweden. Williamson holds 30,000 shares in the company. Member of the Board of NRC Group since July 2018.



Rolf Jansson
Chairman of the board

Jansson is currently CEO of Aspo Group. Prior to that, he held the position as President and CEO at VR Group, Finnish Railways. Before joining VR Group Jansson worked in investment banking at Nordea Corporate Finance and holds extensive experience from management consulting primarily at Booz Allen Hamilton. Jansson is currently a Board member at Sarlin Group, Varma Mutual Pension Insurance Company and East Office of Finnish Industries. Jansson represents VR Group Oy which holds approximately 18% of the shares in NRC Group. Jansson currently holds 65,000 shares in the company. Member of the Board of NRC Group since January 2019.



Eva Nygren
Board member

Nygren has more than 35 years of operational experience in the building and civil engineering industry, including as ZDirector of Investment at Swedish Transport Administration, President and CEO of Rejlers and President of Sweco Sverige. She is currently active as a professional Board member and Chairman in several stock exchange listed, private and state-owned companies in the Nordics. Nygren currently holds 1,000 shares in the company. Member of the Board of NRC Group since January 2019.





Heikki Allonen
Board member

Allonen is a board professional with extensive experience from senior management and Board positions. He has worked as CEO in public and listed companies like SRV Oyj, Fiskars Corporation and Patria Group for some 20 years. Mr Allonen is currently the vice-chairman of the Board of Directors of Savox Oy, board member of Nokian Tyres Plc and Port of Helsinki Oy. Mr. Allonen has previously served as Chairman of the board for the Norwegian defence company Nammo AS and as the vice-chairman of the Board of Directors of VR Group Oy. Allonen has held the position as board member in NRC Group since May 2021 and holds 28,000 shares in company.



Tove Elisabeth Pettersen
Board member

Tove Elisabeth Pettersen has extensive experience from several senior management positions at Hafslund and at Bane NOR and Jernbaneverket, and since 2020 as CFO at Norwegian Red Cross. Pettersen has served on the Boards of Eidsiva Vekst, Client Computing Europe ASA, DNB Livforsikring, Infratek ASA, Klemetsrudanlegget AS and the Board of Statnett SF. Pettersen holds 5,000 shares in NRC Group and has held the position as Board member in NRC Group since May 2020.





Karin Bing Orgland
Board member

Bing Orgland has a broad financial background. During the period of 1985-2013 she held different managerial positions within the DNB Group, latest from 2009-2013 as Group Executives Vice President Corporate and Personal Banking Norway. Since 2013, Bing Orgland has been active as a professional board member in different listed and government-owned companies. Bing Orgland is currently Chairman of the board in Entur and Board member of Storebrand ASA, Kid ASA and Eksportfinansiering Norge. Bing Orgland holds 15,000 shares in NRC Group. She has held the position as Board member in NRC Group since May 2022.



Outi Henriksson
Board member

Outi Henriksson has an extensive senior management background from banking, transportation and telecom and has 20 years of experience as CFO, since 2017 at Aktia Bank Plc and formerly in VR Group. Ms. Henriksson serves as a Board member of Aktia Livsförsäkring AB and has served as a Board member and Chairman of the Audit committee of Adapteo Plc. Member of the Board of NRC Group since May 2021. Henriksson holds 5,000 shares in NRC Group.

Corporate governance report

Corporate Governance in NRC Group ASA

NRC Group ASA (the “Company”) has made a strong commitment to ensure trust in the company and to enhance shareholder value through effective decision-making and improved communication between management, the Board of Directors (or “Board”) and shareholders. The company’s framework for corporate governance is intended to decrease business risk, maximise value and utilise the company’s resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

Corporate governance framework and reporting

The Board of Directors will actively ensure that the company adheres good corporate governance standards and thus complies with the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”). The Code of Practice is available at the Norwegian Corporate Governance Committee’s web site - www.nues.no. Application of the Code of Practice is based on the “comply or explain” principle, which stipulates that any deviations from the Code, should be explained.

The Board of Directors has adopted the company’s corporate governance guidelines, including revised rules of procedure for the Board, instructions for the audit committee, instructions for the remuneration and project committee, insider manuals, manual on disclosure of information, ethical guidelines and guidelines for corporate social responsibility. The company’s corporate governance framework is subject to annual reviews and discussions by the Board of Directors.

In accordance with reporting requirements for stock exchange listed companies, the Board of Directors prepares a report on the company’s corporate governance practices and how NRC Group has



complied with the Code of Practice in the preceding year. This report is included in the annual report. In the company's own assessment, NRC Group did not deviate from any sections of the Code of Practice at year-end 2022.

The following sections provides a discussion of the company's corporate governance in relation to each section of the Code of Practice.

Business

The company's business is defined in the company's articles of association section 2):

"The company's business is investment in, and operational management of, companies that provide services within transportation and infrastructure related work".

The Board of Directors has established objectives, strategies and risk profile for the business within the scope of the definition of its business, to create value for its shareholders in a sustainable manner, taking into account economic, social and environmental considerations. The company's objectives, strategies and risk profile are subject to annual review by the Board. The company's objectives, principal strategies and corporate responsibility framework are further described in the annual report and sustainability report available at www.nrcgroup.com.

Equity and dividends

Equity and capital structure

On 31 December 2022, the Group's consolidated equity was NOK 2,312 million, which is equivalent to 45% of total assets. The Board of Directors considered the capital structure at year-end to be satisfactory in relation to the company's objectives, strategy and risk profile.

Dividend policy

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

On 31 December 2022, the Group's consolidated equity was NOK 2,312 million, which is equivalent to 45% of total assets.



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 adopted 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 Board of Directors will not propose to pay a dividend for 2022 based on the financial results for the year.

Board authorisations

At the AGM in 2022, the following authorisations were granted to the Board of Directors:

- The Board of Directors was granted an authorisation to issue shares and to increase the share capital up to NOK 1,000,000 related to the option programme for key employees. The authorisation replaced the previous authorisation and is valid until 5 May 2024. On 31 December 2022, a total of 983,500 share options were granted and outstanding.
- The AGM approved an authorisation to acquire treasury shares for up to a maximum nominal value of NOK 7,295,454.90. The Board of Directors' acquisition of shares pursuant to the authorisation, can only take place between a minimum price of NOK 1 and a highest price of NOK 100 per share. The authorisation applies from registration and up until the AGM in the spring of 2023, but no later than 30 June 2023. During the year, NRC Group acquired 371,033 treasury shares under the authorisation to be used in connection with the company's employee share programme. On 31 December 2022, the Company held 116,656 treasury shares.
- The AGM approved a general authorisation to issue shares and to increase the share capital by a maximum



of NOK 7,295,455. The authorisation covers both cash and non-cash considerations, including mergers. The authorisation is valid until the AGM in the spring of 2023, but no later than 30 June 2023. On 31 December 2022, the authorisation had not been used.

There was a separate vote on each of the three authorisations. For supplementary information, see notice and minutes of the AGM available from www.newsweb.no or the company's website.

Equal treatment of shareholders

Pre-emption rights to subscribe

According to the Norwegian Public Limited Liability Companies Act, the company's shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights may, however, be set aside, either by the General Meeting or by the Board of Directors if the General Meeting has granted a board authorisation which allows for this. Any resolution to set aside pre-emption rights will be justified by the common interests of the company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the company. There were no such resolutions in 2022.

Trading in own shares

In the event of a share buy-back programme, the Board of Directors will aim to ensure that all transactions pursuant to such programme will be carried out either through the trading system or at prevailing prices at Oslo Børs. In the event of such programme, the Board of Directors will take the company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the company's shares, the company shall consider other ways to ensure equal treatment of all shareholders. All shares acquired by NRC Group during 2022 were acquired through the trading system at Oslo Børs.

Freely negotiable shares

NRC Group has one class of shares, and all shares carry equal voting rights. The shares of the company are freely transferable on Oslo Børs. There are no restrictions



on owning, trading, or voting for shares pursuant to the company's articles of association.

General Meetings

The Board of Directors will make its best efforts with respect to the timing and facilitation of general meetings to ensure that as many shareholders as possible may exercise their rights by participating in general meeting, thereby making the general meeting an effective forum for the views of shareholders and the Board of Directors. Extraordinary general meetings (EGM) can be called by the Board of Directors if deemed necessary or be requested by the company's auditor or shareholders representing at least 5% of the company's share capital.

Notification

The Board of Directors ensures that the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific allowing shareholders to form a view on all matters to be considered at the meeting. The deadline for shareholders to give attendance notice is set as close to the date of the meeting as possible.

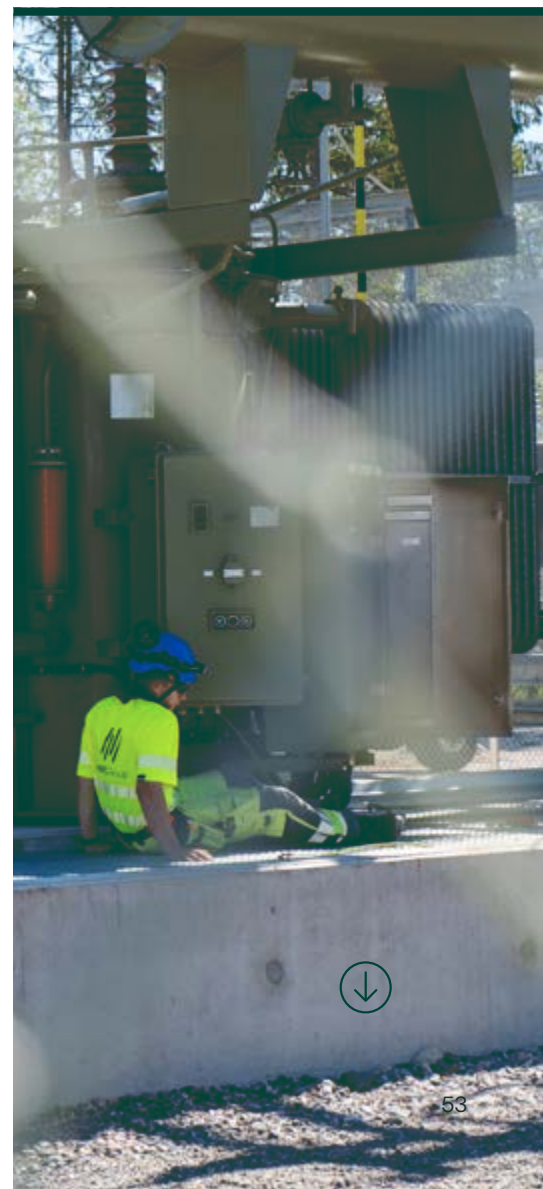
Participation and execution

As a general rule, the Board of Directors and the chairperson of the nomination committee are present at general meetings. The auditor attends the AGM and any EGM to the extent required by the agenda items or other relevant circumstances.

The chairperson of the Board chairs the general meetings, but the Board ensures that the general meeting also is able to appoint an independent chairman.

Shareholders can vote on each individual matter, including on each individual candidate nominated for election. Shareholders unable to attend may vote by proxy. The company prepares and facilitates the use of proxy forms, allowing separate voting instructions for each item on the agenda and nomination of a person to represent proxy votes.

On 5 May 2022, NRC Group held its AGM at the Company's offices, with approximately 40% of the share capital represented.



Nomination committee

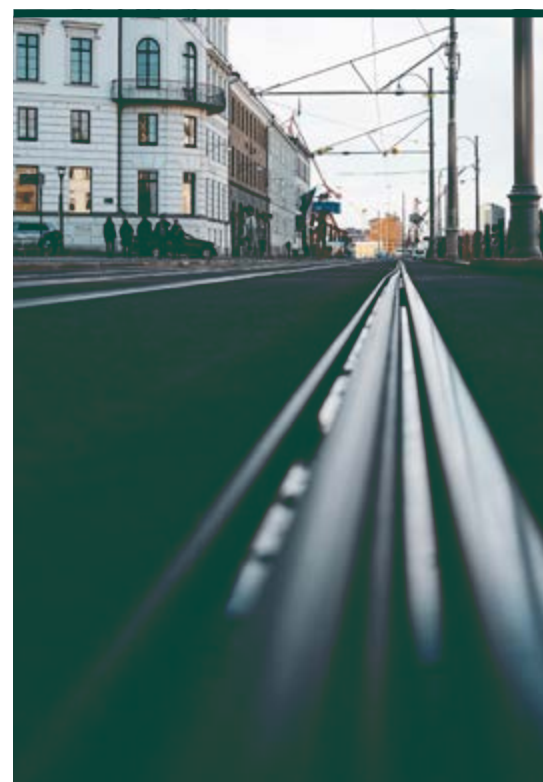
The nomination committee is governed by the articles of association section 10. The AGM on 5 May 2022 elected the following three members for the nomination committee: Kjell Forsén (committee leader, re-elected), Lasse Olsen (re-elected) and Ole-Wilhelm Meyer (re-elected). The members are elected with a term until the company's AGM in 2023. All three members are independent of the Board of Directors and executive management.

The general meeting stipulates the guidelines for the duties of the committee and determines the committees' remuneration.

The nomination committee gives its recommendation to the general meeting on election of and compensation to members of the Board of Directors, in addition to election of members of the nomination committee. Each proposal is justified on an individual basis. All shareholders are entitled to nominate candidates to the Board of Directors, and information on how to propose candidates can be found on the company's website.

Board of directors: composition and independence

Pursuant to the articles of association section 5, the company's Board of Directors shall consist of three to nine members. On 31 December 2022, the Board of Directors consisted of seven independent members (see table below). The chairperson of the Board was elected by the general meeting. The board members are elected for a term of up to two years at a time and may be re-elected. At the AGM on 5 May 2022, Karin Bing Orgland was elected as a new member of the Board. The remaining six members were re-elected.



On 31 December 2022, the Board of Directors consisted of seven independent members.



| Name | Role | Considered independent of main shareholders | Served since | Term expires | Participation Board meetings 2022 | Shares in NRC |
|--------------------------|--------|---|--------------|--------------|-----------------------------------|---------------|
| Rolf Jansson | Chair | Yes | January 2019 | AGM 2024 | 100% | 65,000 |
| Mats Williamson | Member | Yes | July 2017 | AGM 2024 | 100% | 30,000 |
| Eva Nygren | Member | Yes | January 2019 | AGM 2024 | 100% | 1,000 |
| Tove Elisabeth Pettersen | Member | Yes | May 2020 | AGM 2024 | 100% | 5,000 |
| Heikki Allonen | Member | Yes | May 2021 | AGM 2024 | 100% | 28,000 |
| Outi Henriksson | Member | Yes | May 2021 | AGM 2024 | 100% | 5,000 |
| Karin Bing Orgland | Member | Yes | May 2022 | AGM 2024 | 75% | 15,000 |

All members of the Board of Directors are considered independent of the company's executive management and material business contacts.

The company's annual report and the website provide information to illustrate the expertise of the members of the Board of Directors. The Board of Directors considers its composition to be diverse and represent required competencies including financial and industrial experience. Board members are encouraged to own shares in the company.

The work of the Board of Directors

The rules of procedure for the Board of Directors

The Board of Directors is responsible for the overall management of the company and shall supervise the company's day-to-day management and the company's activities in general.

The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the Board of Directors. In addition, the Board of Directors has adopted supplementary rules of procedures, which provide further regulation on inter alia the duties of the Board of Directors and the chief executive officer (CEO), the division of work between the Board of Directors and the CEO, the annual plan for the Board of Directors, notices of Board



proceedings, administrative procedures, minutes, Board committees, transactions between the company and the shareholders and confidentiality.

Transactions with close associates

The Board of Directors aims to ensure that any not immaterial future transactions between the company and shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties are entered on arms-length terms. For any such transactions which do not require approval by the General Meeting pursuant to the Norwegian Public Limited Liability Companies Act, the Board of Directors will on a case-by-case basis assess whether a fairness opinion from an independent third party should be obtained. There were no significant transactions with close associates in 2022. For information regarding related party transactions, see Note 28 in the annual report.

The Board of Directors meets at least 8 times per year. The CEO informs the Board about the company's activities, position and profit trend. In 2022, the Board held 8 ordinary meetings and 4 additional meetings.

Guidelines for directors and executive management

The Board of Directors has adopted rules of procedures for the Board of Directors which inter alia include guidelines for notification by members of the Board of Directors and executive management if they have any material direct or indirect interest in any transaction entered by the company.

The Board of Directors' consideration of material matters in which the chairman of the Board is, or has been, personally involved, shall be chaired by some other member of the Board. There were no such cases in 2022.

The audit committee

The company's audit committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the Board of Directors. The members of the audit committee are appointed by and among the members of the Board of Directors. A majority of the members shall be independent of the



company's executive management, and at least one member shall have qualifications within accounting or auditing. Board members who are also members of the executive management cannot be members of the audit committee. On 31 December 2022, the audit committee consisted of Board members Tove Elisabeth Pettersen (chair), Karin Bing Orgland and Outi Henriksson, all considered independent of the company.

The main tasks of the audit committee are to:

- Prepare the Board of Directors' supervision of the company's financial reporting process and advise the Board regarding the integrity of the financial reporting
- Prepare the board's quality assurance of sustainability reporting and information on climate-related matters
- Monitor the systems for internal control and risk management
- Have contact with the company's auditor regarding the audit of the annual accounts and inform the Board of Directors of the result of the audit
- Review and monitor the independence of the company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

The compensation committee

The company's compensation committee is governed by a separate instruction adopted by the Board of Directors. The committee members are appointed by and among the members of the Board of Directors and shall be independent of the company's executive management. On 31 December 2022, the compensation committee consisted of board members Rolf Jansson (Chair) and Eva Nygren.

The primary purpose of the compensation committee is to assist and facilitate the decision-making of the Board of Directors in matters related to the remuneration of the

On 31 December 2022, the audit committee consisted of Board members Tove Elisabeth Pettersen (chair), Karin Bing Orgland and Outi Henriksson, all considered independent of the company.



executive management of the Group, review recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issues with respect to the executive management. The remuneration committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

Project committee

The Board has established a project committee for larger projects composed of two board members. On 31 December 2022, the project committee consisted of Mats Williamson (Chair) and Heikki Allonen.

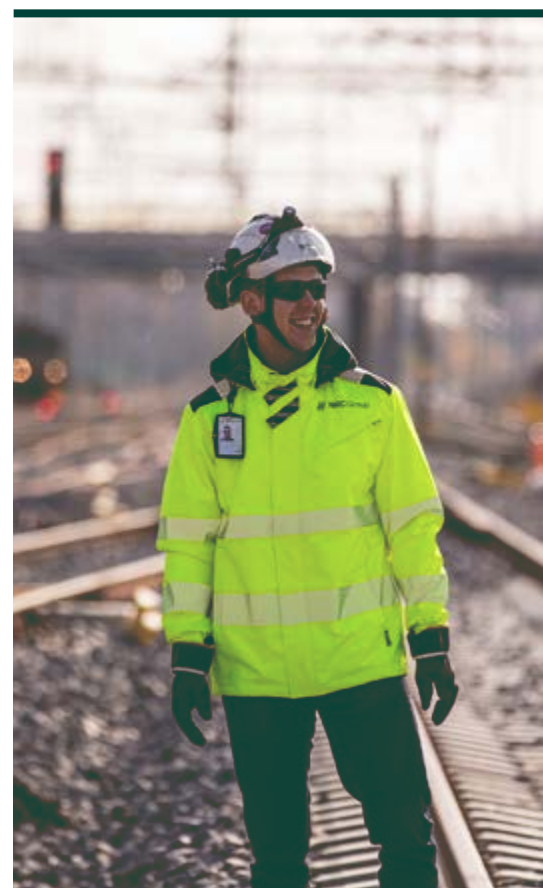
The main purpose of the project committee is to assist and evaluate the risk in tender offerings with total value exceeding NOK 250 million. The committee shall assess whether the Group has made necessary work in connection with tender offerings to eliminate risk and ensure good project execution prior to submission. Further, the committee assesses whether the project is coherent with the strategies and frameworks the Board of Directors has decided that NRC Group shall work within.

The Board's evaluation of its own work

The Board of Directors conducts an annual assessment of its performance and expertise, which is presented to the nomination committee.

Risk management and internal control

The Board of Directors assesses the company's risks on an ongoing basis. Each year, as a minimum, the Board undertakes a thorough assessment of the significant parts of the Group's business and outlook, to identify potential risks and remedy all incidents occurred. The Board of Directors may engage external expertise if necessary. The objective is to have the best possible basis for, and control of, the company's situation at any given time. The annual review will be carried out together with the Board of Directors' review of the annual accounts, and the company's auditor is expected to attend this meeting.



In addition to the annual risk assessment, the management presents quarterly financial statements to inform the Board and shareholders on current business performance, including risk reports. These reports are subject to review at the quarterly Board meetings.

The Board of Directors has established policies and procedures to address risks related to NRC Group's activities and to ensure that these also incorporate considerations related to integrating stakeholders in relation to the company's value creation. The construction industry in general involves an inherent risk of bribery, competition law violations and misconduct in the supply chain of subcontractors (Norwegian: Arbeidskriminalitet). The policies and procedures are based on a thorough risk analysis of NRC Group's subsidiaries in Norway, Sweden and Finland which lead to a tailor-made compliance programme targeting specific risks pertaining to each subsidiary. The relevant policies and procedures have been prepared in Norwegian, Swedish and Finnish language.

The Board of Directors' reporting routines

The Board of Directors seeks to ensure that the company has sound internal control and systems for risk management, including with respect to the company's corporate values, ethical guidelines and guidelines for sustainability, which are appropriate in relation to the extent and nature of the company's activities. An in-depth review of the company's financial status and a summary of sustainability is presented in the annual report.

Remuneration of the Board of Directors

The remuneration of the Board of Directors is decided by the General Meeting, based on a recommendation from the nomination committee. The proposal from the nomination committee is submitted to the company's shareholders together with the notice for the AGM.

The remuneration reflects the Board of Directors' responsibility, expertise, time commitment and the complexity of the company's activities. Board members who participate in Board committees receive separate compensation for this. The remuneration is not linked to the company's performance and does not contain any

The Board of Directors has established policies and procedures to address risks related to NRC Group's activities and to ensure that these also incorporate considerations related to integrating stakeholders in relation to the company's value creation.



share options. Detailed information on the remuneration of the Board members is specified in the company's remuneration report available at www.nrcgroup.com.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the company in addition to their appointment as a member of the Board, but if they do, this shall be disclosed to the full Board. The remuneration for such additional duties shall be approved by the Board of Directors. See note 28 on transactions with related parties for more information.

Salary and other remuneration for senior executives

The Board of Directors has adopted guidelines for the remuneration of the senior executives in accordance with applicable law. The guidelines were presented to the annual general meeting in 2021.

The guidelines are designed to ensure responsible and sustainable remuneration decisions that support the Company's business strategy, long-term interests, and sustainable business practices. To this end, salaries and other employment terms shall enable the Company to retain, develop and recruit skilled senior executives with relevant experience and competence.

The remuneration shall be on market terms, competitive, and reflect the performance and responsibilities of individual senior executives.

Further details relating to pay and benefits payable to the CEO and other senior executives can be found in the company's remuneration report available at www.nrcgroup.com.

Information and communication

NRC Group seeks to comply with Oslo Børs' IR recommendation, last revised 1 March 2021. The Board has adopted an investor relations policy, which clarifies roles and responsibilities related to financial reporting and regulates contact with shareholders and the investor market. This policy is based upon the key principles of



openness and equal treatment of market participants to ensure they receive correct, clear, relevant and up-to-date information in a timely manner. The IR policy is available from the company's website. In addition, the Board has adopted a separate manual on disclosure of information, which sets forth the company's disclosure obligations and procedures.

Interim reports are published on a quarterly basis, in line with Oslo Børs' recommendations. In connection with the quarterly reporting, presentations are given to provide an overview of the operational and financial developments, market outlook and the company's prospects. All information distributed to the company's shareholders is published in English on the company's website at the same time as it is sent to Oslo Børs and www.newsweb.no.

Take-overs

There are no defence mechanisms against take-over bids in the company's articles of association, nor have other measures been implemented to specifically hinder acquisitions of shares in the company. The Board of Directors has not established written guiding principles for how it will act in the event of a take-over bid, as such situations are normally characterised by specific and one-off situations which make a guideline challenging to prepare.

In the event the company becomes the subject of a take-over offer, the Board of Directors shall ensure that the company's shareholders are treated equally and that the company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer. The Board will further consider the relevant recommendations in the Code of Practice and whether the concrete situation entails that the recommendations in the Code of Practice can be complied with or not.

Auditor

The company's external auditor is EY. The auditor is appointed by the General Meeting and is independent of NRC Group ASA.



Each year, the company's auditor presents to the audit committee the audit plan of the Group, a review of the internal control procedures, including identified weaknesses and proposals for improvement, and a summary of the year end audit. The auditor participates in Board meetings that deal with the annual accounts. At least once per year, the auditor meets with the Board without anyone from the executive management being present.

The Board of Directors has established guidelines in respect of the use of the auditor by the executive management for services other than the audit. The level of non-audit services is limited and do not impact on the auditor's independence.

The remuneration to the auditor is approved by the AGM. Fees for audit work and any fees for other specific assignments are reported by the Board to the General Meeting. For more information about remuneration to the auditor, see note 8 in the 2022 group annual accounts.

At least once per year, the auditor meets with the Board without anyone from the executive management being present.



Share

Share price development

NRC Group ASA has one class of shares. There were 72,954,549 shares issued at the end of 2022, each with a nominal value of NOK 1.00. The number of shares issued was unchanged during the year.

In 2022, the Group's shares traded between NOK 25.45 and NOK 14.14 per share. During the year, 27.5 million shares were traded in total.



Major shareholders and voting rights

NRC Group had 4,317 registered shareholders in the Norwegian Central Securities Depository (VPS) on 31 December 2022 (4,576 at year-end 2021), whereof the 20 largest shareholders owned 67.0% (66.1%). The percentage of issued shares held by foreign shareholders was 56.8%, compared with 55.6% at year-end 2021. All the shares registered by name carry equal voting rights. The shares are freely negotiable.

NRC Group's 20 largest shareholders as of 31 December 2022

| Name | Country | Holding | Stake (%) |
|---|---------|-------------------|---------------|
| Vr-yhtymä OY | Fin | 13 336 415 | 18,28 |
| J.P. Morgan SE | Lux | 7 402 764 | 10,15 |
| The Bank of New York Mellon SA/NV | Bel | 7 014 701 | 9,62 |
| J.P. Morgan SE | Lux | 3 702 909 | 5,08 |
| Verdipapirfondet Nordea Norge | Nor | 2 172 468 | 2,98 |
| Protector forsikring ASA | Nor | 1 868 968 | 2,56 |
| Skandinaviska Enskilda Banken AB | Lux | 1 720 000 | 2,36 |
| Verdipapirfondet Nordea Avkastning | Nor | 1 319 412 | 1,81 |
| Gunnar Knutsen Holding AS | Nor | 1 252 677 | 1,72 |
| Avanza bank AB | Swe | 1 186 320 | 1,63 |
| Vinterstua AS | Nor | 1 008 963 | 1,38 |
| Clearstream Banking S.A. | Lux | 1 004 173 | 1,38 |
| LGA Holding AS | Nor | 922 880 | 1,27 |
| Heim Haugo AS | Nor | 850 745 | 1,17 |
| J.P. Morgan SE | Lux | 829 460 | 1,14 |
| Danske Invest Norge vekst | Nor | 719 988 | 0,99 |
| Verdipapirfondet Nordea Kapital | Nor | 680 855 | 0,93 |
| Verdipapirfondet Nordea Norge Plus | Nor | 669 115 | 0,92 |
| Nordea bank ABP | Fin | 603 487 | 0,83 |
| Nordnet bank AB | Swe | 587 933 | 0,81 |
| Total number of shares owned by top 20 | | 48 854 233 | 66,97 |
| Total number of shares | | 72 954 549 | 100,00 |

An overview of the 20 largest shareholders is available on the NRC Group website, updated every week.



Corporate actions

| | Date |
|---|----------|
| Grant of share options to primary insiders in NRC Group ASA | 16.03.22 |
| Initiation of share buyback programme for up to NOK 7 million, related to the 2022 employee share programme | 11.05.22 |
| Completion of share buy-back programme | 07.06.22 |

Dividends and dividend policy

NRC Group shall, over time, give its shareholders a competitive return on their investment in the shares of the company. 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 AGM resolves the annual dividend, based on the proposal by the Board of Directors. Provided that the AGM approves the proposed dividends, it will be paid to shareholders within two weeks after the annual general meeting.

The Board of Directors will not propose to pay a dividend in 2022 based on the financial results for the year.

Analyst coverage

Four Norwegian and Nordic investment banks had active coverage of NRC Group ASA at the end of 2022, a reduction of one compared with 2021. For contact details, please see the company website www.nrcgroup.com.



General Meetings and Board authorisations

The 2022 AGM granted the Board of Directors the following authorisations:

- Authorisation to increase the share capital by up to NOK 1,000,000 in connection with option programme for key employees.
- Authorisation to acquire treasury shares in NRC Group ASA for up to a maximum nominal value of NOK 7,295,455.
- Authorisation to increase the share capital by a maximum of NOK 7,295,455. The capital increase may be paid in cash, by set-off or by contributions in assets other than money.

Further information can be found in the minutes from the Annual General Meeting, available from the Company's website www.nrcgroup.com and www.newsweb.no.

IR Policy

NRC Group's IR policy can be found at www.nrcgroup.com.

Financial calendar 2023

| Event | Date |
|---------------------------------|------------|
| Annual General Meeting | 04.05.2023 |
| Interim report - Q1 | 24.05.2023 |
| Half-yearly interim report - Q2 | 29.08.2023 |
| Interim report - Q3 | 24.11.2023 |

BOARD OF DIRECTORS REPORT

04



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Introduction

NRC Group is the leading rail infrastructure company in the Nordics, holding top-three market positions in Norway, Sweden and Finland.

The Group engineer and build sustainable transport solutions with in-house competence and expertise mainly for complex projects within rail and light rail. The company also provides civil construction and environmental services. A complete rail value chain offering and strong ESG anchoring strengthen the competitiveness and position the Group for continued growth.

During 2022, NRC Group further developed and executed its strategy of capitalising on its leading Nordic position to succeed as a leader in sustainable infrastructure led by continued operational improvements, Nordic cross-border collaboration and through leveraging sustainability as a competitive edge to drive profitability and growth.

All alternative performance measures (APMs) and definitions are presented on page 207.

The continuous improvement of tender processes, project execution and organisational capabilities yielded further positive results. Revenue increased 18% compared to 2021 with higher activity level in Norway and Sweden. However, profitability was negatively impacted by losses in the Swedish Civil construction operations. The Group EBITA* margin was 2.1% compared to 2.3% in 2021. A second consecutive



year of strong order intake led to a high order backlog of NOK 7,795 million, at the same level as last year.

The Group's business model has proven its resilience in global markets that have been impacted by the war in Ukraine, a European energy crisis and high cost-inflation. NRC Group seeks to actively manage the development and uncertainty. The market for rail investments Rail construction is at a historically high level with political commitments to further invest in sustainable infrastructure confirmed in the 2023 national budgets and long-term national transport plans (NTP).

The Group 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.



In Sweden, losses in Civil construction offset stronger results in Rail construction and improved performance in Maintenance. This included the securing four long-term maintenance contracts. Both divisions delivered positive EBITA*. Restoring profitability in Sweden is a Group priority and a strategic review of the Civil operations has been initiated.

NRC Group Norway delivered improved results in 2022. The Rail division continued its positive development with increased revenue. Improved profitability reflected strong results from Environment and improved results in Rail construction, partly offset by weaker results in Civil.

NRC Group Finland maintained high activity and good profitability led by increased volume and improved results in rail construction and good performance on light-rail projects, partly offset by reduced results in Maintenance.

NRC Group continuously seeks to minimise the impact on the external environment and ensure safe operations. The Group's commitment to high transparency related to the handling of the material environmental, social and governance (ESG) risks and opportunities is reflected a strong framework for ethical business practices, improving environmental performance and increasing knowledge and awareness among employees. Low-carbon operations are a key priority, and the Group has established clear targets for reductions supported by full disclosure of GHG emission data. NRC Group aims to reach net-zero emission by 2050, at the latest. The systematic and transparent approach to ESG factors strengthens to the Group's strategic positioning and is considered a driver for commercial opportunities and recruitment going forward.

Total emissions target

GHG emissions

0%

By 2050 at the latest



Updated strategy

Succeeding as leader in sustainable infrastructure.

NRC Group was created to capitalise on strong Nordic infrastructure markets. Following a consolidation phase with strong organic and M&A driven growth, the Group entered a transformation phase focused on the integration of acquired companies and operational improvements, including attracting and retaining the right leadership, project managers and a skilled workforce. This has led to more robust processes for project selection, tendering and execution and a strengthened organisation which position the Group for future profitable growth.

In 2022, the strategic focus shifted from transformation to exploiting the opportunities of the leading Nordic position. On 18 August, the NRC Group presented an update on strategy, operations, markets, financial development and outlook, and provided new financial targets and ambitions. The strategic priorities going forward are defined as; 1) Capitalise on a leading Nordic position; 2) Continue to improve core processes to increase profitability; 3) Drive profitable growth through increased revenue from large projects and potential bolt-on M&A; 4) Implement best practice across the Nordics to increase competitiveness; and 5) Leverage sustainability as a competitive edge.

For 2023, NRC Group expects continued positive operational and financial development with a slight decrease in revenue and moderate increase in EBITA* margins.



The updated strategy forms the basis for the Group's new medium-term targets and long-term ambitions for profitability, sustainable growth and the resumption of dividend distributions in line with the dividend policy. The Group targets an EBITA margin of 4-5% in the 2024-2025 period with a longer-term ambition of profitability in the 5-7% range. Revenue growth is expected to exceed 5% per year over the cycle plus bolt-on M&A. The Group also targets a 30% reduction in CO2 emissions in 2025 vs. 2021 (for scope 1+2).

These targets and ambitions are supported by continued operational improvements, strong market fundamentals and a clear financial framework for increasing free cash flow to equity. This will be achieved with continued lean asset base, working capital management and cash conversion, and alignment of debt structure with the updated strategy and ambitions. The goal is to improve financial flexibility to support organic growth, optimise capital structure and reduce the cost of debt, provide competitive returns over time and resume dividend distributions, as well as to position the Group to execute accretive M&A.

Corporate events

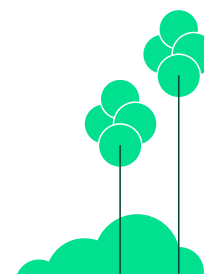
During the year, NRC Group acquired 371,033 treasury shares. A total of 254,960 shares were transferred to employees participating in the 2021 share programme for employees. At the end of the year, the Company held 116,656 treasury shares.

Emissions reduction target

GHG emissions, Scope 1+2

30%

By 2025



The Group targets an EBITA margin of 4-5% in the 2024-2025 period with a longer-term ambition of profitability in the 5-7% range.



Organisation

At the end of 2022, the Group management consisted of Henning Olsen as Chief Executive Officer (CEO), Ole Anton Gulsvik as Chief Financial Officer (CFO), Harri Lukkarinen as EVP and MD NRC Group Finland, Arild Ingar Moe as EVP and MD NRC Group Norway, Lene Engebretsen as EVP and Head of Communications, Jussi Mattson as EVP and Head of Business Development and Strategy, and Marianne Ulland Kellmer as EVP and Head of HR.

Ole Anton Gulsvik joined as CFO from 1 March 2022 and Marianne Ulland Kellmer became part of the Group management from August to strengthen the Group HR leadership. In December, Robert Röder resigned as EVP and MD in Sweden. He remains available for the Group throughout his resignation period, while Henning Olsen assumed the duties of the MD in Sweden for a period.

At the annual general meeting (AGM) on 5 May 2022, Karin Bing Orgland was elected to the Board of Directors. The remaining six members were re-elected, and Rolf Jansson was appointed Chairman of the Board. The AGM also re-elected the nomination committee, comprising Kjell Forsén (committee leader), Lasse Olsen and Ole-Wilhelm Meyer.



Operations

The Group continuously carries out preventive measures to improve its working environment.

The Group had an order intake of NOK 6,959 million in 2022, compared to NOK 7,581 million in 2021. The 2022 order intake corresponds to a book-to-bill ratio of 1.0 (1.3 in 2021). The order book at the end of the year amounted to NOK 7,795 million, compared to NOK 7,801 million at the end of 2021.

NRC Group shall be a safe place to work. The Group continuously carries out preventive measures to improve its working environment, including safety drills, information, training and risk analysis. Sickness absence reported by the Group was 4.2% in 2022 compared to 3.9% in 2021. Two serious injuries were reported for the year. The Group immediately registers,



NRC Group had 1,960 employees on 31 December 2022, a slight increase from 1,893 employees at the end of 2021.



deals with and follows up on all unwanted incidents. By the end of December, the Lost Time Injury (LTI) rate, which measures safety at work, defined as the number of work-related accidents with at least one full day absence per million working hours (including subcontractors), was 6.0 (6.4 in 2021). The Group systematically works to reduce the rate and investigates each incident to identify why and how to avoid similar incidents.

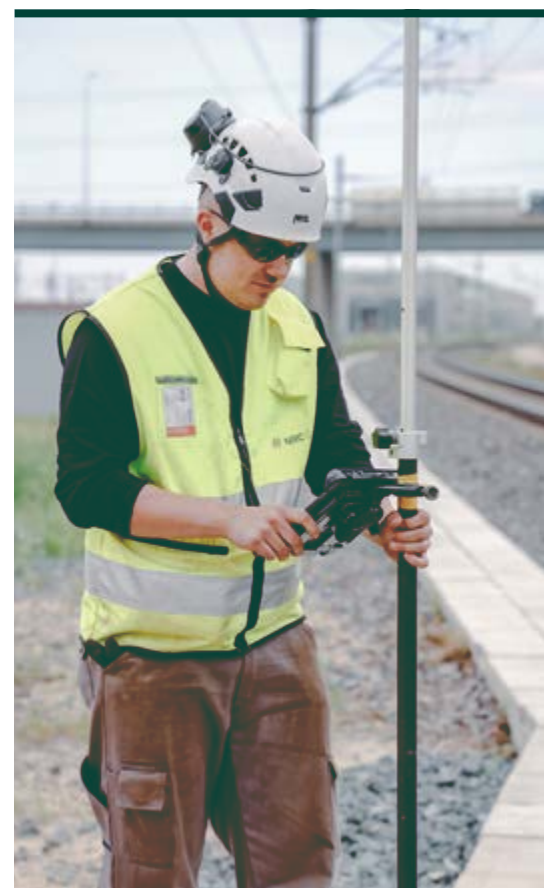
Profit and loss

Group revenue was NOK 7,030 million in 2022, compared to NOK 5,957 million in 2021. The increase is mainly explained by strong revenue growth in Norway and Sweden. Adjusted for currency effects, the growth was 19%.

EBITA* was NOK 151 million for 2022, corresponding to an EBITA* margin of 2.1%, compared to NOK 139 million and a margin of 2.3% in 2021. The result included an impairment of goodwill of NOK 352 million related to business operations in Sweden. Profit from sale of fixed assets totalled NOK 33 million, compared to NOK 76 million last year. Underlying profitability improved in Norway and Sweden, reflecting the ongoing improvement programmes. Profitability in Finland decreased from a high level due to weaker results in Maintenance and non-recurring gains on sale of machinery in 2021.

EBIT for 2022 amounted to NOK -240 million compared to an EBIT of NOK 42 million in the previous year. 2022 was negatively impacted by the goodwill impairment described above and a reduction in other expenses and amortisation. Other income and expenses (M&A expenses) amounted to NOK -2 million compared to NOK -34 million in 2021. The M&A activity during 2022 was low, while expenses in 2021 reflected mainly pre-acquisition agreements, claims and legal fees related to transactions in the 2017 to 2019 period.

Net financial items amounted to NOK -58 million for 2022, compared to NOK -66 million last year. The reduction is mainly related to debt instalments in the period. The Group has a NIBOR hedge linked to the outstanding bond, which partly offsets increased market interest rates.



The share of profit from associated companies totalled a loss of NOK 15 million in 2022 (NOK 0 million in 2021) as all capital contributions to AGN Haga AB have been impaired.

The tax expense in 2022 was NOK 51 million, compared to NOK 3 million in 2021. The tax expense in 2022 included a net tax expense of 36 million recognised due to an increase in non-recognised tax assets related to Sweden.

Net loss amounted to NOK 364 million, compared to a loss of NOK 27 million in 2021.

The Board of Directors maintains the medium and long term financial goals for the company. The financial development during 2022 was below our expectations and measures are taken continuously to ensure improvement in line with communicated goals.

Cash flow

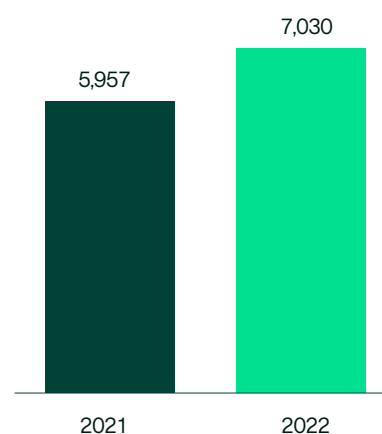
Net cash flow from operating activities was NOK 235 million, compared to NOK 358 million in 2021. The reduction in operating cash flow is mainly due to increased net working capital and other accruals by NOK 84 million and increased taxes paid by 48 million, partly offset by an increase in EBITDA by NOK 31 million.

Net cash flow from investing activities was NOK -29 million for the year (2021: NOK 34 million). Capital expenditures amounted to NOK 47 million (2021: NOK 25 million). Investment in joint ventures and associated companies was NOK 14 million (2021: NOK 0). Cash inflow from sale of fixed assets, mainly machinery, amounted to NOK 55 million (2021: NOK 90 million). Net cash flow related to acquisition of companies was NOK -24 million (2021: NOK -47 million), reflecting net cash payments for M&A expenses provided for in 2022.

Net cash flow from financing activities was NOK -366 million (2021: NOK -377 million). Repayment of borrowings amounted to NOK 147 million (2021: NOK 147 million). Payment of lease liabilities totalled NOK 171 million (2021: NOK 168 million). Net interest paid amounted to NOK 46 million compared to NOK 62 million in 2021 due to debt instalments in the period. The

Group revenue

In NOK million



Group has a NIBOR hedge linked to the outstanding bond, which partly offsets increased market interest rates.

Total net cash flow was NOK -160 million (2021: NOK 14 million). Including effects of currency exchange rate changes, the total cash position decreased from NOK 626 million at the end of 2021 to NOK 472 million at the end of 2022.

Financing and balance sheet

In 2022, the weakening of the NOK exchange rate against EUR (-5%) and strengthening against SEK (+3%) impacted balance sheet items in foreign currency, leaving a net translation difference income to other comprehensive income and equity of NOK 36 million.

Deferred tax assets decreased by NOK 39 million mainly due an increase in non-recognised tax assets related to Sweden. Goodwill decreased by NOK 302 million to NOK 2,364 million due to an impairment of NOK 352 million related to the operations in Sweden, partly offset by currency effects. Other intangible assets decreased by NOK 32 million in 2022, mainly due to amortisations during the year.

As explained above, an impairment charge of SEK 370 million has been made to the Sweden segment following the negative Q4 results mainly caused by losses in the Civil construction division. Remaining goodwill related to the Swedish operations per 31 December 2022 is SEK 270 million. Restoring profitability in Sweden is the main priority for the Group. The Swedish Rail construction division improved during 2022, with strong growth in revenue and a positive EBITA for the year. The results in Maintenance have also improved, contributing to positive EBITA results, and winning 4 maintenance contracts provides a solid outlook for this business. As a consequence of the losses in Civil construction, we will do a strategic review of the Civil operations and implement necessary actions to secure profitability in Sweden.

The pre-tax discount rate applied in Sweden is 8.8%, and the assumption for terminal growth 1.7%. Small negative changes to the assumptions in the impairment model would lead to further impairment charges. An increase in the discount rate



of 1.0% would lead to further impairment of SEK 85 million, while a terminal growth of zero would lead to an impairment of SEK 56 million. A decrease in the EBITA margin of 0.5 percentage points in the terminal year would lead to an additional impairment loss of SEK 100 million. For further information see note 12 to the group accounts.

The combined amount of tangible and right-of-use assets increased by NOK 50 million as new leases exceeded the total depreciation and terminations.

Total receivables including contract assets amounted to NOK 1,425 million, compared to NOK 1,359 million last year.

Total equity decreased by NOK 310 million to NOK 2,312 million, mainly reflecting the loss for year partly offset by currency adjustment effects. The equity ratio at the end of the year was 45%, compared to 47% at year-end 2021.

Interest-bearing debt consists of bank loans, bond and discounted cash flow related to lease agreements, including operating lease agreements under IFRS 16. Short- and long-term lease liabilities have in total increased by NOK 36 million to NOK 528 million. The increase relates to new capitalised leases exceeding the lease payments of NOK 171 million, in addition to currency effects. Other interest-bearing liability decreased by NOK 131 million due to repayment of borrowing of NOK 147 million and currency effects. On 31 December 2022, the remaining liability consisted of the NOK 600 million bond and a EUR 28.2 million bank loan. At year-end, the Group had NOK 200 million in unused credit facilities.

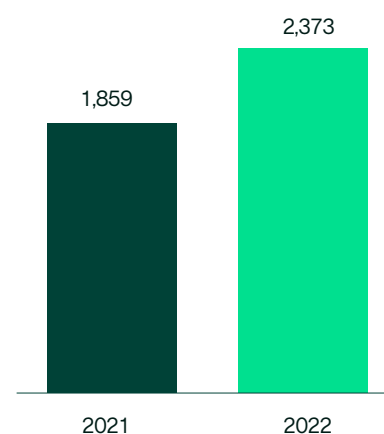
Net interest-bearing debt increased by NOK 59 million during the year to NOK 950 million. The increase was mainly due to increased leasing liabilities, negative net cash flows from investing activities and currency effects.

Segments

Total revenue in Norway amounted to NOK 2,373 million (2021: NOK 1,859 million). Organic growth was 28%, mainly driven by Rail, and Environment and Civil also contributed to growth during the year. EBITA* increased from NOK 27 million in 2021 to NOK 80 million in 2022, while the

Revenue Norway

In NOK million



EBITA* margin increased from 1.4% to 3.4%. Profitability was driven by strong results from Environment, improved results in Rail construction, partly offset by weak results in Civil construction.

Total revenue in Sweden amounted to NOK 2,080 million (2021: NOK 1,468 million). Adjusted for currency fluctuations, the organic growth was 49% due to strong growth in the Rail division. EBITA* amounted to NOK -49 million (2021: NOK -67 million). Losses in Civil construction offset strong growth and improved performance in Rail construction and improved performance in Maintenance.

During 2022, wins of four maintenance contracts contributed to a material improved order book going into 2023, providing long-term visibility and a robust foundation for developing the maintenance business and profitable growth in Sweden.

Finland had a revenue of NOK 2,582 million (2021: NOK 2,640 million). The organic growth for the year was 2% in local currency and reflected higher volumes in Rail construction partly offset by reduced activity in Light Rail and Maintenance. EBITA* amounted to NOK 155 million (2021: NOK 213 million). The EBITA* margin was 6.0% (2021: 8.1%). Good profitability in Rail construction and Light rail was partly offset by weak results in Maintenance. The 2021 EBITA margin included gains from sale of machinery of NOK 63 million compared to NOK 20 million in 2022.

Declaration regarding the financial statements

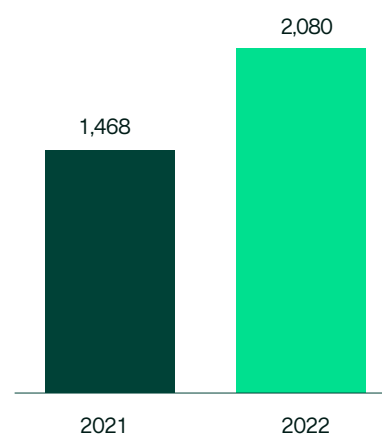
The Board of Directors believes that the financial statements provide a true and fair view of the Group's result for 2022 and the financial position at year-end.

Corporate social responsibility

NRC Group is committed to creating safe, low-carbon transport systems to efficiently connect people, goods and cities. The Group is a provider of safe and meaningful jobs for competent personnel, enabling efficient and profitable project execution. Ethical behaviour and well-developed governance frameworks are in place to enable NRC Group to become a Nordic leader in sustainable infrastructure.

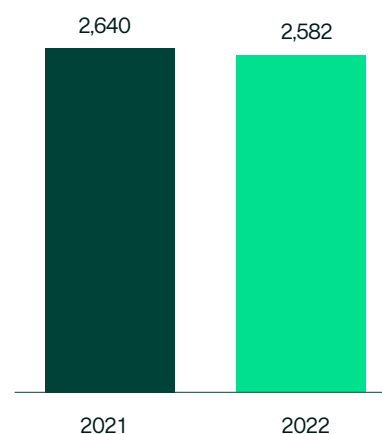
Revenue Sweden

In NOK million



Revenue Finland

In NOK million



The new Norwegian Transparency Act (Åpenhetsloven) came into force in July 2022. By 30 June 2023, Norwegian companies which are covered by the Act are obligated to carry out due diligence on their supply chain regarding fundamental human rights and decent working conditions. A formal Transparency Act Statement will be made available on www.nrcgroup.com on or before 30 June 2023 to meet the requirements to the new law. A description of how we comply with the Act and our approach to upholding human rights is contained within our 2022 Sustainability Report.

NRC Group maintains constant focus on health and safety and on its commitment to provide quality services to all clients. The process of improving internal routines and risk management is continuous. Construction and infrastructure development are associated with climate and environmental responsibility. Increasing expectations from external and internal stakeholders alongside with stricter regulations, require sharp focus on minimising the impact on external environmental and safety requirements in tendering processes.

NRC Group recognises that its employees are the most important resource within the Group. The Group is committed to provide a safe and nurturing working environment, offering an inclusive working environment with equal opportunities.

NRC Group has identified material topics and completed a climate risk analysis, to enable the Group to build greener solutions that connect people and cities. For the Group to deliver sustainable solutions for tomorrow, NRC Group recognises its responsibility to minimise the impact on the external environment. To ensure transparency related to the Group's material environmental, social and governance (ESG) risks and opportunities and handling thereof, a separate Sustainability Report is published in accordance with the Global Reporting Initiative (GRI) framework. A separate section of this annual report contains a summary of the Sustainability Report, while the full report is available at www.nrcgroup.com.



Corporate governance

NRC Group aims to comply with the Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES) on 14 October 2021.

A separate section of this annual report provides further details on NRC Group's adherence to the corporate governance principles.

Going concern statement

Pursuant to Section 3-3a of the Accounting Act, the Board confirms that the prerequisites for continued operations as a going concern have been met. This assumption is based on the financial position of the Group, forecasted results and cash flows for 2023 and the Group's long-term strategic forecast for the coming years.

Dividend

NRC Group ASA shall over time give shareholders a competitive return on their investment in the shares of the Company, as a combination of dividends and share price returns. Provided that the underlying financial performance of NRC Group is satisfactory, it is NRC Group's ambition over time to distribute a dividend of minimum of 30% of the profit for the year, subject to a satisfactory underlying financial performance.

Based on the 2022 result, the Board of Directors will not propose a dividend for 2022.

Allocation of profit for the parent company

The Board of Directors proposes the following allocation of the annual profit:

Transfer to share premium NOK 13 million.

Insurance for board members and general manager

NRC Group has insurance for members of the Board of Directors and the CEO for liability incurred from the Group or any third party related to responsible actions or neglect in their role as board members or executive management of the Group.

NRC Group ASA shall over time give shareholders a competitive return on their investment in the shares of the Company, as a combination of dividends and share price returns.

Risk and uncertainty factors

The Group continuously monitors risk factors at a corporate and subsidiary level.

NRC Group is exposed to operational, financial and market risks. The Group continuously monitors risk factors at a corporate and subsidiary level and takes appropriate action when needed to eliminate or mitigate any potential negative impact on operational and financial performance. Please also refer to the most recent prospectus dated 11 March 2020 available at www.nrcgroup.com for a more detailed description of risk factors.

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.

The Group is subject to local laws and regulations in the countries in which it operates and requires regulatory

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.



approvals for conducting its operations including personnel being qualified and having necessary local approvals. NRC Group also relies on its reputation and commercial integrity and has a continuous focus on operational excellence in project execution, as well as on compliance and ethical business conduct. From time to time, the Group may be engaged in disputes and legal or regulatory proceedings, which may affect its operations and financial position. NRC Group is not involved in any governmental, legal or arbitration proceedings, which may have, or in recent past have had, significant negative impact on the Group's financial position or profitability.

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 year was NOK 15 million, impacting other comprehensive income.



A Group risk management policy for hedging is implemented to manage currency and interest risk.



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 1,927 million at the end of the year, NOK 153 million more than short-term liabilities. Total unrestricted cash amounted to NOK 472 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 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 primarily 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 customers to be low.

See note 24 of this report for a more detailed review of financial risk.

To date, the overall impact of the Covid-19 outbreak has been limited for the Group.

The war between Russia and Ukraine has a global impact. The Group does not have any operations or investments directly impacted by the conflict. Possible indirect consequences such as increased costs related to raw materials, fuel, electricity, and sub suppliers, may impact future operations. Any financial impact will depend on the contract terms on a project by-project basis. The Group expects rail infrastructure investments to remain at a high level going forward.

NRC Group's customers are primarily municipalities or government agencies, or companies or institutions where municipalities or government agencies have a dominant influence.



NRC Group integrates sustainability in its business strategy and has communicated clear targets for improved ESG performance. As part of this framework, the Group considers risks and opportunities tied to climate change. Please see the Task Force on Climate-related Financial Disclosures (TCFD) report included in the Sustainability report for further details.

Events after the balance sheet date

On 20 January, NRC Group sold 100% of the shares in the subsidiaries NRC Gravco AS and Septik Tank Co AS to Norva24 AS in line with the Group's strategy to focus on the core business. The expected net proceeds of approx. NOK 110 million strengthen the financial and strategic flexibility and will be used according to NRC Group's capital allocation priorities. A net gain of approx. NOK 40 million will be reported as part of "other income and expenses" in the first quarter of 2023.

NRC Group integrates sustainability in its business strategy and has communicated clear targets for improved ESG performance.



Outlook

NRC Group is well positioned in a growing market with a substantial tender pipeline.

Demand for rail-based transport is expected to grow in the coming years, supported by strong population growth, urbanisation and an increasing need for sustainable transport solutions. The growing maintenance backlog in all the Nordic countries also supports continued high investments in rail infrastructure. This long-term projection is confirmed by national transport plans in Norway, Sweden and Finland, as well as already sanctioned upgrade and expansion projects. Railways, light rail and metro lines are highly efficient systems for sustainable transport of people and goods, and public plans to expand and modernise rail systems reflect national- and city-level political consensus across Norway, Sweden and Finland.



For 2023, NRC Group expects continued positive operational and financial development with a slight decrease in revenue and moderate increase in EBITA* margins.



In 2023, NRC Group expects investments in rail infrastructure and maintenance to remain at a high level. The uncertainty in the world economy has had limited impact on NRC Group to date. Nevertheless, the uncertainties related to cost-inflation have prompted a re-evaluation of planned public infrastructure investments across in the Nordic region and may impact the prioritisation and funding of certain projects. NRC Group maintains a focus on measures to improve profitability. For 2023, NRC Group expects continued positive operational and financial development with a slight decrease in revenue and moderate increase in EBITA* margins.

The Board of Directors of NRC Group ASA

Lysaker, 29 March 2023

Rolf Jansson
Chairman of the Board

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

ANNUAL ACCOUNTS

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NRC Group consolidated accounts

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Consolidated statement of financial position 31 December
Consolidated statement of financial position 31 December
Consolidated statement of changes in equity
Consolidated statement of cash flows



Consolidated income statement

NRC Group

| <i>(Amounts in NOK million)</i> | Note | 2022 | 2021 |
|--|----------|--------------|--------------|
| Operating revenue | 4 | 7 030 | 5 957 |
| Cost of materials and subcontractors | | -4 346 | -3 256 |
| Salaries and personnel costs | 5/6/7 | -1 646 | -1 649 |
| Depreciation, amortisation and impairment | 12/13/14 | -574 | -260 |
| Other operating and administrative expenses | 8 | -703 | -717 |
| Other income and expenses | 8 | -2 | -34 |
| Operating profit | | -240 | 42 |
| Finance income | | 6 | 3 |
| Finance expense | | -64 | -69 |
| Net financial items | 9 | -58 | -66 |
| Share of profit from associates and joint ventures | 27 | -15 | 0 |
| Profit before tax | | -313 | -24 |
| Tax expense / income | 10 | -51 | -3 |
| Net profit for the year | | -364 | -27 |
| Profit/loss attributable to: | | | |
| Shareholders of the parent | | -363 | -26 |
| Non-controlling interests | | -1 | -1 |
| Net profit / loss | | -364 | -27 |
| EARNINGS PER SHARE | | | |
| Earnings per share in NOK (ordinary) | 11 | -4.98 | -0.36 |
| Earnings per share in NOK (diluted) | 11 | -4.98 | -0.36 |

Consolidated statement of comprehensive income

NRC Group

| <i>(Amounts in NOK million)</i> | Note | 2022 | 2021 |
|---|------|-------------|-------------|
| Net profit/loss for the year | | -364 | -27 |
| Items that may be reclassified to profit or loss (net of tax): | | | |
| Translation differences | | 36 | -97 |
| Net gain on hedging instruments | 24 | 15 | 17 |
| Items that will not be reclassified to profit or loss (net of tax): | | | |
| Net actuarial gain/loss on pension expense | 18 | 5 | -4 |
| Other comprehensive income | | 56 | -84 |
| Total comprehensive income for the year | | -308 | -112 |
| Total comprehensive income attributable to: | | | |
| Shareholders of the parent | | -307 | -111 |
| Non-controlling interests | | -1 | -1 |

Consolidated statement of financial position 31 December

NRC Group

| <i>(Amounts in NOK million)</i> | Note | 31.12.2022 | 31.12.2021 |
|--|-----------|--------------|--------------|
| ASSETS | | | |
| Deferred tax assets | 10 | 98 | 137 |
| Goodwill | 2/10 | 2 364 | 2 666 |
| Customer contracts and other intangible assets | 2/10 | 32 | 63 |
| Total intangible assets | | 2 493 | 2 867 |
| Tangible assets | 13 | 184 | 184 |
| Right-of-use assets | 14 | 564 | 514 |
| Other non-current assets | 23 | 23 | 9 |
| Total non-current assets | | 3 265 | 3 574 |
| Total inventories | 25 | 29 | 28 |
| Trade receivables | 15 | 765 | 929 |
| Contract assets | 4/15 | 475 | 315 |
| Other current receivables | 15 | 185 | 115 |
| Total receivables | | 1 425 | 1 359 |
| Cash and cash equivalents | 16 | 472 | 626 |
| Total current assets | | 1 927 | 2 013 |
| TOTAL ASSETS | | 5 191 | 5 587 |

Consolidated statement of financial position 31 December

NRC Group

| <i>(Amounts in NOK million)</i> | Note | 31.12.2022 | 31.12.2021 |
|--|-------|--------------|--------------|
| EQUITY AND LIABILITIES | | | |
| Paid-in-capital | | | |
| Share capital | 17 | 73 | 73 |
| Treasury shares | | 0 | 0 |
| Other paid-in capital | | 2 323 | 2 325 |
| Other equity | | | |
| Translation reserves | | 48 | 12 |
| Hedge reserve | 24 | 12 | -3 |
| Retained earnings | | -145 | 213 |
| Total equity attributable to owners of the parent | | 2 310 | 2 619 |
| Non-controlling interests | | 2 | 2 |
| Total equity | | 2 312 | 2 622 |
| Pension obligations | 18 | 11 | 16 |
| Interest-bearing non-current liabilities | 19 | 1 095 | 1 199 |
| Deferred taxes | 10 | 1 | 2 |
| Other non-current liabilities | 23/24 | 0 | 8 |
| Total non-current liabilities | | 1 106 | 1 225 |
| Interest-bearing current liabilities | 19 | 328 | 319 |
| Total interest-bearing current liabilities | | 328 | 319 |
| Trade payables | | 504 | 359 |
| Contract liabilities | 4 | 305 | 424 |
| Public fees payable | | 143 | 154 |
| Tax payable | 10 | 1 | 25 |
| Other current liabilities | 20/21 | 492 | 460 |
| Total current liabilities | | 1 773 | 1 741 |
| Total equity and liabilities | | 5 191 | 5 587 |

Consolidated statement of changes in equity

NRC Group

(Amounts in NOK million)

| | Share capital | Treasury shares | Other paid-in capital | Hedge reserve | Translation differences | Retained earnings | Total | Non- controlling interests | Total equity |
|-----------------------------------|------------------|--------------------|-----------------------------|------------------|----------------------------|----------------------|--------------|----------------------------------|--------------|
| Equity at 1 January 2021 | 73 | 0 | 2 322 | -20 | 109 | 243 | 2 727 | 4 | 2 731 |
| Profit/loss for the period | | | | | | -26 | -26 | -1 | -27 |
| Other comprehensive income | | | | 17 | -97 | -4 | -84 | | -84 |
| Employee share program | | | 5 | | | | 5 | | 5 |
| Share-based payments | | | 2 | | | | 2 | | 2 |
| Acquisition of treasury shares | | 0 | -4 | | | | -4 | | -4 |
| Total changes in equity | 0 | 0 | 3 | 17 | -97 | -30 | -108 | -1 | -109 |
| Equity at 31 December 2021 | 73 | 0 | 2 325 | -3 | 12 | 213 | 2 619 | 2 | 2 622 |
| Equity at 1 January 2022 | 73 | 0 | 2 325 | -3 | 12 | 213 | 2 619 | 2 | 2 622 |
| Profit/loss for the period | | | | | | -363 | -363 | -1 | -364 |
| Other comprehensive income | | | | 15 | 36 | 5 | 56 | | 56 |
| Employee share program | | | 5 | | | | 5 | | 5 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -7 | | | | -7 | | -7 |
| Total changes in equity | 0 | 0 | -2 | 15 | 36 | -358 | -309 | -1 | -310 |
| Equity at 31 December 2022 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |

Consolidated statement of cash flows

NRC Group

| <i>(Amounts in NOK million)</i> | Note | 2022 | 2021 |
|--|-----------|-------------|-------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net profit for the year | | -364 | -27 |
| Tax expense | 10 | 51 | 3 |
| Income taxes paid | 10 | -13 | -30 |
| Net financial items | 9 | 57 | 67 |
| Depreciation, amortisation and impairment | 12/13/14 | 574 | 260 |
| Share of profit from associates and joint ventures | 27 | 15 | 0 |
| Gain from sale of property, plant and equipment | 13 | -32 | -75 |
| Change in trade receivables | 15 | 163 | -6 |
| Change in contract assets and contract liabilities | 4 | -241 | 72 |
| Change in inventories | 26 | -1 | 5 |
| Change in trade payables | | 146 | -23 |
| Change in other accruals and unrealised foreign exchange | | -118 | 113 |
| Net cash flow from operating activities | | 235 | 358 |
| Payments for property, plant and equipment | 13 | -47 | -25 |
| Payments for acquisition of subsidiaries, net of cash acquired | 2 | -24 | -47 |
| Investments in associates and joint ventures | 27 | -14 | 0 |
| Proceeds from sale of property, plant and equipment | 13 | 55 | 90 |
| Proceeds from sale of shares and other investments | | 0 | 16 |
| Net cash flow from investing activities | | -29 | 34 |
| Repayments of borrowings | 19 | -147 | -147 |
| Payments of lease liabilities | 19 | -171 | -168 |
| Interest received | 9 | 9 | 16 |
| Interest paid | 9 | -55 | -78 |
| Proceeds from sale of treasury shares | | 4 | 5 |
| Acquisition of treasury shares | | -7 | -4 |
| Net cash flow from financing activities | | -366 | -377 |
| Net change in cash and cash equivalents | | -161 | 14 |
| Cash and cash equivalents as at 1 January | | 626 | 610 |
| Effects of exchange rate changes on cash and cash equivalents | | 6 | 2 |
| Cash and cash equivalents as at 31 December | 16 | 472 | 626 |
| <i>Hereof presented as:</i> | | | |
| Free cash | | 472 | 626 |
| Restricted cash | | 0 | 0 |

Notes to NRC Group accounts

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Note 1:

Corporate information, basis of preparation and significant judgements, estimates and assumptions

1.1 Corporate information

NRC Group ASA (the Company) including its subsidiaries (the Group) is a specialised rail infrastructure company in the Nordic region. The Group is a supplier of all rail, harbour and road related infrastructure services, including groundwork, specialised track work, safety, electro, telecom, signalling systems, maintenance and environmental services.

NRC Group ASA is a public limited liability company registered and domiciled in Norway. The office address is Lysaker Torg 25, 1366 Lysaker, Norway. NRC Group is listed on Oslo Stock Exchange (ticker NRC). The Company has subsidiaries in Norway, Sweden and Finland.

The consolidated financial statements for NRC Group ASA were approved by the Board of Directors on 29 March 2023.

1.2 Significant accounting principles

Accounting policies applied by the Group in the preparation of the consolidated financial statements are largely incorporated into the individual notes. General accounting principles are described below. The principles have been applied identically to the periods presented, unless otherwise stated.

1.2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU.

These consolidated financial statements have been prepared on the basis of the historical cost principle, except for certain financial instruments and contingent consideration that have been measured at fair value.

The Group uses various alternative performance measures (APM) throughout the consolidated financial statements. The APMs are defined on page 202.

1.2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2022. Subsidiaries are companies where the Group has a controlling interest. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those

returns through its power over the investee. A controlling interest is normally achieved when the Group owns, directly or indirectly, more than 50% of the voting shares in the target company. Subsidiaries are consolidated from the point in time when control is transferred to the Group and eliminated from consolidation when such control ends. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill) and liabilities, while any resultant gain or loss is recognised in profit or loss.

All internal transactions, unsettled balances and unrealised gains between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction establishes an impairment for the transferred asset.

1.2.3 Summary of significant accounting policies

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period. Cash or cash equivalent are current unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period. The Group classifies all other liabilities as non-current, unless there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency translation

Functional currency and presentation currency

The accounts of the individual entities in the Group are measured in the currency that is used in the economic area where the Group entities operate (functional currency).

The consolidated accounts are presented in Norwegian kroner (NOK), which is both the functional and presentation currency of the parent company.

Transactions and balance sheet items

Transactions involving foreign currencies are translated into the functional currency using the exchange rates that are in effect at the time of the transactions. Foreign currency gains and losses that arise from the payment of such transactions and the translation of monetary items (assets and liabilities) at year-end, at the rates in effect on the balance sheet date, are recognised in the income statement. Currency gains and losses are presented on a net basis as financial income or financial expenses. If the foreign currency position is designated as a hedge of a net investment in a foreign business, any gains or losses are recognised in other comprehensive income.

Translation to presentation currency

In consolidation of the accounts of foreign subsidiaries, the income statement is translated into the presentation currency according to average exchange rates per month. Balance sheet items are translated at the exchange rate in effect on the balance sheet date. Long-term receivables from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, are considered a part of the net investment. Translation differences on net investments in foreign operations are recognised in other comprehensive income. When a net investment is disposed of, the related cumulative amount of translation differences is reclassified to profit or loss.

Goodwill and fair value adjustments of assets and liabilities associated with the acquisition of a foreign entity are treated as assets and liabilities in the acquired entity and translated at the rate in effect on the balance sheet date.

Statement of Cash flows

The statement of cash flows is prepared using the indirect method. Acquisitions of subsidiaries are presented as investing activities net of cash in target. Interests paid are presented as part of financing activities.

1.2.4 Changes in accounting policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The

amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

There are not any other standards or interpretations that are not yet effective, that are expected to have a significant impact on the consolidated financial statements.

1.3 Material accounting judgements, estimates and assumptions

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, the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are evaluated continuously based on historical experience and other factors, including expectations of future events that are regarded as probable under the current circumstances. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The most important areas where estimates and judgements are having an impact are listed below. Detailed information of these estimates and judgements are disclosed in the relevant notes.

Significant estimates and judgements:

- Revenue from contracts with customers (Note 4)
- Impairment test of goodwill (Note 2 and 12)
- Purchase price allocation and accounting for contingent consideration in business combinations (Note 2)
- Recognition of deferred tax assets (Note 10)

Covid-19 and the impacts of the global economy

The direct impact of global events such as the Covid-19 outbreaks, the war in Ukraine, the energy crisis in Europe and high inflation 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.

Climate risk

NRC Group's activities mainly consist of projects that run over a limited period. The organisation is flexible to adapt to changes and each new project represents a new start. A large part of the Group's activities is to build environmentally friendly infrastructure that is aligned within the EU Taxonomy, as described in a separate section in the Group's Sustainability Report for 2022. This reduces the risk of significant negative changes in activities and markets due to climate change. There are no legal changes or expected changes in our markets that will have a significant impact on the Group's activities. NRC Group has limited operating assets and long-term leases that can be affected by environmental changes. The Group has a large car and machine park - owned and leased - that is gradually meeting new environmental requirements. Expected useful life and planned replacement rate for these assets are considered adaptable to the expected changes. The Group is already in the process of increasing the proportion of electrified machines and has also invested significantly in heavier vehicles that can run on biogas. Our largest tamping machines are rail-based and associated with environmentally friendly projects and are not expected to be adversely affected by climate change other than normal maintenance and adaptations. The Group has no significant immobile machines or facilities (stranded assets) that could be affected by climate change.

There are no specific climate risks beyond normal project risks associated with the business that significantly can affect the impairment calculations. Significant changes because of climate risk have consequently not been necessary to include in the calculations.

Note 2:

Business combinations

Accounting policy

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. For each business combination, the Group elects whether to measure any non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Direct expenses associated with the acquisition are expensed when they incur and presented as *Other income and expenses*.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes that are a result of additional information the Group obtained after that date about facts and circumstances that existed at the acquisition date are measurement period adjustments that will adjust the purchase price allocation until this is final but no later than 12 months after the acquisition day. Other changes resulting from events after the acquisition day, such as meeting earning targets, will be accounted for as follows:

- Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.
- Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9 and presented as *Other income and expenses*.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

Significant judgement and estimation uncertainty

Estimating the fair value of acquired assets, liabilities and contingent liabilities in a business combination requires significant management judgement. These calculations require the use of all facts and information available and how this will impact on the computations and will be sensitive to estimates related to future cash flows and discount rate.

Estimating contingent consideration in a business combination including subsequent changes in the fair value require significant management judgement and need 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.

Business combinations in 2022

The Group had no business combinations in 2022. A net cash outflow of NOK 24 million in 2022 is related to prior year acquisitions.

Business combinations in 2021

The Group had no business combinations in 2021. A net cash outflow of NOK 47 million in 2021 was related to prior year acquisitions.

Note 3: Segment reporting

Accounting policy

Segments are reported in the same manner as the internal financial reporting to the Group's chief operating decision-maker, defined as the executive management and the Board of Directors. The internal financial operating result reporting follows current IFRS standards as described in these notes to the Group accounts, except for Other income and expenses (M&A expenses). These income and expenses can vary significantly from period to period and are excluded in the internal financial reporting to improve the analysis of the underlying operations across periods and operating segments. The Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer pricing between operating segments is on an arm's length basis in a manner similar to transactions with third parties.

The Group is a contractor connected to public transportation, including rail, harbour and road related infrastructure. For management purposes, the Group is organised in divisions and operating segments based on geographical areas that include Norway, Finland and Sweden. In each operating segment the Group can provide services and products such as rail construction, rail maintenance, civil construction, environmental services and sale of materials.

Customers that aggregate 10% or more of the Group's total revenues are disclosed in the table below:

| Customer | Segment | Share of segment revenue | |
|---|---------|--------------------------|------|
| | | 2022 | 2021 |
| Trafikverket | Sweden | 71% | 72% |
| Finnish Transport and Infrastructure Agency | Finland | 61% | 54% |
| Bane Nor | Norway | 34% | 30% |

| | Norway | | Sweden | | Finland | | Others and eliminations | | Consolidated | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <i>(Amounts in NOK million)</i> | | | | | | | | | | |
| External | 2,571 | 1,864 | 1,877 | 1,453 | 2,582 | 2,640 | 0 | 0 | 7,030 | 5,957 |
| Inter-segment | -198 | -5 | 203 | 15 | 0 | 0 | -5 | -10 | 0 | 0 |
| Total revenue | 2,373 | 1,859 | 2,080 | 1,468 | 2,582 | 2,640 | -5 | -10 | 7,030 | 5,957 |
| EBITDA* | 173 | 120 | -7 | -17 | 204 | 265 | -34 | -32 | 335 | 336 |
| Depreciation | 93 | 93 | 42 | 50 | 48 | 52 | 1 | 1 | 185 | 196 |
| EBITA* | 80 | 27 | -49 | -67 | 155 | 213 | -35 | -32 | 151 | 139 |
| Amortisation and impairment | 0 | 11 | 355 | 3 | 34 | 49 | 0 | 1 | 389 | 64 |
| EBIT* | 80 | 16 | -404 | -71 | 121 | 164 | -36 | -33 | -238 | 75 |
| Other income and expenses | 0 | 10 | 0 | 18 | 1 | 5 | 1 | 1 | 2 | 34 |
| Operating profit | 80 | 6 | -404 | -89 | 120 | 159 | -36 | -35 | -240 | 42 |
| Current assets | 456 | 423 | 289 | 272 | 1,148 | 1,127 | 48 | 190 | 1,939 | 2,013 |
| Non-current assets | 1,232 | 1,143 | 432 | 866 | 1,488 | 1,472 | 99 | 93 | 3,279 | 3,574 |
| Total assets | 1,688 | 1,566 | 721 | 1,139 | 2,636 | 2,599 | 147 | 283 | 5,218 | 5,587 |
| Current liabilities | 759 | 635 | 625 | 549 | 1,237 | 1,199 | -848 | -643 | 1,772 | 1,741 |
| Non-current liabilities | 290 | 253 | 17 | 41 | 215 | 363 | 584 | 567 | 1,106 | 1,225 |
| Total liabilities | 1,048 | 888 | 642 | 590 | 1,452 | 1,563 | -263 | -75 | 2,879 | 2,965 |
| Order backlog | 2,013 | 2,214 | 3,160 | 2,008 | 2,622 | 3,579 | | | 7,795 | 7,801 |

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

Others and eliminations include activities in the Company and other holding companies as well as elimination of inter-segment revenues and expenses.

Assets and liabilities are shown gross per segment and eliminations are shown separately. The aggregated information on Others and eliminations consists of the following:

| <i>(Amounts in NOK million)</i> | Parent and holding companies | | Eliminations | | Others and eliminations | |
|---------------------------------|------------------------------|--------------|---------------|---------------|-------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current assets | 2,182 | 2,118 | -2,134 | -1,927 | 48 | 190 |
| Non-current assets | 242 | 375 | -144 | -282 | 99 | 93 |
| Total assets | 2,424 | 2,493 | -2,277 | -2,209 | 147 | 283 |
| Current liabilities | 1,286 | 1,285 | -2,134 | -1,927 | -848 | -643 |
| Non-current liabilities | 728 | 846 | -144 | -278 | 584 | 567 |
| Total liabilities | 2,014 | 2,130 | -2,277 | -2,206 | -263 | -75 |

Note 4:

Revenues and projects in progress

Accounting policy

The Group's revenues mainly consist of contracts with customers that vary from shorter projects of less than a month, to longer projects running over multiple years. All projects are accounted for as contracts with customers, applying IFRS 15 Revenue from contracts with customers. The Group accounts for a contract with a customer when the contract is approved, each party's rights are identified including the payment terms, the contract has commercial substance, and it is probable that the Group will collect the consideration.

Revenue recognised over time

For a major part of the contracts with customers, the criteria for recognising revenue over time have been met as the project either creates an asset that the customer controls as the asset is created or the asset created does not have an alternative use and the Group has an enforceable right to payment for performance completed to date.

The transaction price is the contractual agreed price. Any variable consideration is estimated based on the sum of probability-weighted amounts or the single most likely outcome, depending on which method better predicts the amount of consideration, and is consistently applied throughout the contract.

For a performance obligation that is satisfied over time, revenue is recognised over time by measuring the cost passed in relation to full satisfaction of the obligation. The Group applies the input method which is used consistently for similar performance obligations and under similar circumstances. Using the input method, revenue is recognised based on the entity's input in fulfilling the performance obligation (e.g. contract costs incurred, resources consumed, hours expended) in relation to the total expected input to fulfil the performance obligation. The value and pricing of the Group's services are founded on the different resources consumed, and consequently the input method best reflects the revenue recognition of the transfer of goods and services. Most contracts of the Group consist of one performance obligation. For contracts where performance obligations are not satisfied over time, revenue is recognised on delivery or upon completion of the services.

The aggregated amount of project revenue incurred to date, less progress billings, is determined on a project-by-project basis. The contracts where this amount is positive are presented in the balance sheet as contract assets, whereas the contracts where the amount is negative (prepayments) are presented as contract liabilities. Contract assets are the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer. Unconditional rights to considerations based on the agreement are invoiced and presented separately as a receivable. Contract assets and receivables are considered for impairment in accordance with IFRS 9. A contract liability is when the Group has received prepayments or has an unconditional right to consideration before the Group has transferred goods or services to the customer.

A contract modification is the change in scope and/ or price of a contract and both parties have approved a modification that either created new or changes existing enforceable rights and obligations of the parties. A contract modification may exist even though there is a dispute about the scope and/ or price of the modification, or the parties have approved a change in the scope of the contract but have not yet determined the corresponding change in price. The contract modification is accounted for as a separate contract, if the scope of the contract increases due to distinct goods or services and the price increase reflects the stand-alone selling price, or as part of the original contract.

Contract costs are costs to fulfil the contract and incremental costs of obtaining a contract. These are costs directly related to the contract assuming the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future and are expected to be recovered. Costs directly connected to the contract include direct materials, direct labour, subcontractors, allocated indirect costs and costs explicitly chargeable. Incremental cost of obtaining a contract that is expected to be recovered and that would not incur if the contract had not been obtained, is capitalised and amortised as a contract cost. Cost of wasted materials, labour or other resources to fulfil the contract that is not reflected in the price of the contract, is expensed as it occurs.

When it is probable that the total contract costs of meeting the obligations will exceed total contract revenue, the expected loss is recognised as an expense immediately according to IAS 37, considering both the incremental costs and allocation of other costs directly related to fulfilling the contract. An impairment loss is recognised for any contract assets or accounts receivable related to the contract before a separate provision is made.

Payment terms are contractually agreed and invoicing normally follows the progress of the projects either by a fixed estimated progress or based on actual progress as defined in the contract. For certain contracts a portion of up to 10% is withheld until final approval of the delivery. Upon invoicing, the payment terms would normally be within 15– 45 days.

Other revenues

The Group has a limited number of other sales transactions such as sale of materials, sale of equipment and machines closely related to the main operations of the group or sale of services. Revenues from these transactions are recognised at the point of time when control of any asset is transferred to the customer, or the service is provided. Delivery of assets can be from stock, from a construction site or at the customer's location. The normal payment term is 15 to 45 days upon delivery.

Warranties

The Group generally provides for warranties for general repairs and does not provide extended warranties in its contracts with customers. As such, existing warranties are assurance-type warranties under IFRS 15, which are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Significant judgement and estimation uncertainty

The Group's business mainly consists of execution of projects. The complexity and scope of the project portfolio come with an inherent risk that the actual results may differ from expected results. The Group recognises revenue over time using 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. As of 31 December 2022, the Group has recognised a total of NOK 12,526 million (2021: NOK 12,809 million) in accumulated revenue to date on projects in progress at year-end.

Revenue*(Amounts in NOK million)*

| | 2022 | 2021 |
|---------------------------------------|--------------|--------------|
| Revenue | | |
| Contract revenue recognised over time | 6,365 | 5,351 |
| Other revenue | 665 | 606 |
| Total revenue | 7,030 | 5,957 |
| Revenue from public customers | 5,565 | 4,205 |
| Revenue from private customers | 1,465 | 1,752 |
| Total revenue | 7,030 | 5,957 |

External revenue by nature of business by segment

| | Norway | | Sweden | | Finland | | Consolidated | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <i>(Amounts in NOK million)</i> | | | | | | | | |
| Rail construction | 1,106 | 604 | 1,009 | 613 | 1,609 | 1,515 | 3,723 | 2,731 |
| Rail maintenance | 0 | 0 | 508 | 560 | 540 | 609 | 1,048 | 1,168 |
| Civil construction | 513 | 441 | 358 | 279 | 0 | 0 | 871 | 720 |
| Environment | 957 | 819 | 0 | 0 | 0 | 0 | 957 | 819 |
| Materials | 0 | 0 | 0 | 0 | 413 | 456 | 413 | 456 |
| Other and eliminations | -5 | 0 | 2 | 2 | 20 | 61 | 18 | 62 |
| External revenue | 2,571 | 1,864 | 1,877 | 1,453 | 2,582 | 2,640 | 7,030 | 5,957 |
| Revenue from public customers | 1,556 | 1,000 | 1,706 | 1,109 | 2,304 | 2,096 | 5,565 | 4,205 |
| Revenue from private customers | 1,015 | 864 | 171 | 344 | 278 | 544 | 1,465 | 1,752 |

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

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|--------------|--------------|
| Contract costs plus profit less losses to date | 12,526 | 12,809 |
| Less progress billings including advances | 12,356 | 12,917 |
| Work in progress, net | 170 | -109 |
| Gross amounts due to customers for contract work (contract liabilities) | 305 | 424 |
| Gross amounts due from customers for contract work (contract assets), see note 15 | 475 | 315 |
| Total contract value, ongoing contracts | 18,224 | 19,911 |
| Accumulated revenue recognised at year-end | 12,526 | 12,809 |
| Revenues not recognised | 5,698 | 7,102 |
| Expected to be recognised next 12 months | 3,740 | 4,101 |
| Expected to be recognised later | 1,958 | 3,001 |
| OTHER INFORMATION | 2022 | 2021 |
| Billed amounts retained by customers | 24 | 13 |
| Provision for loss-making projects | 15 | 17 |
| Remaining revenue on loss-making projects | 180 | 68 |
| Order backlog, ongoing projects | 5,698 | 7,102 |
| Order backlog, projects not started | 2,097 | 699 |
| Total order backlog | 7,795 | 7,801 |
| Expected to be recognised next year | 3,740 | 4,101 |
| Expected to be recognised two years | 1,647 | 2,532 |
| Expected to be recognised in three years or later | 2,409 | 1,167 |

Note 5: Salaries and personnel costs

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------------|--------------|--------------|
| Salaries | 1,274 | 1,268 |
| Social security taxes | 178 | 187 |
| Pension expenses | 141 | 145 |
| Other personnel costs | 53 | 48 |
| Total | 1,646 | 1,649 |
| Full time equivalent employees | 1,882 | 1,924 |

Note 6: Executive personnel

Compensation to executive personnel and Board of Directors

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|-----------|-----------|
| Short-term employee benefits | 27 | 21 |
| Post-employment benefits | 2 | 2 |
| Share-based compensation | 1 | 1 |
| Remuneration Board of Directors | 2 | 3 |
| Total compensation to executive personnel | 32 | 27 |

More detailed information on the compensation to the Group's directors including executive personnel as well as members of the Board of Directors is provided in a separate remuneration report prepared in accordance with the Norwegian Public Limited Liability Companies Act § 6-16b. The report for the financial year 2022 will be published on the Group's website subsequent to the general assembly.

Note 7: Share-based payments

Accounting policy

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The sale of shares to employees at less than market price is accounted for by recognising the difference between the market value of the shares and the purchase price as a payroll expense.

The cost of equity-settled transactions is determined by the fair value of the option at the date when the grant is made. A Binominal model and the Black-Scholes model are used for the valuation. The cost related to the option is reported over the period in which the employees earn the right to receive the options. Option costs are reported as payroll expenses and offset as an increase in equity. A provision based on the accrued amount is made for employer's social security contribution to share option programmes linked to the difference between the issue price and the market price of the share at year end.

The expenses recognised for equity-settled share-based payment transactions for employee services received during the year are shown in the following table:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|-------------------------------------|------------|------------|
| Senior Management Share Option Plan | 1.3 | 0.8 |
| Key Employee Share Option Programme | 1.6 | 1.0 |
| General Employee Share Programme | 1.1 | 1.1 |
| Total | 4.0 | 3.0 |

General Employee Share Programme

During 2022 and same as in 2021, the Group gave employees the opportunity to purchase a certain number of shares at 20% discount to the trading price at exercise.

The discount is recorded as salaries. On 8 June 2022, a total of 254,960 shares were sold under this offer with a total discount of approximately NOK 1.0 million before social security tax. All the shares sold were treasury shares.

Senior Management Share Option Plan

On 12 May 2016, the Company's Annual General Meeting approved implementation of a share option programme for senior management. On the Annual General Meeting 6 May 2021, the option programme for senior management was renewed for two more years, comprising in total 1,200,000 shares. The Board of Directors are authorised to increase the share capital and to determine the subscription price and other subscription terms.

Options are awarded based on the Group's achievements of certain quantitative and qualitative goals determined by the Board of Directors. The options can be vested over a period of three years, with 1/3 of the aggregate number each year. Options that are not exercised during, or on the date of final expiry of the vesting period, lapse without compensation to its holder.

At year-end, a total of 476,000 options were outstanding in connection with the Senior Management Option programme. 444,000 new options were formally granted, no options were exercised, and 89,125 options were forfeited during 2022. The weighted average exercise price of the remaining 476,000 options is NOK 20.75. 25,000 of the options expire in March 2023. 78,000 of the options expire in March 2024 and can be vested by 1/3 each year from March 2022 until expiry. 373,000 of the options expire in March 2025. These options can be vested by 1/3 each year from March 2023 until expiry.

There were no settlement, cancellations, or modifications to the awards in 2022. Vesting condition is full time employment. The expense is accrued for over the service period for each group of options.

Share option programme for key employees

On 19 April 2018, the Company's Annual General Meeting approved implementation of a share option programme for key employees. The Annual General Meeting 5 May 2022 granted the authorisation to increase the share capital by up to NOK 1,000,000 in connection with this option programme. The authorisation is valid for a period of two years until 5 May 2024. The Board of Directors is authorised to increase the share capital and to determine the subscription price and other subscription terms.

As per year-end, a total of 202,500 options are outstanding in connection with the option programme from 2020. The options can be vested over a period of 12 months from 1 June 2023 at a strike price of NOK 26.54. The strike price will be adjusted for any dividends paid from the time of the establishment of the programme until the options are exercised. The employees paid NOK 1 for each option. 65,500 options were forfeited during 2022 due to vesting conditions not being satisfied.

As per year-end, a total of 5,000 options are outstanding in connection with the option programme from 2021. The options can be vested over a period of 12 months from 1 April 2024 at a strike price of NOK 26,54. The strike price will be adjusted for any dividends paid from the time of the establishment of the programme until the options are exercised. The employee paid the equivalent of NOK 1 for each option. No options were forfeited during 2022.

742,500 options were granted for the key employee programme in 2022. The options can be vested over a period of 12 months from 1 July 2025 at a strike price of NOK 18.64. The strike price will be adjusted for any dividends paid from the time of the establishment of the programme until the options are exercised. The employees paid NOK 1 for each option. 52,500 options were forfeited during 2022.

There were no settlement, cancellations, or modifications to the awards in 2022. Vesting condition is full time employment. The expense is accrued for over the service period for each group of options.

The following table summarises the number and weighted average exercise prices (WAEP) of share options for all existing plans during the year, including any movements:

| | 2022 number | 2022 WAEP | 2021 number | 2021 WAEP |
|-----------------------------------|------------------|--------------|----------------|--------------|
| Outstanding at 1 January | 557,625 | 35.9 | 787,125 | 42.9 |
| Granted during the year | 1,186,500 | 18.4 | 113,000 | 27.8 |
| Exercised during the year | 0 | 0 | 0 | 0 |
| Forfeited during the year | -284,625 | 33.2 | 342,500 | 49.5 |
| Outstanding at 31 December | 1,459,500 | 20.9 | 557,625 | 35.9 |
| Exercisable at 31 December | 201,333 | 23.0 | 129,750 | 65.9 |

WAEP will be adjusted for any dividend in the period from grant to exercise.

The weighted average remaining contractual life for the share options outstanding as of 31 December 2022 was 3.0 years (2021: 2.3 years).

The weighted average fair value of options granted during the year was NOK 6.68 per option. Total value of these options aggregated NOK 5.5 million to be allocated over the service period assumed in the option programme.

The range of exercise prices for options outstanding at the end of the year was NOK 17.70 to NOK 85.78 (2021: NOK 26.54 to NOK 85.78), before any adjustment for future dividends.

The following tables list the inputs to the models used for all existing plans:

| | 2022 | 2021 |
|--|-----------------------------|-----------------------------|
| Weighted average fair values at the measurement date | 6.60 | 8.38 |
| Expected volatility (%) | 50.0 | 50.0 |
| Risk-free interest rate (%) | 2.77 | 0.77 |
| Expected life of share options, months | 12-42 | 9-51 |
| Weighted average share price | 27.51 | 44.32 |
| Model used | Binominal and Black Scholes | Binominal and Black Scholes |

Dividend is not considered as the strike price will be adjusted for any dividends paid from the time of the establishment of the programme until options are exercised. Expected volatility is based on actual volatility 36 months back in time.

Note 8: Other operating and administrative expenses

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|------------|------------|
| Travel expenses | 73 | 69 |
| Office expenses | 98 | 80 |
| External services | 38 | 44 |
| Expenses related to machinery, cars and equipment | 360 | 280 |
| Other operating and administrative expenses | 134 | 185 |
| Total | 702 | 658 |

Accounting policy

Income and expenses of a special nature are presented on a separate line within operating profit (loss). Such items are characterised by being transactions and events not being reliable indicators of underlying operations. Other income and expenses consist of M&A expenses, including subsequent adjustment of contingent considerations or other subsequent adjustments of final purchase price allocation in business combinations that are recognised in profit or loss.

Other income and expenses

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|----------|-----------|
| M&A expenses | 2 | 34 |
| Total other income and expenses | 2 | 34 |

The M&A expenses in 2022 mainly relate to previous years' acquisitions in addition to incurred transaction expenses in 2022 in connection with the disposal of NRC Gravco AS and Septik Tank Co AS. The sale of these companies was completed in January 2023, and the net gain from the disposal will hence be booked in Q1 2023.

The M&A expenses in 2021 were related to additional expenses for previous years' acquisitions. Approximately NOK 10 million were final bonus payments related to the acquisition of NRC Kept AS in 2018. The majority of the remaining expenses was related to legal costs and other provisions regarding a lost lawsuit against the previous owners of Signal och Banbyggarna i Dalarna AB, a company acquired in 2017. Stockholm's District Court judged NRC Group to pay the defendants litigation costs. The case has been appealed, but all cost is provided for.

Compensation to auditors

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|-------------|-------------|
| Statutory audit fees | 3.7 | 3.7 |
| Other assurance engagements | 0.0 | 0.0 |
| Tax related services | 0.0 | 0.1 |
| Other services | 0.1 | 0.0 |
| Total | 3.8 | 3.8 |

EY was the Group's auditor for 2022 and 2021. The amounts are reported exclusive of VAT.

Note 9: Financial income and expenses

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|-------------------------------------|------------|------------|
| Interest income | 6 | 2 |
| Interest expenses | -62 | -65 |
| Net foreign currency gains/(losses) | -1 | -2 |
| Other net financial expense | 0 | -1 |
| Net financial items | -58 | -66 |

Note 10: Taxes

Accounting policy

The tax expense in the income statement consists of the tax payable for the period and the change in deferred tax. Tax is usually recognised in the income statement, except when it is related to items that are recognised in other comprehensive income, in discontinued operations or directly in equity, that also include the tax effect of those relevant transactions.

The tax expense is calculated in accordance with the tax laws and regulations that have, or have essentially, been enacted by the tax authorities on the date of the balance sheet. It is the legislation in the countries where the Group's subsidiaries operate and generate taxable income that determine how the taxable income is calculated.

Deferred tax is calculated for all temporary differences between tax values and carrying values of assets and liabilities. Deferred tax is determined by means of the tax rates and tax laws that have been enacted or substantially enacted on the balance sheet date, which are assumed to apply when the deferred tax asset is realised or when the deferred tax is settled.

Deferred tax is not calculated for temporary differences from investments, except when the Group cannot control the timing of the reversal of the temporary differences, and it is probable that these will be reversed in the foreseeable future.

Deferred tax assets are also recognised for unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit or deferred tax liabilities will be available against which the unused tax losses and unused tax credits can be utilised. The deferred tax assets are recognised to the extent it is probable that they can be utilised based on forecasts and projections within a reasonable period of time.

In the balance sheet, deferred taxes are reported net if the Group has a legal right to offset deferred tax assets against deferred taxes and if the deferred taxes are owed to the same tax authority.

Significant judgement and estimation uncertainty

Deferred tax assets of NOK 79 million in Norway and NOK 18 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. 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 optimisation.

Deferred tax*(Amounts in NOK million)*

| | 2022 | 2021 |
|--|------------|------------|
| Deferred tax relates to the following: | | |
| Intangible assets | -1 | -5 |
| Property, plant and equipment | -14 | -14 |
| Right-of use assets | -122 | -111 |
| Net contract assets/receivables | -9 | -16 |
| Tax allocation reserve, Sweden | -1 | -5 |
| Tax losses carried forward | 243 | 251 |
| Lease liabilities | 114 | 105 |
| Pensions | 3 | 4 |
| Other temporary differences | 5 | 15 |
| Total deferred tax assets/ liabilities (-) | 219 | 224 |
| Deferred tax assets not recognised | -122 | -88 |
| Net deferred tax assets/ liabilities (-) | 97 | 135 |
| Reflected in the consolidated balance sheet as follows: | | |
| Deferred tax assets | 98 | 137 |
| Deferred tax liabilities | -1 | -2 |
| Net deferred tax assets/ liabilities (-) | 97 | 135 |

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|-----------|------------|
| Reconciliation of net deferred tax assets/ liabilities (-) | | |
| As of 1 January | 135 | 105 |
| Tax income/ expense (-) during the period | -33 | 33 |
| Tax income/ expense (-) during the period, recognised in OCI | -5 | -4 |
| Effect of foreign currency translation | -1 | -2 |
| Other | 2 | 2 |
| As of 31 December | 97 | 135 |

Total net deferred tax assets of NOK 97 million are split between NOK 79 million in Norway (2021: NOK 90 million) and NOK 18 million in Sweden (2021: NOK 47 million) and have been recognised as it is assumed probable that they can be utilised against future taxable profit based on forecasts and projections, or if needed in combination with tax planning opportunities.

Sweden has suffered pre-tax losses recent years. Several measures have been implemented to restore profitability. Improvement programmes initiated in the second half of 2019 have been implemented and yielded improved results for the core divisions. The Swedish Rail construction division improved during 2022, with strong growth in revenue and a positive operating income for the year. The results in Rail maintenance have also improved, contributing to positive operating income, and winning 4 maintenance contracts provides a solid outlook for this business. The total result in Sweden was however negative in 2022 due to losses in the Civil construction division. As a consequence of the losses in Civil construction, NRC Group will do a strategic review of the Civil operations and implement necessary actions to secure profitability in Sweden.

Based on Management's assessment of future taxable profit and future tax optimisation, total deferred tax assets of NOK 122 million (2021: NOK 88 mill) in Sweden have not been recognised. In 2022 a net tax expense of NOK 36 million was recognised due to net increase in non-recognised deferred tax assets in Sweden.

The net deferred tax liability of NOK 1 million relates to Finland.

The Group has total tax losses carried forward of NOK 443 million in Norway (2021: NOK 471 million) and NOK 708 million in Sweden (2021: NOK 715 million), that can be used to reduce future tax payments. There are no restrictions on the Group's ability to carry forward the tax losses.

The major components of income tax expense are

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|-----------|----------|
| Current income tax charge | 17 | 36 |
| Change in deferred tax | 33 | -33 |
| Tax expense/ income (-) | 51 | 3 |

Tax related to other comprehensive income

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|----------|----------|
| Items that may be reclassified to profit and loss | 4 | 5 |
| Items that will not be reclassified to profit and loss | 1 | -1 |
| Tax expense/ income (-) included in OCI | 5 | 4 |

Reconciliation of tax expense and accounting profit

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|-----------|----------|
| Net income/ loss (-) before tax from continuing operations | -313 | -24 |
| Estimated tax on income before tax | -63 | -4 |
| Effect of permanent differences | 78 | 9 |
| Effect of tax assets being (-)/ not being recognised | 34 | -1 |
| Other | 2 | -1 |
| Income tax expense/ income (-) | 51 | 3 |

The tax rates for Norway, Sweden and Finland are 22%, 20.6% and 20%, unchanged from 2021. No changes in tax rates are expected for 2023.

Note 11: Earnings and diluted earnings per share:

The earnings per share are calculated by dividing the disposable profit/loss for the year with the weighted average of ordinary shares issued throughout the year, less the Company's own shares. For the movement in the share capital of the Company see note 17.

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Earnings per share (ordinary), NOK | -4.98 | -0.36 |
| Profit/loss for the year attributable to shareholders of the parent, NOK million | -363 | -26 |
| Weighted average externally owned shares | 72,855,963 | 72,915,922 |
| Effect of dilution from share options | 1,255,256 | 742,906 |
| Weighted average externally owned shares adjusted for dilution | 74,111,219 | 73,658,828 |

Note 12: Intangible assets

Accounting policy

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is subject to minimum annual impairment testing.

Intangible assets are recognised at cost less accumulated amortisation and impairment loss. Intangible assets are recognised when they are identifiable, controlled and provide future economic benefits for the entity. The assets are initially measured at cost and amortised on a straight-line basis over the expected useful life of the asset, normally 3-5 years. The cost of an intangible asset includes costs that are directly attributable to the procurement of the assets.

Customer contracts, customer relationships, licenses and other intangible assets acquired as part of a business combination are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their estimated useful lives based on the timing of projected cash flows, normally 1-4 years, depending on the type of assets. Intangible assets with indefinite useful life are subject to minimum annual impairment testing.

Impairment considerations

Goodwill is recognised separately as an intangible asset and is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The annual testing is performed towards the end of the financial year. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units (CGU) expected to benefit from synergies arising from the business combination. An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Significant judgement and estimation uncertainty

The Group performs annual tests to assess the impairment of goodwill, or more frequently if there is an indication of impairment. The NRC Group's share price development and operating losses in Sweden are impairment indicators being considered as part of the test. Goodwill had a carrying amount at 2022 year-end of NOK 2,716 million before 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. In 2022, an impairment charge of SEK 370 million was made to the Sweden segment. Most sensitive to further impairment is also our operations in Sweden with a remaining book value of goodwill of SEK 270 million as of 31 December. The remaining goodwill is most sensitive to changes in the discount rate and the estimated future cash flows.

Climate risk

The Group has considered climate risk in relation to impairment testing of goodwill. Climate-related matters can affect future cash flows, the value of the assets being tested and the expected useful life of these. Any consequences of this are considered in the impairment test of goodwill. No such effects were identified related to the impairment test in 2022 or 2021.

Goodwill and other intangible assets*(Amounts in NOK million)*

| | Goodwill | Other intangible assets | Total |
|---|--------------|-------------------------------|--------------|
| Carrying amount as at 01/01/2022 | 2,666 | 63 | 2,729 |
| Translation differences | 50 | 3 | 53 |
| Additions and adjustments | 0 | 4 | 4 |
| Amortisation for the year | 0 | -38 | -38 |
| Impairment for the year | -352 | 0 | -352 |
| Carrying amount as at 31/12/2022 | 2,364 | 32 | 2,396 |
| Acquisition cost | 2,716 | 274 | 2,990 |
| Accumulated amortisation | 0 | -236 | -236 |
| Accumulated impairment | -352 | -6 | -358 |
| Carrying amount as at 31/12/2022 | 2,364 | 32 | 2,396 |

Other intangible assets partly consist of customer contracts, customer relationships, IT licenses and IT software capitalised as part of the purchase price allocation of acquisitions. Further, it consists of capitalised software development expenses and capitalised pre-contract expenses. Other intangible assets are amortised over the expected useful life of 1 – 5 years.

Goodwill and other intangible assets cont.

(Amounts in NOK million)

| | Goodwill | Other intangible assets | Total |
|---|--------------|-------------------------|--------------|
| Carrying amount as at 1/1/2021 | 2,780 | 115 | 2,895 |
| Translation differences | -104 | -3 | -108 |
| Acquisitions | | | |
| Additions and adjustments | 0 | 6 | 6 |
| Disposals | | | |
| Amortisation for the year | 0 | -55 | -55 |
| Impairment for the year | -9 | 0 | -9 |
| Carrying amount as at 31/12/2021 | 2,666 | 63 | 2,729 |
| Acquisition cost | 2,675 | 317 | 2,992 |
| Accumulated amortisation | 0 | -248 | -248 |
| Accumulated impairment | -9 | -6 | -15 |
| Carrying amount as at 31/12/2021 | 2,666 | 63 | 2,729 |

Allocation of goodwill to cash generating units

The Group has allocated goodwill to each cash generating unit which corresponds to the geographical areas of the business units acquired. The carrying amount of goodwill is as follows:

| (Amounts in NOK million) | 2022 | 2021 |
|--------------------------|--------------|--------------|
| Norway | 778 | 778 |
| Sweden | 255 | 623 |
| Finland | 1,331 | 1,265 |
| Total | 2,364 | 2,666 |

The decrease in the carrying amount of goodwill in Sweden is due to an impairment of NOK 352 million in addition to currency effects. The increase in the carrying amount of goodwill related to Finland is entirely due to currency effects as NOK has weakened compared to EUR during 2022.

The Group has made several acquisitions over the past years. These businesses are all within the existing business segments and they strengthen the Group's overall capabilities to undertake additional, larger and more complex projects. There is an ongoing process of reorganising the acquired companies. The business units acquired do no longer have cash inflows independent from other group companies or operations, and the expected benefit of the synergies from the combinations will be on country rather than company level. Due to this, the smallest group of assets generating cash inflows largely independent of cash inflows from other assets or group of assets, are the geographical areas Norway, Sweden and Finland respectively.

Impairment tests of goodwill and other intangible assets

The Group considers the relationship between its market capitalisation, carrying amounts and other factors when identifying indicators of impairment. During 2022, NRC Group's share price development and operating losses in Sweden were impairment indicators being considered as part of the test. The Group performs its annual impairment tests in the fourth quarter. Tests are carried out by comparing recoverable amount with carrying amount of the units to which goodwill is allocated. The recoverable amount is calculated based on the discounted estimated future cash flows before tax with the relevant discount rate (WACC).

Estimated cash flows for the years 2023 – 2027 are based on projections approved by the Board. Revenue growth in average per year used in the impairment tests were 2.2% in Norway, -3.5% in Sweden and 1,7% in Finland. The revenue growth assumptions are supported by the current order backlog and external information such as the tender pipeline and the transport plan in each country.

In 2022, an impairment charge of SEK 370 million was made to the Sweden segment following the negative Q4 results mainly caused by losses in the Civil construction division. Remaining goodwill related to the Swedish operations per 31 December 2022 is SEK 270 million. Restoring profitability in Sweden is the main priority for the Group. The Swedish Rail construction division improved during 2022, with strong growth in revenue and a positive EBITA for the year. The results in Maintenance have also improved, contributing to positive EBITA results, and winning 4 maintenance contracts provides a solid outlook for this

business. As a consequence of the losses in Civil construction, NRC Group will do a strategic review of the Civil operations and implement necessary actions to secure profitability in Sweden.

The discount rate before tax is 10.3% for Norway, 8.8% for Sweden and 9.4% for Finland. For the years subsequent to 2027, a terminal growth of the net cash flow of 2.95% in Norway, 1.67% in Sweden and 2.42% in Finland have been applied.

Sensitivity

The calculation of value in use is sensitive to the estimates of revenues, project margin, discount rate and terminal growth. Most sensitive to further impairment is our operations in Sweden with a remaining book value of goodwill of SEK 270 million as of 31 December 2022. The remaining goodwill is most sensitive to changes in the discount rate and the estimated future cash flows.

The pre-tax discount rate applied in Sweden is 8.8%, and the assumption for terminal growth 1.67%. Small negative changes to the assumptions in the impairment model would lead to further impairment charges. An increase in the discount rate of 1.0% would lead to further impairment of SEK 85 million, while a terminal growth of zero would lead to an impairment of SEK 56 million. A decrease in the project margin of 0.5 percentage points in the terminal year would lead to an additional impairment loss of SEK 100 million.

For Norway and Finland, no reasonably likely change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for any of the CGUs.

Note 13:

Property, plant and equipment

Accounting policy

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment loss. The cost of an item of property, plant and equipment includes costs that are directly attributable to the acquisition of the assets.

Subsequent expenditure is recognised in the carrying amount of the asset, if it is probable that the future economic benefits related to the expenditure will flow to the Group, and the expenditure can be reliably measured. The carrying amount of any parts that are replaced is derecognised. All other repair and maintenance costs are recognised in the income statement in the period when the costs are incurred, except for certain regular major inspections as described below.

Depreciation is calculated on a straight-line basis over the expected useful life of the asset, as follows:

- Buildings: 15 - 50 years
- Machinery and fixtures: 3 - 20 years

The economic life of the non-current assets and the residual value are reviewed on the date of each balance sheet and adjusted prospectively if required.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition of the asset are presented as part of the operating profit/loss and calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

If regular major inspections for faults or overhauls, regardless of whether parts of the item are replaced, is a condition of continuing to operate the equipment or to extend its economic lifetime, the related periodic maintenance can be capitalised and depreciated on a straight-line-basis until the next expected periodic maintenance is required. At the end of 2022, no such expenses were capitalised.

Impairment consideration

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Property, plant and equipment*(Amounts in NOK million)*

| | Buildings | Machinery, fixtures, etc. | Total |
|---|------------------|--------------------------------------|--------------|
| Carrying amount as of 1/1/2022 | 15 | 169 | 184 |
| Translation differences | 0 | 0 | 0 |
| Additions | - | 41 | 41 |
| Disposals | - | -8 | -8 |
| Depreciation for the year | - | -33 | -33 |
| Carrying amount as of 31/12/2022 | 15 | 169 | 184 |
| | | | |
| Total cost | 20 | 374 | 394 |
| Accumulated depreciation | -5 | -205 | -210 |
| Accumulated impairment | - | - | - |
| Carrying amount as of 31/12/2022 | 15 | 170 | 184 |

Property, plant and equipment cont.

(Amounts in NOK million)

| | Buildings | Machinery, fixtures, etc. | Total |
|---|-----------|------------------------------|------------|
| Carrying amount as of 1/1/2021 | 17 | 214 | 231 |
| Translation differences | -1 | -14 | -15 |
| Acquisitions | | | |
| Additions | | 22 | 22 |
| Disposals | | -17 | -17 |
| Depreciation for the year | -1 | -37 | -38 |
| Carrying amount as of 31/12/2021 | 15 | 169 | 184 |

Note 14: Right-of-use assets

Accounting policy

The Group leases various offices, warehouses, machinery, equipment and cars. Contracts are typically made for fixed periods of 3 to 10 years but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period based on the remaining balance of the liability for each period.

The Group has elected to use the two exemptions proposed by the standard (IFRS 16) on the following contracts:

- Lease contracts with a duration of equal to or less than 12 months
- Lease contracts for which the underlying asset has a low value

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense over the lease term in profit or loss.

Right-of-use assets

Right-of-use assets are recognised at cost less accumulated depreciation and impairment loss. Initial recognition of right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and
- restoration costs

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Intangible assets 1-3 years
- Land, offices and buildings 1-12 years
- Machinery, cars and equipment 1-25 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment testing. Refer to section regarding Impairment.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Options (extension / termination) on lease contracts are considered on a case-by-case basis following a regular management assessment. The borrowing rates used for IFRS 16 purposes have been defined based on the underlying countries and asset classes related risks. The Group's weighted average incremental borrowing rate is 2.71%.

Impairment consideration

Right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Right-of-use assets

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|-------------|-------------|
| Land, offices and buildings | 73 | 73 |
| Machinery, cars and equipment | 491 | 441 |
| Total ROU assets | 564 | 514 |

Depreciation charge during the year:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|------------|------------|
| Intangible assets | 0 | 1 |
| Land, offices and buildings | 30 | 33 |
| Machinery, cars and equipment | 121 | 124 |
| Total depreciation expense | 151 | 158 |
| Interest expense on lease liabilities | 11 | 12 |
| Lease expense - short-term and low-value leases | 132 | 119 |
| Total cash outflow for all leases | 302 | 287 |
| Addition of ROU assets during the financial year | 192 | 134 |

The lease expense for short-term and low-value leases mainly consists of project related short-term lease agreements. For information about the related leasing liabilities, please refer to note 19.

Note 15: Trade receivables and other receivables

Total receivables

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|----------------------------------|--------------|--------------|
| Trade receivables | 772 | 939 |
| Provisions for expected losses | -7 | -10 |
| Trade receivables – net | 765 | 929 |
| Contract assets | 475 | 315 |
| Other current receivables | 185 | 115 |
| Total current receivables | 1,425 | 1,359 |

Age distribution of trade receivables:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|------------|------------|
| Trade receivables not due for payment | 604 | 755 |
| Up to 30 days | 93 | 114 |
| Between 30 and 90 days | 42 | 51 |
| Over 90 days | 33 | 19 |
| Total receivables due for payment | 168 | 184 |
| Total trade receivables | 772 | 939 |

Trade and other current receivables by currency:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|----------------------------------|--------------|--------------|
| NOK | 586 | 473 |
| SEK | 381 | 335 |
| EUR | 458 | 552 |
| Total current receivables | 1,425 | 1,359 |

Note 16: Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash, bank deposits and other short-term and highly liquid investments with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Trade and other current receivables by currency:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|------------|------------|
| Cash and bank deposits | 472 | 626 |
| Restricted cash | 0 | 0 |
| Total | 472 | 626 |

Restricted cash includes the employees' tax withholdings and cash deposits for rent agreements.

Cash and cash equivalents per currency:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|------------|------------|
| NOK | 389 | 493 |
| SEK | -118 | -18 |
| EUR | 201 | 152 |
| Total | 472 | 626 |

Negative cash in SEK and EUR is related to and netted as part of the Group's cash pool agreement with Danske Bank.

Note 17:

Share capital and shareholder information

Accounting policy

Expenses that are directly attributable to the issue of new shares less taxes are recognised against the equity as a reduction in the proceeds.

Payments for the purchase of own shares are recognised as a reduction in equity and proceeds from any sale as an increase. A loss or gain is not recognised in the income statement for any purchase, sale, issue or cancellation of own shares.

NRC Group ASA has one class of shares. The total number of external shares at year-end was 72,837,893 excluding 116,656 own shares (2021: 72,953,966 excluding 583 own shares), with a nominal value of NOK 1.00 each. The share capital as of 31 December 2022 totalled NOK 72,954,549 (2021: 72,954,549).

On 12 May 2016, the Company's Annual General Meeting approved implementation of an option programme for senior management. On the Annual General Meeting 6 May 2021, the option programme for senior management was renewed for two more years, comprising in total 1,200,000 shares. The Board of Directors are authorised to increase the share capital and to determine the subscription price and other subscription terms. The authorisation only applies to issuances of shares against payment in cash and is valid until 6 May 2023. 131,407 shares have been issued and 476,000 options were granted and outstanding under this programme as per 31 December 2022. This programme is further described in note 7.

On 19 April 2018, the Company's Annual General Meeting approved implementation of an option programme for key employees. The Annual General Meeting 5 May 2022 granted the authorisation to increase the share capital by up to NOK 1,000,000 in connection with the option programme for key employees. The Board of Directors are authorised to increase the share capital and to determine the subscription price and other subscription terms. No shares have been issued under this programme and 983,500 options were granted and outstanding at 31 December 2022. The authorisation only applies to issuances of shares against payment in cash and is valid until 5 May 2024. This Programme is further described in note 7.

At the Annual General Meeting on 5 May 2022, the General Meeting granted the Board of Directors an authorisation to acquire shares in the Company for up to a maximum nominal

value of NOK 7,295,454.90. The Board of Directors' acquisition of shares pursuant to the authorisation can only take place between a minimum price of NOK 1 and a highest price of NOK 100 per share. The authorisation applies until the Annual General Meeting in the spring of 2023, but not later than 30 June 2023. Acquisitions and disposals of treasury shares can take place in the manner found appropriate by the Board of Directors.

On the general meeting 5 May 2022, the Board of Directors were authorised to increase the share capital by up to NOK 7,295,455.00, through issuance of up to 7,295,455 new shares, each with a par value of NOK 1.00. The capital increase may be paid in cash, by set-off or by contributions in assets other than money. The authorisation includes the right to incur special obligations on behalf of the company, cf. Section 10-2 of the Norwegian Public Limited Companies Act. The shareholders' pre-emptive rights pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be waived by the Board of Directors, cf. Section 10-5 of the Norwegian Public Limited Companies Act. The authorisation includes decisions on merger, cf. Section 13-5 of the Norwegian Public Limited Companies Act. The authorisation is valid from registration with the Register of Business Enterprises until the Annual General Meeting in the spring of 2023, but not later than 30 June 2023, and includes the right to change the company's Articles of Association in connection with the share capital increase.

The movement in the number of shares, excluding own shares, during the year was as follows:

| | |
|--|------------|
| Total number of shares on 31 December 2021 | 72,954,549 |
| Total number of shares on 31 December 2022 | 72,954,549 |

Treasury shares

The Company owned 583 treasury shares at the beginning of 2022. During 2022, the Company acquired 371,033 treasury shares at a total proceed of NOK 7.0 million. 254,960 of the shares were transferred to the employees participating in the 2022 share programme for employees. At the end of 2022, the Company owned 116,656 treasury shares corresponding to 0.16 % of the total number of outstanding shares. The Board of Directors has a mandate until the Annual General Meeting in the spring of 2023 and no later than 30 June 2022, to acquire up to 7,295,455 of the Company's own shares.

Ownership structure

The number of shareholders as of 31 December 2022 was 4,317, compared with 4,576 as of 31 December 2021. The percentage of issued shares held by foreign shareholders was 56.75%, compared with 55.6 % at year-end 2021.

NRC Group's 20 largest shareholders as of 31 December 2022:

| Name | Country | Holding | Stake (%) |
|---|---------|-------------------|---------------|
| Vr-yhtymä OY | Fin | 13 336 415 | 18,28 |
| J.P. Morgan SE | Lux | 7 402 764 | 10,15 |
| The Bank of New York Mellon SA/NV | Bel | 7 014 701 | 9,62 |
| J.P. Morgan SE | Lux | 3 702 909 | 5,08 |
| Verdipapirfondet Nordea Norge | Nor | 2 172 468 | 2,98 |
| Protector forsikring ASA | Nor | 1 868 968 | 2,56 |
| Skandinaviska Enskilda Banken AB | Lux | 1 720 000 | 2,36 |
| Verdipapirfondet Nordea Avkastning | Nor | 1 319 412 | 1,81 |
| Gunnar Knutsen Holding AS | Nor | 1 252 677 | 1,72 |
| Avanza bank AB | Swe | 1 186 320 | 1,63 |
| Vinterstua AS | Nor | 1 008 963 | 1,38 |
| Clearstream Banking S.A. | Lux | 1 004 173 | 1,38 |
| LGA Holding AS | Nor | 922 880 | 1,27 |
| Heim Haugo AS | Nor | 850 745 | 1,17 |
| J.P. Morgan SE | Lux | 829 460 | 1,14 |
| Danske Invest Norge vekst | Nor | 719 988 | 0,99 |
| Verdipapirfondet Nordea Kapital | Nor | 680 855 | 0,93 |
| Verdipapirfondet Nordea Norge Plus | Nor | 669 115 | 0,92 |
| Nordea bank ABP | Fin | 603 487 | 0,83 |
| Nordnet bank AB | Swe | 587 933 | 0,81 |
| Total number of shares owned by top 20 | | 48 854 233 | 66,97 |
| Total number of shares | | 72 954 549 | 100,00 |

Shares held by members of the Board of Directors and executive management on 31 December 2022 including shares controlled through holding companies and related parties:

| | | Ordinary shares | Share options |
|--------------------------------|--|--------------------|------------------|
| Rolf Jansson | Chairman of the Board of Directors | 65,000 | |
| Eva Nygren | Board member | 1,000 | |
| Heikki Allonen | Board member | 28,000 | |
| Mats Williamson | Board member | 30,000 | |
| Tove Pettersen | Board member | 5,000 | |
| Karin Orgland | Board member | 15,000 | |
| Outi Henriksson | Board member | 5,000 | |
| Henning Olsen | CEO NRC Group | 114,306 | 135,000 |
| Ole Anton Gulsvik ¹ | CFO NRC Group | 138,277 | 75,000 |
| Arild Moe | EVP & MD NRC Group Norway | 232,033 | 57,000 |
| Harri Lukkarinen | EVP & MD NRC Group Finland | 16,962 | 115,500 |
| Lene Engebretsen | EVP & Head of communications | 9,259 | 41,000 |
| Jussi Mattsson | EVP & Head of Strategy and Business Dev. | 5,252 | 35,000 |
| Marianne Kellmer | EVP & Head of HR | 4,281 | |

¹ Including 133,996 shares held by Jodfabrikken AS, a company wholly owned by Ole Anton Gulsvik.

187,167 of the share options to the executive management were exercisable at year-end. See note 7 for further information.

Dividend

Based on the 2022 results, the Board of Directors will propose no dividends for 2022.

Note 18: Pensions

Accounting policy

The Group has several defined contribution plans. A defined contribution plan is a pension plan in which the Group pays fixed contributions to a separate entity (fund) and where the Group does not have any legal or constructive obligation to pay additional contributions if the fund does not have sufficient assets to pay all employees' benefits relating to their service in current and prior periods. The expense for each period is determined by the amounts of contributions for that period. Contributions paid in advance are recognised as an asset to the extent that the contribution can be refunded or be used to reduce future payments.

The Group has a supplementary defined benefit post-employment plan in Finland, administrated by an external insurance company. Remeasurements of actuarial gains and losses on the net defined benefit liability and the return on plan assets, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset and included in the net pension expense.

The Group also has contractual retirement scheme (AFP) for a certain part of their employees in Norway. The AFP pension scheme is a defined benefit multi-employer plan that is financed through premiums paid by participating employers. Because the scheme's administrator is not providing information to identify the participating employer's share of financial position and performance with sufficient reliability, the AFP scheme is accounted for as a defined contribution scheme.

The Group has defined contribution plans covering all employees in Norway, Sweden and Finland. In Norway, the Group also has contractual retirement scheme (AFP) for a certain part of their employees accounted for as a defined contribution scheme. AFP premiums for 2022 are fixed at 2.6% of salary up to approximately NOK 0.8 million. In Finland, the Group has a defined benefit plan related to a supplementary old age pension scheme in an insurance company.

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|------------|------------|
| Pension expenses | | |
| Defined contribution plans | 137 | 140 |
| Defined benefit plans | 0 | 1 |
| Contractual pension, multi-employer plan, Norway | 4 | 4 |
| Total pension expenses | 141 | 145 |
| Number of employees covered | | |
| Defined contribution plans | 1,907 | 1,840 |
| Defined benefit plans, active | 37 | 70 |
| Defined benefit plans, pensioners | 374 | 398 |
| Early retirement scheme, Norway (AFP) | 391 | 339 |
| Defined benefit expenses | | |
| Defined benefit plan, net expense | 0 | 1 |
| Actuarial gain and losses recognised in OCI, net of tax | -6 | 4 |
| Recognised in total comprehensive income | -6 | 5 |
| Defined benefit obligation | | |
| Defined benefit obligation 1 January | 91 | 101 |
| Current service cost | - | 1 |
| Interest cost | - | 0 |
| Benefits paid | -8 | -9 |
| Actuarial gain (+)/ losses (-) | -25 | 3 |
| Curtailment | - | - |
| Currency differences | 3 | -5 |
| Defined benefit obligation 31 December | 61 | 91 |

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|----------|-----------|
| Plan assets | | |
| Plan assets 1 January | 75 | 90 |
| Interest income | - | 0 |
| Contribution paid | - | 1 |
| Benefits paid | -8 | -9 |
| Actuarial gain (+)/ losses (-) | -19 | -3 |
| Curtailment | - | - |
| Currency differences | 4 | -4 |
| Plan assets 31 December | 52 | 75 |
| Net defined benefit liability 31 December | 9 | 16 |

| <i>(Amounts in NOK million)</i> | 31.12.2022 | 31.12.2021 |
|---------------------------------|------------|------------|
| Actuarial assumptions | | |
| Discount rate | 3.25% | 0.40% |
| Salary increase | 3.70% | 3.20% |
| Inflation | 2.50% | 1.90% |
| Mortality (TyEL) | K2016 | K2016 |
| Benefit increase | 2.70% | 2.00% |
| Insurance company bonus index | 0.25% | 0.00% |
| Turnover rate | 3.00% | 3.00% |

Sensitivity

Change in discount rate with 0.50 percentage point will change net pension liability with approximately NOK 1 million. Change in benefit or bonus index with 0.50 percentage point will change net pension liability with approximately NOK 2 million.

Note 19: Loans and other non-current liabilities

The composition of non-current and current interest-bearing liabilities is as follows:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|--------------|--------------|
| Interest-bearing non-current liabilities: | | |
| Lease liabilities | 353 | 319 |
| Bond debt | 600 | 600 |
| Other loans and borrowings | 141 | 280 |
| Total interest-bearing non-current liabilities | 1,095 | 1,199 |
| Interest-bearing current liabilities: | | |
| Lease liabilities | 175 | 173 |
| Loans and borrowings | 153 | 146 |
| Total interest-bearing current liabilities | 328 | 319 |

The interest-bearing debt has variable interest rates or interest adjustment clauses that are shorter than three months at any given time. Since the debt can be repaid, other than the bond, at the time when the interest rate is regulated, the difference between the fair value and carrying amount will be small and insignificant.

Additionally, the Group had an unused credit facility of NOK 200 million at year-end, the same as at the end of the previous year. On 19 January 2023, an amended credit facility was signed. In addition to the existing credit facility of NOK 200 million, it includes a seasonal credit facility of NOK 300 million which will be available under certain circumstances.

| <i>(Amounts in NOK million)</i> | NOK | EUR | SEK |
|---------------------------------|---------------------------|------------------------------|---------------------------|
| Lease liabilities | + 1.75% - 4.00% | + 2.60% - 3.45% | + 3.30% - 4.80% |
| Bond debt | 3-month NIBOR* + 4.51% | | |
| Bank loan | | 3-month EURIBOR** + 2.05% | |
| Credit facility | 3-month NIBOR + 1.45% | 3-month EURIBOR + 1.65% | 3-month STIBOR + 1.65% |

*The 3 months NIBOR has been hedged to a fixed rate of 1.838% for the full period. ** Minimum zero

The margins on the bank loan and credit facility depend on the leverage ratio (net interest-bearing debt to adjusted EBITDA). During 2022, the margin on the bank loan started at 2.05%, decreased to 1.85% and ended at 2.05% at year end. The margin can be in a range of 1.70% to 2.50%. During 2022, the margin on the credit facility was between 1.20% and 1.45 % of the total range of 1.00% and 1.65% for NOK, and between 1.40% and 1.65% of the total range of 1.20% and 1.85% for EUR and SEK. The margin on the amended credit facility valid from 19 January is aligned for all currencies and is in the range of 1.00% and 1.65%. The reference rates NIBOR, STIBOR and EURIBOR will be limited at minimum zero.

Carrying amount of non-current and current interest-bearing liabilities:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|--------------|--------------|
| NOK | 987 | 909 |
| EUR | 388 | 540 |
| SEK | 47 | 69 |
| Total interest-bearing liabilities | 1,423 | 1,518 |

The undiscounted maturity structure of the NRC Group's current and non-current interest-bearing liabilities including estimated interest expenses where applicable is as follows:

Year-end 2022

| <i>(Amounts in NOK million)</i> | 1H 2023 | 2H 2023 | 2024 | 2025 | 2026 | 2027 | 2028 -> |
|---------------------------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| Leasing | 96 | 91 | 133 | 97 | 62 | 30 | 49 |
| Bond | 18 | 18 | 625 | - | - | - | - |
| Bank loans | 82 | 80 | 145 | - | - | - | - |
| Total | 195 | 189 | 904 | 97 | 62 | 30 | 49 |
| Hereof interest | 29 | 26 | 34 | 5 | 3 | 2 | 1 |

The bond matures at 13 September 2024. The bank loan refers to a EUR facility with Danske Bank with quarterly instalments of EUR 3.6 million and final settlement on 7 January 2024. On 14 February 2023, an Amendment and Restatement Agreement related to the existing facilities agreement with Danske Bank was signed. Changes in the Agreement concern amongst others a reduction of quarterly instalments to EUR 1.2 million and a postponed final settlement date of 8 July 2024.

Year-end 2021

| <i>(Amounts in NOK million)</i> | 1H 2022 | 2H 2022 | 2023 | 2024 | 2025 | 2026 | 2027 -> |
|---------------------------------|------------|------------|------------|------------|-----------|-----------|-----------|
| Leasing | 97 | 85 | 125 | 82 | 53 | 27 | 46 |
| Bond | 18 | 18 | 36 | 627 | - | - | - |
| Bank loans | 78 | 76 | 150 | 137 | - | - | - |
| Total | 193 | 179 | 311 | 846 | 53 | 27 | 46 |
| Hereof interest | 27 | 25 | 46 | 31 | 2 | 1 | 2 |

The Company's term facilities with Danske Bank ASA and the NOK 600 million senior unsecured bond contain certain financial conditions based on the facility agreements that may not be directly related to reported IFRS numbers:

- Interest cover ratio: 12 months rolling EBITDA adjusted for acquisition costs and certain non-recurring items in relation to relevant financial net payments.
- Leverage ratio: Net interest-bearing debt in relation to adjusted 12 months rolling EBITDA
- Equity ratio: Equity in relation to total assets

Covenants at year-end 2022

| | Condition | Actual |
|-----------------------------------|-----------|--------|
| Interest cover ratio, Danske Bank | ≥ 3.00 | 16.54 |
| Leverage ratio, Danske Bank | ≤ 3.50 | 2.78 |
| Equity ratio, Danske Bank | > 25% | 45 % |
| Interest cover ratio, bond | >2.50 | 5.88 |
| Equity ratio, bond | > 25% | 45 % |

There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. In the Amendment and Restatement Agreement related to the existing facilities agreement with Danske Bank signed 14 February 2023, the leverage ratio covenant has increased with 0.25 for the period Q4 2022 until Q4 2023. Consequently, the leverage ratio for the Danske Bank facility will be 3.75 for the period Q4 2022 to Q3 2023, reduced to 3.5 in Q4 2023 and will be 3.25 from the beginning of 2024.

Covenants at year-end 2021

| | Condition | Actual |
|-----------------------------------|-------------|--------|
| Interest cover ratio, Danske Bank | ≥ 3.00 | 11.71 |
| Leverage ratio, Danske Bank | ≤ 4.00 | 2.66 |
| Equity ratio, Danske Bank | $> 25\%$ | 47 % |
| Interest cover ratio, bond | > 2.50 | 5.1 |
| Equity ratio, bond | $> 25\%$ | 47 % |

There were no breaches of the financial covenants of any interest-bearing liability during 2021.

The bond agreement includes for certain transactions such as paying dividend and taking on new loan agreements, requirements of an incurrence test with leverage ratio < 3.0 compared to actual 2.8 on 31 December 2022. The leverage ratio in respect of dividend distributions reduces to 2.5 from 1 January 2023. Paying dividend is restricted to 50% of any net income for the year. No dividend is proposed for 2022.

Changes in interest-bearing liabilities arising from financing activities:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|--------------|--------------|
| Interest-bearing liability at 1 January | 1,518 | 1,768 |
| Repayment of borrowings | -147 | -147 |
| Payments of lease liabilities | -171 | -168 |
| Leasing liabilities, net of additions, terminations and adjustments | 196 | 102 |
| Currency adjustment | 27 | -37 |
| Interest-bearing liability at 31 December | 1,423 | 1,518 |

Note 20: Other current liabilities

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|------------|------------|
| Accrued salaries etc | 266 | 272 |
| Accrued project expenses | 133 | 113 |
| Provisions | 20 | 24 |
| Other current liabilities | 74 | 51 |
| Total | 492 | 460 |

Note 21: Provisions

Accounting policy

Claims and disputes

The Group recognises provisions when there is a present legal or constructive obligation as a result of past events, it is probable that the obligation will be settled by a transfer of economic resources, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognised unless assumed in a business combination. Contingent liabilities assumed in a business combination are initially measured at fair value. Subsequently, it is measured at the higher of the best estimate of the expenditure required to settle the obligation and the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Warranty

Provisions for warranty-related costs are recognised when the project is delivered to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

(Amounts in NOK million)

| | Warranty provisions | Provisions for loss-making projects | Total provisions |
|---|---------------------|-------------------------------------|------------------|
| Opening Balance 1 January 2022 | 7 | 17 | 24 |
| Translation differences | 0 | 0 | 0 |
| Arising during the year | 3 | 12 | 14 |
| Utilised | -2 | -1 | -3 |
| Unused amounts reversed | -3 | -13 | -16 |
| Closing Balance 31 December 2022 | 5 | 15 | 20 |

Provisions cont.*(Amounts in NOK million)*

| | Warranty provisions | Provisions for loss-making projects | Total provisions |
|---|---------------------|---|------------------|
| Opening Balance 1 January 2021 | 6 | 18 | 24 |
| Translation differences | 0 | -1 | -1 |
| Arising during the year | 4 | 13 | 17 |
| Utilised | -1 | -8 | -9 |
| Unused amounts reversed | -2 | -4 | -6 |
| Closing Balance 31 December 2021 | 7 | 17 | 24 |

Note 22:

Pledged assets, guarantees and security

Bank loans amounting to EUR 28.2 million and an unused credit facility of NOK 200 million are secured by pledge over shares in subsidiaries, other than GSP and JVK, amounting to NOK 2,000 million, receivables, inventory and operating equipment amounting to NOK 500 million per entity and intra-group loans of NOK 2,000 million. Total book value of receivables and inventory amounts to NOK 1,454 million. Leasing liabilities amounting to NOK 528 million are secured by way of the underlying assets for which the legal ownership is kept by the lease counterpart. Total book value of right-of-use assets amounts to NOK 564 million.

The Group has framework agreements with Tryg Garanti/ Tryg Forsikring A/S (utilised NOK 378 million out of NOK 450 million), Nordic Guarantee (utilised NOK 44 million out of NOK 44 million), House of Guarantees AS (utilised NOK 99 million out of NOK 200 million), Euler Hermes Norge (utilised NOK 95 million out of NOK 200 million), Garantia Insurance Company Ltd (utilised EUR 23 million of EUR 30 million) and Standard Garanti Forsikring AS (utilised NOK 8 million out of NOK 150 million). Guarantees are issued as collateral for the fulfilment of the Group's contractual obligations. These could be based on contract performance, prepayments, warranty obligations, withholding taxes and similar.

Note 23:

Fair value of assets and liabilities, and financial assets per category

Accounting policy

Financial instruments

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income (OCI) or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

All material financial assets are measured at amortised cost. In general, financial assets are recognised initially at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less provision for losses that have been incurred. At initial recognition, trade and other receivables that do not have a significant financing component are measured at their transaction price.

Financial assets measured at amortised cost are financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. This category includes the Group's trade and other receivables, contract assets, any loans included under other non-current financial assets and cash and cash equivalents.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses. The Group recognises a loss provision at each reporting date for the total expected credit loss based on individual assessments of specific trade receivables and contract assets.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Most relevant to the Group is loans and borrowings or payables and consists of current and non-current interest-bearing loans, lease liability and trade and other payables. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Loans are classified as current liabilities unless there is an unconditional right to defer payment of the debt by more than 12 months from the date of the balance sheet. Trade and other payables are classified as current if payment is due within one year or less. Otherwise, they are classified as non-current.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

There are no material differences between the fair value and carrying value of financial assets and liabilities.

Financial instruments per category 2022

(Amounts in NOK million)

| | Balance sheet on 31 December 2021 | Financial assets at fair value | Financial assets at amortised cost | Financial liabilities at fair value | Financial liabilities at amortised cost | Non- financial item |
|--|--|--------------------------------------|---|--|--|---------------------------|
| Non-current financial assets | 23 | 15 | 8 | | | |
| Total inventories | 29 | | | | | 29 |
| Trade receivables | 765 | | 765 | | | |
| Contract assets | 475 | | 475 | | | |
| Other current receivables | 185 | | 29 | | | 156 |
| Cash & cash equivalents | 472 | | 472 | | | |
| Total | 1,950 | 15 | 1,750 | | | 185 |
| Pension obligations | 11 | | | | | 11 |
| Interest-bearing non-current liabilities | 1,095 | | | | 1,095 | |
| Deferred tax | 1 | | | | | 1 |
| Other non-current liabilities | 0 | | | | | |
| Interest-bearing current liabilities | 328 | | | | 328 | |
| Trade payables | 504 | | | | 504 | |
| Contract liabilities | 305 | | | | | 305 |
| Public fees payable | 143 | | | | | 143 |
| Tax payable | 1 | | | | | 1 |
| Other current liabilities | 492 | | | | | 492 |
| Total | 2,879 | | | | 1,927 | 952 |

Financial instruments per category 2021

(Amounts in NOK million)

| | Balance sheet on 31 December 2022 | Financial assets at fair value | Financial assets at amortised cost | Financial liabilities at fair value | Financial liabilities at amortised cost | Non- financial item |
|--|--|--------------------------------------|---|--|--|---------------------------|
| Non-current financial assets | 9 | 1 | 9 | | | |
| Total inventories | 28 | | | | | 28 |
| Trade receivables | 929 | | 929 | | | |
| Contract assets | 315 | | 315 | | | |
| Other current receivables | 115 | | 53 | | | 62 |
| Cash & cash equivalents | 626 | | 626 | | | |
| Total | 2,022 | 1 | 1,932 | | | 90 |
| Pension obligations | 16 | | | | | 16 |
| Interest-bearing non-current liabilities | 1,199 | | | | 1,199 | |
| Deferred tax | 2 | | | | | 2 |
| Other non-current liabilities | 8 | | | 8 | | |
| Interest-bearing current liabilities | 319 | | | | 319 | |
| Trade payables | 359 | | | | 359 | |
| Contract liabilities | 424 | | | | | 424 |
| Public fees payable | 154 | | | | | 154 |
| Tax payable | 25 | | | | | 25 |
| Other current liabilities | 460 | | | | | 460 |
| Total | 2,966 | | | 8 | 1,877 | 1,081 |

Non-financial assets and liabilities include contract liabilities, advance payments, accruals and provisions.

The table below analyses financial instruments recorded at fair value according to valuation method. The different levels are defined as follows:

Level 1: Fair value is measured using quoted prices from active markets for identical financial instruments. No adjustment is made for these prices.

Level 2: Fair value is measured using other observable input than that used in level 1, either directly (prices) or indirectly (derived from the prices).

Level 3: Fair value is measured using input that is not based on observable market data.

Financial assets at fair value:

| <i>(Amounts in NOK million)</i> | Level 1 | Level 2 | Level 3 | Total |
|---|----------|----------|-----------|-----------|
| Financial assets at fair value through profit or loss | | | 1 | 1 |
| Derivatives defined as hedging instruments | | | | 0 |
| Total at 31 December 2021 | 0 | 0 | 1 | 1 |
| Financial assets at fair value through profit or loss | | | | |
| Derivatives defined as hedging instruments | | | 15 | |
| Total at 31 December 2022 | 0 | 0 | 15 | 15 |

Financial liabilities at fair value:

| <i>(Amounts in NOK million)</i> | Level 1 | Level 2 | Level 3 | Total |
|--|----------|----------|----------|----------|
| Financial liabilities at fair value through profit or loss | | | 4 | 4 |
| Derivatives defined as hedging instruments | | 4 | | 4 |
| Total at 31 December 2021 | 0 | 4 | 4 | 8 |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivatives defined as hedging instruments | | | | |
| Total at 31 December 2022 | 0 | 0 | 0 | 0 |

The carrying value of cash and cash equivalents and liabilities to credit institutions is virtually the same as their fair value since these instruments have a short maturity term. Correspondingly, the carrying value of trade receivables and trade payables are virtually the same as the fair value, as they are agreed upon under "normal" terms. This also applies to unpaid government charges, tax payable and current liabilities. A large proportion of non-current liabilities has variable interest rates and continuous interest rate adjustment, and therefore the carrying value is substantially the same as the fair value. The fair value of the group's interest rate hedge per year-end is estimated using the forward rate on the balance sheet date and is confirmed by the financial institution with which the agreement is signed. For more information about the hedging instruments, please refer to note 24.

Note 24:

Financial risk

The Group activities involve various types of financial risk: market risk (currency and interest rate), credit risk and liquidity risk. A Group risk management policy for hedging is implemented to manage this risk, and the Group has a central finance department to carry out the risk management in close cooperation with the subsidiaries. The Group's senior management oversees the management of these risks. The purpose of risk management is to minimise any potentially negative impact on the Group's financial results.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk most relevant to the Group comprises currency risk and interest rate.

a. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries.

The Group focuses on reducing any foreign currency risk associated with cash flows, and on reducing the foreign currency risk associated with assets and liabilities. The subsidiaries in general have revenue and expenses in the same currency, and this substantially reduces the Group's cash flow exposure to a single currency. The finance department carries out assessments of the need for any hedging of currency risk in cash flows, based on a group hedging policy.

The EUR 28.2 million loan in Danske Bank hedges the net investment in Finland. Intercompany loans considered as part of the net investment in foreign operations include a SEK 300 million loan to Sweden.

Net foreign exchange gains totalled NOK -1 million in 2022 (2021: NOK -2 million).

The NOK/SEK rate of exchange as of 31 December 2022 was 0.9453 (2021: 0.9745), while the average of the monthly average rates used to translate the income statement was 0.9506 (2021: 1.002). The NOK/EUR rate of exchange as of 31 December 2022 was 10.5138 (2021: 9.9888), while the average of the monthly average rates used to translate the income statement was 10.1021 (2021: 10.1633).

The following tables demonstrate the sensitivity to a reasonably possible change in SEK and EUR exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|-------------------------------------|-------------|-------------|
| Change in SEK rate | -5 % | -5 % |
| Effect on net income | 23 | 4 |
| Effect on equity | -15 | -39 |
| Effect on net interest-bearing debt | 8 | 4 |
| Change in EUR rate | -5 % | -5 % |
| Effect on net income | -5 | -7 |
| Effect on equity | -48 | -35 |
| Effect on net interest-bearing debt | 9 | 19 |

b. Interest rate risk

The Group has interest-bearing debt as described in note 19. The Group has a loan agreement with Danske Bank, a 5-year bond, and operational and financial leases being interest-bearing. The total cash position nets off some of the interest rate risk. The NOK 600 million bond issued in September 2021 carries an interest of 3 months NIBOR + 4% until maturity 13 September 2024. The 3 months NIBOR has been hedged to a fixed rate of 1.838% for the full period using an interest rate swap. The bond creates an exposure to pay 3 months NIBOR interest on the NOK 600 million notional. The interest rate swap on the same notional creates an equal and opposite interest receipt and a fixed interest payment, therefore creating an exact offset for this transaction resulting in a net fixed interest payable of 1.838%. As the interest rate swap is based on the same notional, settlement dates and maturity as the bond, the hedge ratio is 100%. The fair value of the interest rate swap was NOK 15 million at year-end (2021: NOK -4 million), impacting OCI positively with NOK 15 million in 2022.

Net interest expense for 2022 amounts to NOK 57 million (2021 NOK 63 million). An increase in interest rate of 1 percentage point would have increased interest on debt by approximately NOK 9 million in 2022.

Credit risk

Credit risk in connection with sales to customers is managed within the subsidiaries, and at group level for major projects. Credit risk is monitored by the subsidiaries and at group level. The Group has guidelines for new contracts that focus on various elements, all of which shall contribute to early payments from the customer.

79% of the revenues for 2022 were to customers that are municipalities or government agencies, or companies or institutions where municipalities or government agencies have a dominant influence. The Group considers the risk of potential future losses from this type of customer to be low. The Group has not entered any transactions that involve financial derivatives or other financial instruments to mitigate credit risks.

As of 31 December 2022, the Group has provisions of NOK 7 million (2021: NOK 10 million) for potential future losses on specific trade receivables. The loss provision represents the total expected credit loss based on individual assessments of specific trade receivables at the reporting date. The age distribution of the Group's trade receivables is specified in Note 15.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 23.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due, and that financing will not be available at a reasonable price. The central management team and the local managers of subsidiaries monitor the Group's liquid resources and credit facilities through revolving forecasts based on the expected cash flow. The Group's operations are impacted by seasonal fluctuations, since a large portion of the Group's operations consist of railroad work. Railroad work is performed to a lesser extent in winter during frost and when the surface of the earth is covered in snow. The Group normally ties up working capital when the activity is increasing.

The Group had NOK 672 million in liquid reserves at the end of the year, compared with NOK 826 million in liquid reserves at the end of the previous year. Restricted bank deposits totalled NOK 0 million (2021: NOK 0 million) and total cash were NOK 472 million (2021: NOK 626 million). Additionally, the Group had an unused credit facility of NOK 200 million at year-end, the same as at the end of the previous year. The Group has a multi-currency cash pool administrated by Danske Bank, increasing the availability to the cash reserves for almost all subsidiaries.

Total short-term interest-bearing debt including leasing liabilities at the year-end that are due to be paid during 2023 amounts to NOK 328 million (2021: NOK 319 million to be paid in 2022).

Moreover, the Group has total current liabilities excluding interest-bearing debt as of 31 December 2022, totalling NOK 1,445 million (2021: NOK 1,422 million). Total current assets amounted to NOK 1,927 million compared to NOK 2,013 million last year.

Capital management

The purpose of the Group's capital management is to ensure a predictable financial framework for operations and provide shareholders with a return according to our dividend policy.

The Group's capital structure considers the required financial flexibility to execute strategic plans, to handle existing debt financing arrangements as well as working capital needs and to provide necessary funds for dividend payment. The long-term ambition is to have a leverage ratio below 2.5. The ratio at year end was 2.8.

The Group manages its capital structure and makes changes based on an ongoing assessment of the current economic condition and the outlook for both the short and medium term. Capital management is amongst other monitored based on available cash and net interest-bearing debt, as well as the Group's leverage ratio, interest cover ratio and equity ratio. For more information about capital management considerations, see separate section under liquidity risk above and note 19.

Note 25: Inventories

Accounting policy

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|-----------|-----------|
| Raw materials and materials for resale | 21 | 15 |
| Finished goods | 8 | 13 |
| Total inventories | 29 | 28 |

Inventory relates to the Finish operations. No write-downs have been made to inventory in 2022. Inventories have been pledged for short- and long-term loans, see note 22.

Note 26:

Disputes and claims related to projects

Through its ongoing operations, the Group is involved in disputes with customers regarding the interpretation and understanding of contracts and agreements. This applies in particular to complex and large projects where the contract terms can be challenging. The Group strives to resolve these kinds of disputes outside court whenever possible, but some cases may nevertheless have to be decided by arbitration or in court. Disputes can be the Group's claims on customers and/or customers' claims on the Group. Comprehensive assessments are conducted in connection with disputed claims to ensure the most correct revenue and/or expense recognition. In 2022, the Group lost a lawsuit against the prior owners of Signal och Banbyggarna i Dalarna AB, a company acquired in 2017. The case has been appealed by the Group. At year-end the Group has no ongoing legal or arbitration proceedings that is assumed can have any significant negative effects on the Group's financial position.

Note 27: Subsidiaries, associates and joint ventures

The following directly and indirectly owned subsidiaries are included in the consolidated accounts. All entities are owned 100% unless otherwise noted.

NRC Group Holding AS, Norway
NRC Norge Holding AS, Norway
NRC Norge AS, Norway
NRC Gravco AS¹, Norway
Septik Tank Co AS¹, Norway
NRC Kept AS (previously: Norsk Saneringservice AS), Norway
Gunnar Knutsen AS, Norway
Asker Miljøpark AS, Norway
NRC Vedlikehold AS, Norway
Nordic Railway Construction AB, Sweden
Nordic Railway Construction Sweden AB, Sweden
Signal & Banbyggarna i Dalarna AB, Sweden
Järnvägs konsulterna Bollnäs AB, Sweden
Gästrik Signal & Projektering AB, Sweden²
Blom Sweden AB, Sweden
Nordic Railway Construction Underhåll AB, Sweden
NRC Holding Finland Oy, Finland
NRC Group Finland Oy, Finland

The Group also has an investment in an associated company. The investment is accounted for according to the equity method.

- 1) NRC Gravco AS and Septik Tank Co AS have been disposed in Q1 2023.
- 2) Gästrike Signal & Projektering AB was 80% owned by NRC AB per 31 December 2022. The remaining 20% share was acquired in Q1 2023.

Accounting policy

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group's investments in associates are accounted for using the equity method.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group's investments in joint venture are accounted for, using the equity method.

Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The Group has a 20% interest sharing risks and rewards of two larger projects (E04 Station Haga, and E03 Kvarnberget) with Webuild (40%) and Gülermak (40%) in connection with Station Haga in Gothenburg, through the associated company AGN Haga AB. The projects commenced during 2018/2019 and are complex with substantial risk. The Group is represented in the board of the company but is not operationally involved in any of the projects.

In Q1 2023, AGN Haga AB received a termination notice from Trafikverket in relation to E04 Station Haga. The contract in relation to Kvarnberget (E03) is not part of the termination notice.

Webuild, Gülermak and Nordic Railway Construction Sverige AB have given surety to Trafikverket related to AGN Haga's execution of project E03 Kvarnberget.

During 2022, NRC Group has made capital contribution of SEK 15 million to AGN Haga AB, representing NRC Group's pro-rata share of the total capital contributions, to support working capital in AGN Haga AB. Due to substantial uncertainty in the projects, all capital contributions of SEK 15.5 million have been impaired in 2022, and the book value of AGN Haga AB in the Group's annual accounts at 31 December 2022 is NOK 0 million. Due to the write-down to a book value of NOK 0 million, the share of net income from AGN Haga AB has not been recognised in NRC Group accounts.

A summary of the financial information of AGN Haga AB, based on 100% figures:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|-------------|-------------|
| Total revenue | 1,413 | 1,204 |
| Net profit for the year | 123 | 9 |
| The Group's calculated share of the net profit (20%) | 25 | 2 |
| Provisions made in the Group accounts | -25 | -2 |
| The Group's reported share of the net profit | 0 | 0 |

The associated company had no discontinued operations or other comprehensive income in 2022 or 2021.

Summary of financial information cont.

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|-------------|-------------|
| Current assets | 704 | 330 |
| Non-current assets | 61 | 90 |
| Current liabilities | 477 | 342 |
| Non-current liabilities | 34 | 16 |
| Equity | 253 | 62 |
| The Group's calculated share of equity (20%) | 51 | 12 |
| Accumulated provisions made in the Group accounts | -51 | -12 |
| Book value 31.12 | 0 | 0 |

Note 28: Related party disclosures

Note 27 provides information about the Group's structure, subsidiaries and associated companies. Note 17 provides information about the shareholders. No shareholders consider the Group as an associated company. Note 6 and 7 discloses the management and Board of Directors of the Group, including their benefits and any other transactions with the Group.

NRC Group ASA may have agreements with Board members for consultancy services related to certain internal projects such as acquisitions and management recruitment. The agreements are based on hourly rates and are carried out on arm's length terms. Currently, there exists one agreement with Mats Williamson. Total expense amounted to NOK 0.2 million for 2022 based on hourly rates of SEK 1,500. Except for this, no significant related party transactions exist. Any related party transactions are carried out on arm's length terms.

Note 29: Subsequent events

On 20 January 2023, an agreement to sell NRC Gravco AS and Septik Tank CO AS to Norva24 AS was completed. The transaction was made in accordance with NRC Group's strategy to focus on its core business, and the expected net proceeds of approximately NOK 110 million will further improve the financial and strategic flexibility and be used according to our NRC Group's capital allocation priorities. The net gain to be recognised is estimated to be approximately NOK 40 million and will be reported as part of "other income and expenses" in the Q1 report.

AGN Haga, where NRC Group owns 20% of the shares, received on January 24, a termination notice from Trafikverket in relation to Station Haga in Gothenburg (E04). The contract in relation to Kvarnberget (E03) is not part of the termination notice. NRC Group is represented in the board of AGN Haga, without being operationally involved in the projects. The book value of AGN Haga in the NRC Group's accounts is unchanged at NOK 0 million.

On 14 February 2023, an Amendment and Restatement Agreement related to the existing facilities agreement with Danske Bank was signed. Changes in the Agreement concern a reduction of annual instalments, a postponed final settlement date to 8 July 2024 and increased leverage ratio covenant with 0.25 for the period Q4 2022 until Q4 2023.

NRC Group ASA accounts

Income statement

Statement of financial position 31 December

Statement of financial position 31 December

Statement of cash flows



Income statement

NRC Group ASA

| <i>(Amounts in NOK million)</i> | Note | 2022 | 2021 |
|---|------|------------|------------|
| Operating revenue | 2 | 15 | 16 |
| Salaries and personnel costs | 3 | 31 | 36 |
| Depreciation and amortisation | | 0 | 1 |
| Other operating and administrative expenses | 4 | 20 | 17 |
| Operating expenses | | 52 | 54 |
| Operating profit/loss (-) | | -37 | -38 |
| Financial income/expenses (-) | 5 | 53 | 17 |
| Net financial items | | 53 | 17 |
| Profit/loss before tax | | 16 | -21 |
| Tax expense (-)/ income | 6 | -4 | 3 |
| Net profit/loss (-) for the year | | 13 | -17 |
| Allocation of profit/loss: | | | |
| Dividend | | 0 | 0 |
| Transfer from share premium | | 13 | -17 |
| Total allocations | | 13 | -17 |

Statement of financial position

31 December

NRC Group ASA

| <i>(Amounts in NOK million)</i> | Note | 31.12.2022 | 31.12.2021 |
|------------------------------------|------|--------------|--------------|
| ASSETS | | | |
| Deferred tax asset | 6 | 97 | 101 |
| Total intangible assets | | 97 | 101 |
| Shares in subsidiaries | 7 | 1 840 | 1 746 |
| Long-term intercompany receivables | 8 | 144 | 282 |
| Total financial assets | | 1 984 | 2 028 |
| Total non-current assets | | 2 081 | 2 129 |
| Other receivables | 8/12 | 1 887 | 1 698 |
| Cash and cash equivalents | 9 | 449 | 619 |
| Total current assets | | 2 336 | 2 318 |
| TOTAL ASSETS | | 4 417 | 4 447 |

Statement of financial position

31 December

NRC Group ASA

| <i>(Amounts in NOK million)</i> | Note | 31.12.2022 | 31.12.2021 |
|--------------------------------------|--------------|--------------|--------------|
| EQUITY AND LIABILITIES | | | |
| Paid-in capital: | | | |
| Share capital | | 73 | 73 |
| Treasury shares | | 0 | 0 |
| Share premium | | 2 226 | 2 216 |
| Total equity | 10 | 2 299 | 2 289 |
| Interest-bearing liabilities | | 741 | 877 |
| Total non-current liabilities | 11/13 | 741 | 877 |
| Interest-bearing liabilities | 13 | 153 | 145 |
| Intercompany payables | 12 | 1 212 | 1 118 |
| Public fees payable | | 2 | 3 |
| Other current liabilities | | 8 | 14 |
| Total current liabilities | | 1 376 | 1 281 |
| Total liabilities | | 2 117 | 2 157 |
| TOTAL EQUITY AND LIABILITIES | | 4 417 | 4 447 |

The Board of Directors of NRC Group ASA

Lysaker, 29 March 2023

Rolf Jansson, Chairman of the Board

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

Statement of cash flows

NRC Group ASA

| <i>(Amounts in NOK million)</i> | Note | 2022 | 2021 |
|--|----------|-------------|-------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit/loss before tax | | 16 | -21 |
| Depreciation, amortisation and impairment | | 0 | 1 |
| Net financial items | | -53 | -17 |
| Change in current receivables | | -2 | -2 |
| Change in trade payables | | -3 | 2 |
| Change in other accruals | | 7 | 6 |
| Net cash flow from operating activities | | -34 | -30 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Repayment from subsidiaries | | 131 | 405 |
| Net effect of cash-pool | 12 | -157 | -215 |
| Net cash flow from investing activities | | -26 | 189 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net proceeds from issue of shares | | 0 | 0 |
| Proceeds from sale of treasury shares | | 4 | 5 |
| Repayment of borrowings | | -147 | -147 |
| Aquisition of treasury shares | | -7 | -4 |
| Interest received | | 79 | 70 |
| Interest paid | | -56 | -66 |
| Group contribution received | | 17 | 10 |
| Net cash flow from financing activities | | -110 | -132 |
| Net change in cash and cash equivalents | | -170 | 27 |
| Cash and cash equivalents as at 1 January | | 619 | 592 |
| Cash and cash equivalents as at 31 December | 9 | 449 | 619 |

Notes to NRC Group ASA accounts

| | |
|---------|--|
| Note 1 | Corporate information and basis of preparation |
| Note 2 | Revenue |
| Note 3 | Salaries and personnel costs |
| Note 4 | Other operating and administrative expenses |
| Note 5 | Financial income and expenses |
| Note 6 | Tax |
| Note 7 | Subsidiaries |
| Note 8 | Non-current and current receivables |
| Note 9 | Cash and cash equivalents |
| Note 10 | Equity |
| Note 11 | Pledged assets and security |
| Note 12 | Transactions with related parties |
| Note 13 | Interest-bearing liabilities |



Note 1:

Corporate information and basis of preparation

General information

The accounts for NRC Group ASA (the Company) have been prepared in accordance with the Accounting Act of 1998 and the Generally Accepted Accounting Principles in Norway (NGAAP). In cases where the notes for the Company are significantly different from the notes for the Group, these are provided below. Reference is made otherwise to the information in the notes for the Group.

Currency

Transactions involving foreign currencies are translated into the functional currency using the exchange rates that are in effect at the time of the transactions. Gains and losses that arise from the payment of such transactions and the translation of monetary items in foreign currencies at the rates in effect on the date of the balance sheet are recognised in the income statement. The Company uses the Norwegian krone (NOK) both as its functional and presentation currency.

Subsidiaries

Investments in subsidiaries are valued in accordance with the cost method and written down if the value in the balance sheet exceeds the recoverable amount. Write-downs are reversed if the basis for the write-down no longer exists.

Property, plant and equipment

Property, plant and equipment are recognised in the accounts at acquisition cost less accumulated depreciation and write-downs. Depreciation is calculated on a straight-line basis so that the cost price of the non-current assets is depreciated to the residual value over the expected life of the asset.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits and other short-term, readily negotiable investments.

Tax

The tax expense in the income statement encompasses the tax payable for the period and the change in deferred tax. Deferred tax is calculated at a rate of 22% (2021: 22%) based on temporary differences between the carrying amounts and their tax base, in addition to any tax loss carry forward at the end of the financial year. Deferred tax assets and liabilities that may reverse during the same period are offset and recognised on a net basis on the balance sheet. Deferred tax assets are recognised to the extent that it is probable that future taxable

income will be available against which the tax losses carried forward and net temporary differences can be utilised.

Pension plans

The Company has a defined contribution pension plan. The contributions are recognised as salaries and personnel cost in the income statement as they incur. Contributions paid in advance are recognised as an asset in the accounts if the contribution can be refunded or reduce future payments. The Company is obligated to have company pension schemes in accordance with the Act on Mandatory Company Pensions. The pension scheme follows the requirement as set in the above-mentioned Act.

Note 2: Revenue

Operating revenue is fee for services the parent company performs for companies in the Group and is allocated geographically as follows:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|-----------|-----------|
| Norway | 6 | 7 |
| Sweden | 3 | 4 |
| Finland | 6 | 6 |
| Total operating revenue | 15 | 17 |

Note 3: Salaries and personnel costs

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|-----------|-----------|
| Salaries | 23 | 24 |
| Board remuneration | 3 | 3 |
| Social security tax | 4 | 4 |
| Pension costs | 2 | 2 |
| Other personnel costs | 0 | 2 |
| Total | 31 | 36 |

The full-time equivalent employees' number for 2022 was 11,3 (2021: 13,5). Pension costs consist of contributions to the defined contribution pension plan. The pension plan satisfies requirements stipulated by law. Reference is also made to note 6 Executive personnel in the consolidated accounts.

Note 4: Other operating and administrative expenses

Operating expenses

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|-----------|-----------|
| Rent and other office expenses | 4 | 4 |
| External services | 6 | 3 |
| Merger and acquisition expenses | 1 | 4 |
| Other operating and administrative expenses | 10 | 5 |
| Total | 20 | 17 |

Compensation to auditors

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|------------|------------|
| Statutory audit | 1.0 | 0.6 |
| Other assurance engagements | 0.0 | 0.0 |
| Tax related services | 0.0 | 0.0 |
| Other services | 0.0 | 0.0 |
| Total excluding VAT | 1.0 | 0.6 |

Note 5: Financial income and expenses

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|-----------------------------------|------------|------------|
| Interest income from subsidiaries | 73 | 64 |
| Group contribution | 40 | 27 |
| Other interest income | 6 | 2 |
| Currency gain | 16 | 26 |
| Total financial income | 135 | 119 |

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------------|-----------|------------|
| Interest cost to subsidiaries | 14 | 15 |
| Other interest and financial expenses | 52 | 54 |
| Currency loss | 16 | 33 |
| Total financial expenses | 82 | 101 |

Note 6: Tax

Tax expense

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|-----------|----------|
| Tax payable | 0 | 0 |
| Tax expense / income recognised in equity | 0 | 0 |
| Change in deferred tax | -4 | 3 |
| Total tax expense (-) / income | -4 | 3 |

Result before tax

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|-----------|------------|
| Result before tax | 16 | -21 |
| Change in temporary differences | -17 | 2 |
| Permanent differences | 1 | 5 |
| Basis for tax payable for the year | 0 | -14 |
| Tax payable | 0 | 0 |

Temporary differences between tax and book values and tax losses carried forward

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|-------------|-------------|
| Tax losses carried forward | -442 | -459 |
| Other differences | 0 | 0 |
| Net | -442 | -459 |
| Unrecognised tax benefit basis | 0 | 0 |
| Basis for deferred tax | -442 | -459 |

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|-----------|------------|
| Net deferred tax (-) / tax asset | 97 | 101 |
| Tax rate | 22 % | 22 % |

Total net deferred tax assets have been recognised as it is assumed probable that they can be utilised against future taxable profit from group contributions based on forecasts and projections for the subsidiaries, or if needed in combination with tax planning opportunities. Norway has in recent years improved the tendering processes, strengthened the organisation and project execution, as well as reduced overhead costs. In 2022, the operating segment Norway reached earnings before tax of NOK 58 million, an improvement of NOK 72 million compared to 2021. The order backlog stayed at the same level as at end of 2021. A significant part of the tax losses carried forward derive from operations different to the current activities of the Norwegian operations.

Note 7: Subsidiaries

| Name | Place of business | Ownership | Book value |
|----------------------|-------------------|-----------|------------|
| NRC Group Holding AS | Lysaker | 100% | 1,840 MNOK |

A group contribution of NOK 95 million to NRC Group Holding AS has been provided for in 2022.

Note 8: Non-current and current receivables

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|--|------------|------------|
| Long-term intercompany receivables (note 12) | 144 | 282 |
| Total non-current receivables | 144 | 282 |

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|--------------|--------------|
| Short-term intercompany receivables (note 12) | 1,846 | 1,680 |
| Group contribution | 40 | 17 |
| Other current receivables | 2 | 1 |
| Total current receivables | 1,887 | 1,698 |

Note 9: Cash and cash equivalents

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---------------------------------|------------|------------|
| Cash and bank deposits | 449 | 619 |
| Restricted bank deposits | 0 | 0 |
| Total | 449 | 619 |

Cash includes the net deposit in the Group cash pool owned by NRC Group ASA. See further information in note 12.

Note 10: Equity

| <i>(Amounts in NOK million)</i> | Share capital | Treasury shares | Share premium | Total equity |
|---|---------------|-----------------|---------------|--------------|
| Equity as at 31 December 2020 | 73 | 0 | 2,230 | 2,303 |
| Profit/loss for the year | | | -17 | -17 |
| Employee share programme ¹⁾ | | | 5 | 5 |
| Share-based payments | | | 2 | 2 |
| Treasury share transactions ¹⁾ | | 0 | -4 | -4 |
| Equity as at 31 December 2021 | 73 | 0 | 2,216 | 2,289 |
| Profit/loss for the year | | | 13 | 13 |
| Employee share programme ¹⁾ | | | 5 | 5 |
| Share-based payments | | | 0 | 0 |
| Treasury share transactions ¹⁾ | | 0 | -7 | -7 |
| Equity as at 31 December 2022 | 73 | 0 | 2,226 | 2,299 |

¹⁾ The Company owned 583 treasury shares at the beginning of 2022. During 2022, the Company acquired 371 033 treasury shares at a total proceed of NOK 6,7 million. 254,960 of the shares were transferred to the employees participating in the 2022 share program for employees. At the end of 2021, the Company owned 1 16 656 treasury shares corresponding to 0.16% of the total number of outstanding shares. Reference is also made to note 17: Share capital and shareholder information in the consolidated accounts.

Note 11: **Pledged assets and security**

A bank loan amounting to EUR 28 million and an unused credit facility of NOK 200 million are secured by pledge over shares in subsidiaries amounting to NOK 2,000 million (book value NOK 1,746 million), Group cash-pool, Group receivables, Group inventory and Group operating equipment amounting to NOK 500 million per entity and material intra-group loans amounting to NOK 2,000 million (book value NOK 300 million). Reference is also made to note 22: Pledged assets, guarantees and security in the consolidated accounts.

Note 12: Transactions with related parties

The Company does not have any related parties other than subsidiaries, board members and executive management. Related party transactions include compensation to board members and executive personnel as disclosed in note 6 in the Group accounts. Group transactions include charging of management fees (see note 2) and intercompany long-term loans amounting to in aggregate NOK 300 million at year-end consisting of a EUR 28 million loan with an interest at EURIBOR (minimum zero) + 3.1%. In addition, NRC Group ASA is the owner of the Group cash pool arranged by Danske Bank. Net balance at year-end amounted to NOK 243 million, including a total receivable from Group companies of NOK 1,684 million and a liability to Group companies of NOK 1,118 million (see note 8 and 9). Included in the intercompany payables of NOK 1,212 million is also a group contribution of NOK 95 million to NRC Group Holding AS.

NRC Group ASA may have agreements with Board members for consultancy services related to certain internal projects such as acquisitions, management recruitment and other. The agreements are based on hourly rates and are carried out on arm's length terms. Total expense amounted to NOK 0.2 million for 2022. Currently, there exists one agreement with Mats Williamson. Except for this, no significant related party transactions exist. Any related party transactions are carried out on arm's length terms.

Note 13: Interest-bearing liabilities

Interest-bearing non-current liabilities:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|------------|------------|
| Bond debt | 600 | 600 |
| Other loans and borrowings | 141 | 277 |
| Total interest-bearing non-current liabilities | 741 | 877 |

Current interest-bearing liabilities:

| <i>(Amounts in NOK million)</i> | 2022 | 2021 |
|---|------------|------------|
| Loans and borrowings | 153 | 145 |
| Other current interest-bearing liabilities | 153 | 145 |

The loan and borrowings consist of a EUR 28.2 mill loan. For more information regarding the bond debt and the loan, reference is made to note 19: Loans and other non-current liabilities in the consolidated accounts.

Statement by the BoD and CEO



Statement by the BoD and CEO

We confirm that, to the best of our knowledge, the financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and of the Group. We also confirm that the Board of Directors' report provides a true and fair view of the development, performance and position of the Company and the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

The Board of Directors of NRC Group ASA

Lysaker, 29 March 2023

Rolf Jansson
Chairman of the Board

Outi Henriksson
Board member

Mats Williamson
Board member

Heikki Allonen
Board member

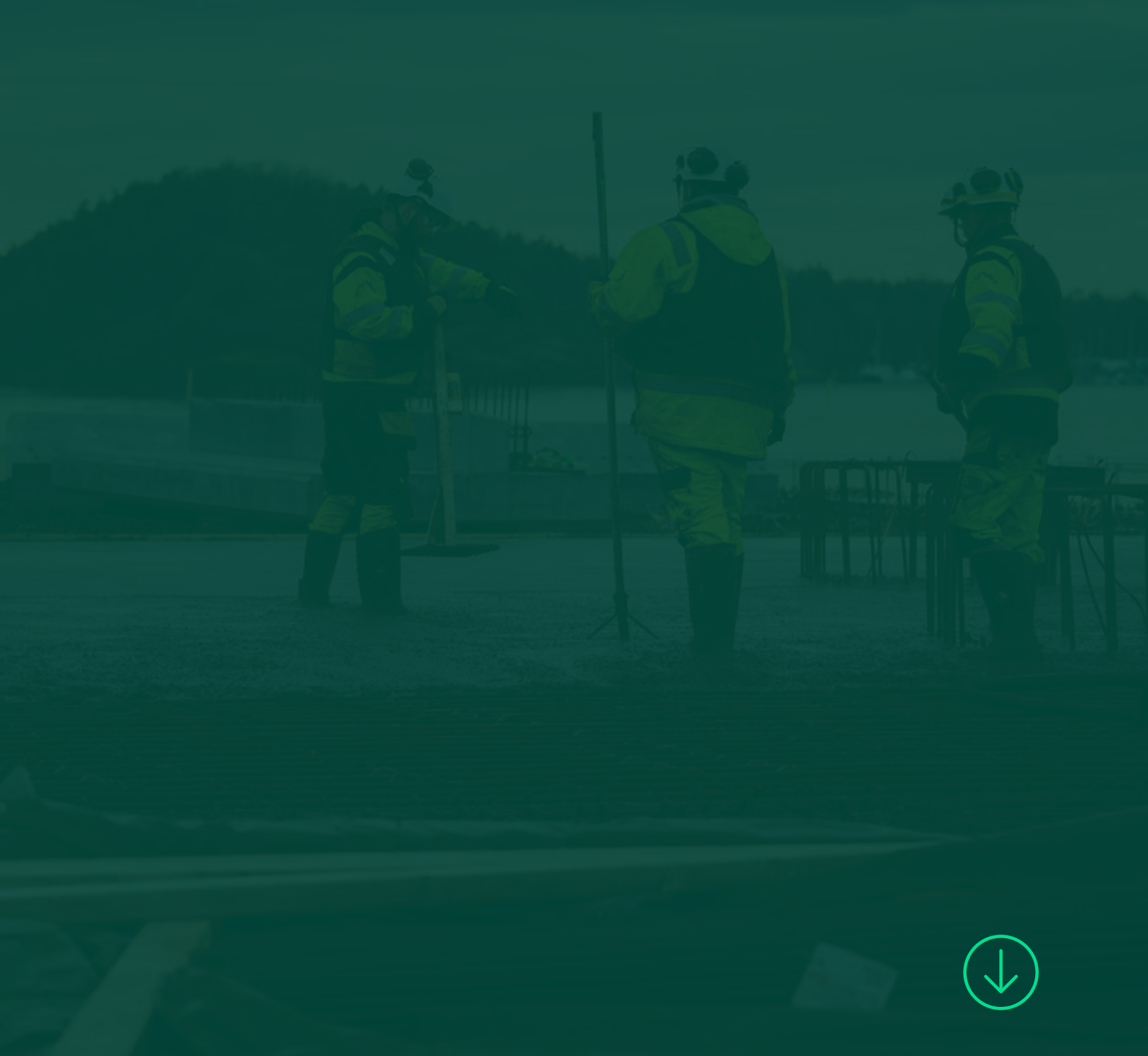
Eva Nygren
Board member

Karin Bing Orgland
Board member

Tove Elisabeth Pettersen
Board member

Henning Olsen
CEO NRC Group ASA

Auditors report



INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of NRC Group ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NRC Group ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2022 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for seven years from the election by the general meeting of the shareholders on 12 May 2016 for the accounting year 2016.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of goodwill

Basis for the key audit matter

The carrying amount of goodwill as at 31 December 2022 was NOK 2 364 million. The goodwill is related to acquisitions primarily in 2019 and prior years and is allocated to three cash generating units. In connection with the annual impairment test in 2022 management identified several impairment indicators, including the low market capitalization compared to book value of equity and operating losses in Sweden. Management assessed the recoverable amounts of each cash generating unit based on value-in-use (VIU) calculations, which require significant judgement related to future cash flows and discount rates. The impairment test resulted in an impairment charge of goodwill as at 31 December 2022 of MNOK 352 related to CGU Sweden.

The impairment assessment of goodwill is a key audit matter because of the significant carrying amount, the impairment indicators identified, and the considerable estimation uncertainty, complexity and subjectivity related to determination of VIU.

Our audit response

We obtained an understanding of and evaluated the design over the Group's impairment assessment process. We assessed the reasonableness of key assumptions applied in future cash flows such as revenue growth rates, project margins, discount rate and the growth rate for the terminal period. We evaluated the historical accuracy of management's estimates by comparing actual cash flows to previously estimated cash flows and evaluated the specific reasons for deviations in 2021 and 2022 to assess the reasonableness of management forecasts for future cash flows. We agreed the input data used by management to supporting evidence such as actual results, budgeted revenues and project margins in order backlog, and budgets approved by the board of directors. Further we benchmarked relevant key assumptions to comparable companies in the same industry, as well as market statistics. We involved our internal valuation specialists to assess the VIU calculation and the reasonableness of the discount rates applied by management. We refer to note 12 Intangible assets and note 1.3 Material accounting judgements, estimates and assumptions in the consolidated financial statements.

Revenue recognition for construction contracts

Basis for the key audit matter

The Group's project revenues are derived from contracts with customers using the input method to measure progress. Using the input method, project revenue is recognized based on incurred costs compared with estimated total costs to fulfill the performance obligations. When recording revenue based on progress, the projects' total revenues, total expenses, outcome of disputes and any other contractual obligations are determined based on estimates. Project revenues consist of agreed consideration and variable consideration due to contract modifications. Variable consideration is estimated based on the sum of probability-weighted amounts or the single most likely outcome, and the chosen method is applied consistently throughout the contract-period. Based on the projects' complexity and the significant management judgement required to measure progress, revenue recognition for construction contracts is a key audit matter.

Our audit response

We assessed the application of accounting policies and the input for measuring the projects' progress. We assessed the process for estimating total project revenues and costs, as well as the measurement of progress. For selected contracts, we compared estimated total project revenues to contracts and change orders, performed detailed testing related to recognized contract assets and contract liabilities, including provisions for onerous contracts. We also tested costs charged to the projects against invoices and assessed the determination of estimated total project costs. In addition, we analysed the development in margins, assessed historical accuracy of management's estimates by comparing actual achieved margins to estimated margins. We refer to note 4 Revenues and projects in progress and note 1.3 Material accounting judgements, estimates and assumptions in the consolidated financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of NRC Group ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name nrcgroupasa-2022-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.



As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 29 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

Alternative performance measures and definitions



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.

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

| <i>(Amounts in NOK million)</i> | FY 2022 | FY 2021 |
|-------------------------------------|-------------|------------|
| Operating profit/loss (EBIT) | -240 | 42 |
| Other income and expenses | -2 | -34 |
| Amortisation and impairment | -389 | -64 |
| EBITA* | 151 | 139 |
| Depreciation | -185 | -196 |
| EBITDA* | 335 | 336 |

Reconciliation of Net cash/net interest-bearing debt position

| <i>(Amounts in NOK million)</i> | 31.12.2022 | 31.12.2021 |
|--|--------------|--------------|
| Long-term leasing liabilities | 353 | 319 |
| Other non-current interest-bearing liabilities | 741 | 880 |
| Short-term leasing liabilities | 175 | 173 |
| Other interest-bearing current liabilities | 153 | 146 |
| Interest-bearing debt | 1 423 | 1 518 |
| Minus: | | |
| Cash and cash equivalents | 472 | 626 |
| Net interest-bearing debt | 950 | 891 |
| Minus: | | |
| Total leasing liabilities | 528 | 492 |
| Net interest-bearing debt excl. leasing | 422 | 399 |

Reconciliation of Net cash/net interest-bearing debt position

| <i>(Amounts in NOK million)</i> | 31.12.2022 | 31.12.2021 |
|---------------------------------|--------------|--------------|
| Total inventories | 29 | 28 |
| Total receivables | 1 425 | 1 359 |
| Current assets (ex cash) | 1 454 | 1 387 |
| Minus: | | |
| Other current liabilities | 1 445 | 1 422 |
| Net working capital | 9 | -35 |

| Term | Description |
|---|--|
| Addressable tender pipeline | The total of any tender processes above NOK 30 million expected to be made available during the next nine 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. |
| EBT | Profit before tax. |
| EBIT | Operating profit. |
| EBIT % | Operating profit in relation to operating revenues. |
| 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 and IT software investments. |
| EBITA % | EBITA in relation to operating revenues. |
| EBITDA | EBITA plus depreciations on fixed assets and right-to-use assets. |
| EBITDA % | EBITDA in relation to operating revenues. |
| EBIT*, EBITA* and EBITDA* (ex M&A) | EBIT, EBITA and EBITDA plus other income and expenses. |

| Term | Description |
|-----------------------------------|--|
| EBITDA* (ex M&A) % | EBITDA ex M&A in relation to operating revenues. |
| Equity ratio | Total equity in relation to total assets. |
| Financial Lease Agreements | Lease agreement transferring the main risk and control of the assets to the lessee. |
| FTIA | Finnish Transport Infrastructure Agency |
| LTI | Injuries resulting in absence at least one full day per million man-hours including subcontractors. |
| LTM | Last twelve months on a rolling basis. |
| 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 interest-bearing debt | Interest-bearing liabilities minus cash and cash equivalents. |
| Net working capital (nwc) | The net amount of inventories, receivables (including contract assets) and other current liabilities (including contract liabilities). |
| Operating lease agreements | Lease agreement that are not financial lease agreements, including real estate rent. |
| Order backlog | Total nominal value of orders received less revenue recognised on the same orders. |
| Order intake | Total nominal value of orders received. |

| Term | Description |
|----------------------------------|--|
| 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, subsequent adjustment of contingent considerations or other subsequent adjustments of final purchase price allocation in business combinations that are recognised in profit or loss. |
| Sickness absence | 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. |
| TRI | Frequency of injuries with and without absence for personnel (employees and rented workers) and subcontractors per million hours worked. |
| TRV | Trafikverket – Swedish Transport Administration |

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QUARTERLY REPORT

24 May 2023

Q1



 NRC Group

From the CEO

NRC Group delivered a solid first quarter in 2023. As always, the seasonality of our business impacted our revenue and results, as winter conditions lead to low activity. However, with 7 % organic growth in revenues adjusted for currency, the revenues in the first quarter were at record high levels, with strong growth both in Sweden and Finland.

The operating result was NOK 7 million lower than first quarter last year. Gains from sales of machinery impacted the results in Q1 2022. Adjusting for gains on sales on machinery, we see improved profit from operations in the first quarter, driven by improved results in Norway. In Finland we delivered lower results, mainly as a result of less gains on sales of machinery than last year. Sweden delivers results in line with Q1 last year.

During the first quarter, we continued to initiate measures to improve profitability in Sweden. Measures included strengthening the financial and contractual support to projects, moving staff and support services closer to the operations, and reduction of overhead costs. We have increased our margins in tenders, and we have been successful winning new projects with an order intake of NOK 385 million in the quarter. Niklas Sundel, Head of Maintenance has been appointed to COO in Sweden from 1 May and will also become a part of NRC Group's executive management team.

Our strategic review of the civil construction business in Sweden has been completed. We have decided to discontinue our Civil operations in Karlstad. This process is started and is expected to be completed within a year.



The order intake for the Group was NOK 1.3 billion, resulting in a book-to-bill of 1.0x. Our markets remain strong with a tender pipeline for the next nine months of NOK 29.7 billion, and we continue to see high tender activity in our three markets as we enter into the second quarter.

The way we execute our projects is of high importance. NRC Group recognises that minimising the impact on the external environment is a prerequisite to deliver sustainable solutions. By setting targets and transparently disclosing our performance via our sustainability report, we aim to credibly demonstrate our progress on sustainability issues and build trust among our stakeholders. To date we are on track to deliver on our key targets, and along the way we have achieved a number of significant milestones.

Building sustainable infrastructure is something we do with pride and with clear objectives. We build for a greener, safer and more effective way of travelling for future generations.



Stay healthy and safe,

Henning Olsen,
CEO NRC Group

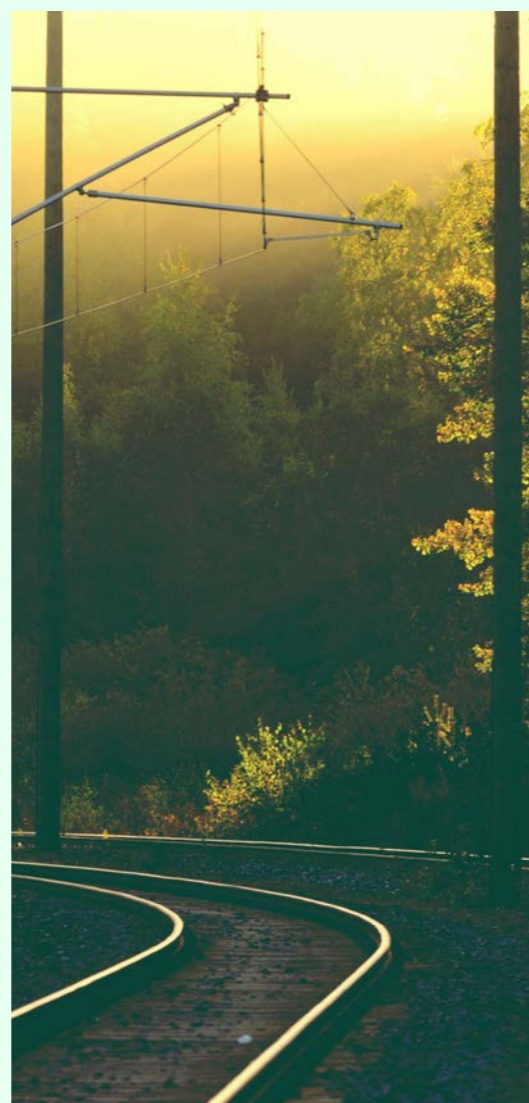
Group highlights

- Revenue of NOK 1,291 million (NOK 1,176 million), 10% growth and 7% organic growth
- Operating profit (EBIT adj.) of NOK -48 million (NOK -41 million) in a seasonally weak quarter, corresponding to a margin of -3.7% (-3.5%). This includes NOK 4 million in net gain from sale of machinery, compared to NOK 19 million in Q1 2022
- The order backlog increased from NOK 7,795 million to NOK 8,200 million explained by a book-to-bill ratio of 1.0x and positive currency effect
- Successful completion of the sale of the Gravco business unit, recognising a net gain of NOK 40 million in the quarter (not included in EBIT adj.) and NOK 114 million in net proceeds
- Actions to improve profitability in Sweden continue and Civil construction to be discontinued. One-off cost of NOK 35 million related to the close-down recognised in Q1 (not included in EBIT adj.)
- Operating cash flow of NOK -48 million (NOK 69 million) due to increased working capital in the period
- Net interest-bearing debt increased by NOK 55 million to NOK 1,005 million during the quarter as the cash contribution from the sale of Gravco business unit was offset by increase in working capital
- Henning Olsen, CEO of NRC Group, submitted his notice of resignation. The Board of Directors has started the recruitment process

REVENUE Q1 2023

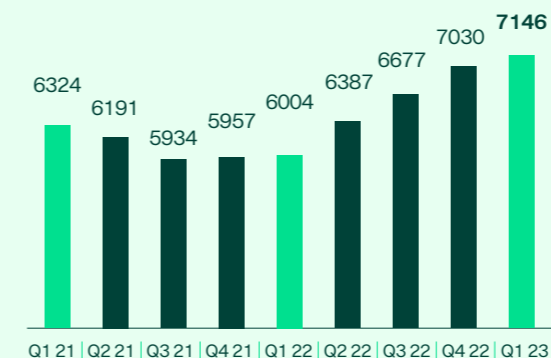
1.3 BNOK

Q1 2022: 1.2 BNOK



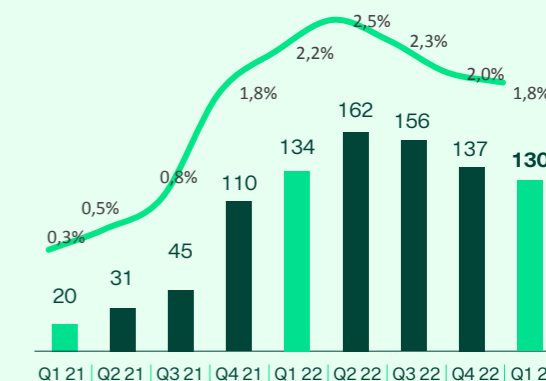
Group Revenue LTM

NOK million



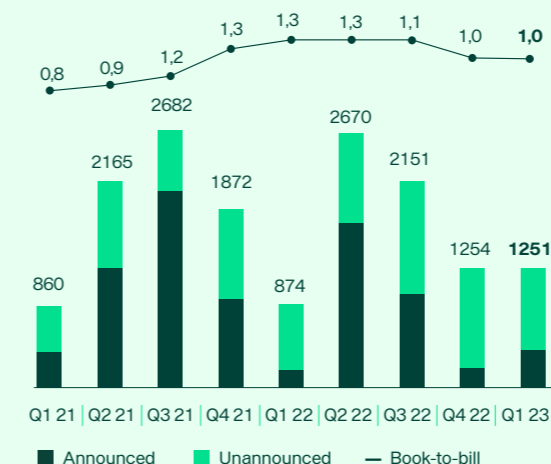
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



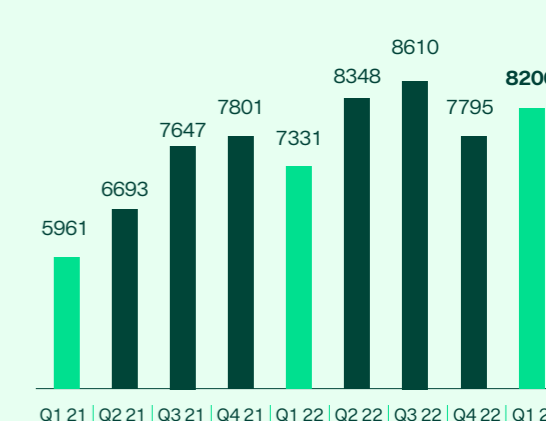
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



(Amounts in NOK million)

| | Q1 2023 | Q1 2022 | FY 2022 |
|-------------------------------------|---------|---------|---------|
| Revenue | 1 291 | 1 176 | 7 030 |
| EBITDA | 2 | 7 | 333 |
| EBIT adj. | -48 | -41 | 137 |
| EBIT adj. (%) | -3,7 % | -3,5 % | 2,0 % |
| Order intake | 1 251 | 874 | 6 959 |
| Order backlog | 8 200 | 7 331 | 7 795 |
| Cash flow from operating activities | -48 | 69 | 235 |
| Net interest-bearing debt | 1 005 | 843 | 950 |
| Equity ratio | 46 % | 49 % | 45 % |
| LTI | 6,3 | 5,1 | 6,0 |
| Sickness absence (%) | 4,3 % | 4,9 % | 4,2 % |

Finland

Finland had a revenue of NOK 470 million compared to NOK 389 million in the first quarter last year. Adjusted for currency effects the organic growth was 8%, driven by strong growth in Rail construction and Materials, and partly offset by lower volumes in Maintenance. The EBIT adj. was NOK -27 million compared to NOK -11 million in the same period of 2022, leading to an EBIT adj. margin of -5.8% for the quarter, down from -2.9% last year. Net gain from sale of machinery was NOK 3 million in the first quarter of 2023 compared to NOK 17 million in same quarter last year. Good profitability in Light rail was partly offset by weak results in Maintenance.

Order intake for the quarter was NOK 476 million, giving a book-to-bill ratio of 1.0x in the quarter and 0.6x measured over the last 12 months. Order backlog came in at NOK 2.9 billion, compared to NOK 2.6 billion at the end of last quarter and NOK 3.4 billion in the same quarter last year.

The tender pipeline in Finland is approximately NOK 6.3 billion, an increase of approximately NOK 0.5 billion compared to the tender pipeline three months ago and approximately NOK 5.1 billion higher than the same period last year. The increase to previous year is explained by all divisions, however with the largest increase within Rail division. Rail division's tender pipeline includes approximately NOK 3.3 billion in prospects related to increased capability to tender for Civil construction opportunities. As a result of this new business opportunity focus, on 27 April 2023, NRC Group Finland has been appointed to a contract for building a rescue station in Vantaa with an approximate value EUR 3.9 million.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--|--------------|-------------------------|
| Finnish Transport Infrastructure Agency (FTIA) | 39 | Signal work |
| Ruskeasuon Varikkokiinteistö Oy | 47 | Building rescue station |
| Tampere Tramway Oy | 58 | Alliance contract |
| Total | 144 | |

REVENUE Q1 2023

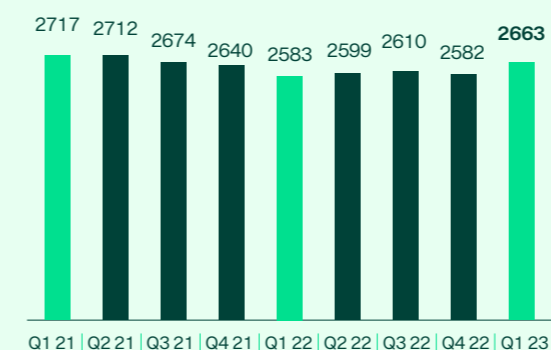
470 MNOK

Q1 2022: 389 MNOK



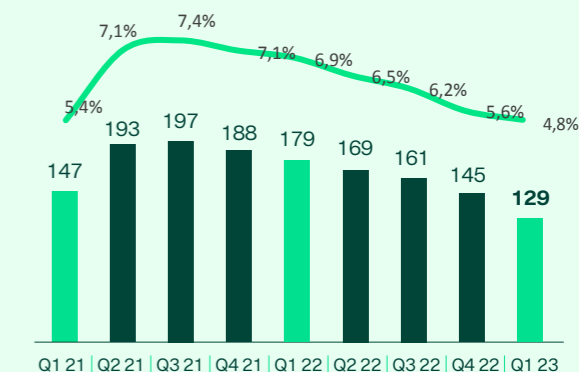
Revenue LTM

NOK million



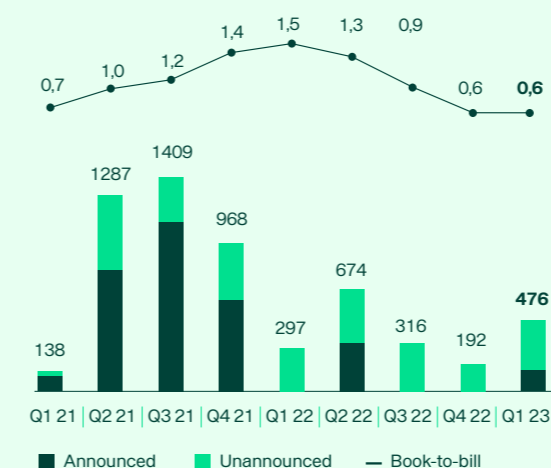
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



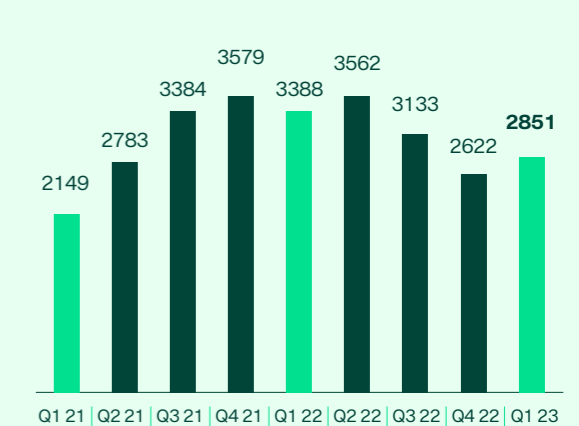
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Finland (Amounts in NOK million)

| | Q1 2023 | Q1 2022 | FY 2022 |
|----------------------|---------------|---------------|--------------|
| Revenue | 470 | 389 | 2 582 |
| EBITDA | -13 | 3 | 203 |
| EBIT adj. | -27 | -11 | 145 |
| EBIT adj. (%) | -5,8 % | -2,9 % | 5,6 % |
| Order intake | 476 | 297 | 1 479 |
| Order backlog | 2 851 | 3 388 | 2 622 |

Sweden

Revenue from the Swedish operation amounted to NOK 340 million for the quarter compared to NOK 289 million in the same period of 2022. Adjusted for currency, the organic growth in the quarter was 12%, with strong growth in Rail construction. The EBIT adj. for the quarter was NOK -19 million compared to NOK -23 million for the same quarter last year, with only minor changes to division-profitability compared to same period last year.

Actions to improve profitability continues, and the strategic review of Sweden's Civil business is completed. The civil operations in Karlstad is decided to be discontinued, and a negative adjustment of NOK 35 million related to the wind-down has been recognised in the first quarter. In addition, a restructuring cost of NOK 6 million related to management changes was recognised in the quarter, both reported as adjusting items not included in EBIT adj.

Niklas Sundel, Head of Maintenance in Sweden, was appointed to COO for NRC Group Sweden from 1 May. He will take responsibility for operations within Rail maintenance, Rail construction and Civil construction.

Order intake for the quarter was NOK 385 million, giving a book-to-bill ratio of 1.1x in the quarter and 1.6x measured over the last 12 months. Backlog came in at NOK 3.4 billion, compared to NOK 3.2 billion at the end of last quarter and NOK 1.9 billion in the same quarter last year.

In Sweden, the tender pipeline is approximately NOK 12.7 billion, with NOK 5.0 billion for Rail construction and NOK 7.8 billion for Maintenance. The tender pipeline increased by NOK 3.8 billion compared to three months ago. The increase is mainly explained by an increase in Maintenance, and to some extent also increases in Rail construction. The tender pipeline is NOK 3.6 billion above the same period last year, which is mainly related to increased level of tenders in Maintenance, as well as increases in Rail construction.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--------------------------------------|--------------|------------------------------|
| The Swedish Transport Administration | 35 | Signal work |
| The Swedish Transport Administration | 114 | Catenary work |
| Lindesbergs Municipality | 53 | Ground and construction work |
| Total | 201 | |

ORDER BACKLOG Q1 2023

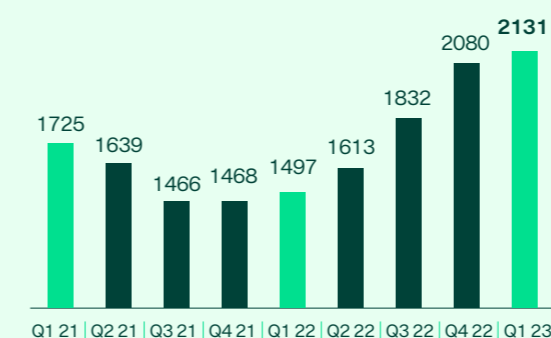
3.4 BNOK

Q1 2022: 1.9 BNOK



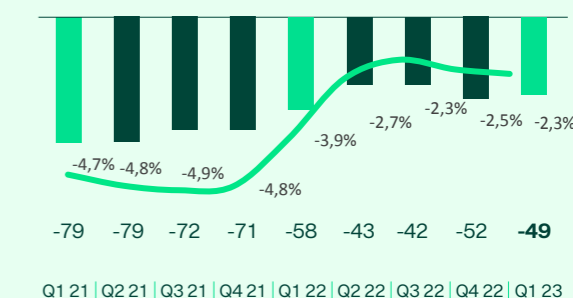
Revenue LTM

NOK million



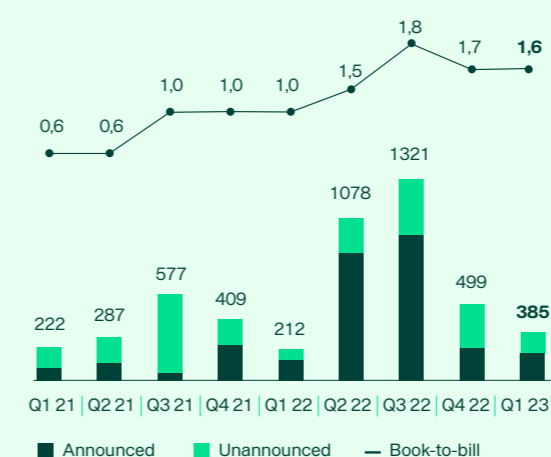
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



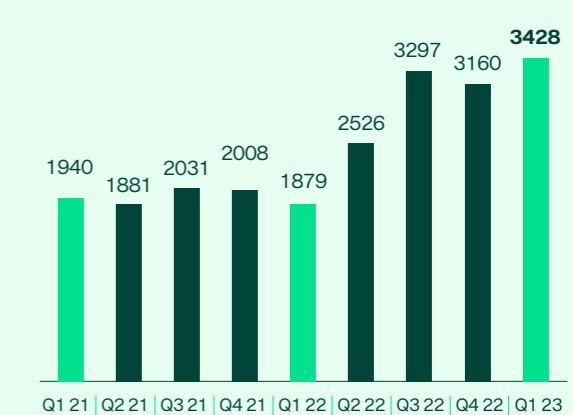
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Sweden (Amounts in NOK million)

| | Q1 2023 | Q1 2022 | FY 2022 |
|----------------------|---------------|---------------|---------------|
| Revenue | 340 | 289 | 2 080 |
| EBITDA | -49 | -11 | -7 |
| EBIT adj. | -19 | -23 | -52 |
| EBIT adj. (%) | -5,7 % | -7,9 % | -2,5 % |
| Order intake | 385 | 212 | 3 111 |
| Order backlog | 3 428 | 1 879 | 3 160 |

Norway

During the quarter, the sale of NRC Gravco AS and Septik Tank CO AS ("Gravco") was completed. Net of transaction expenses, a gain of NOK 40 million was recognised in the quarter and reported as part of "Other income and expenses", not included in EBIT adj.

Revenue in Norway was NOK 489 million compared to NOK 499 million in the first quarter of 2022. The organic growth was 2% in the quarter (excluding Gravco revenue same period last year). Strong growth within Rail construction was offset by lower volumes in Civil construction and Environment. EBIT adj. was NOK 9 million compared to NOK 4 million in the same period of 2022, which resulted in an EBIT adj. margin of 1.8% in the quarter, up from 0.8% for the same quarter last year. Profitability was driven by improved results from Civil construction, partly offset by weaker results in Environment.

Order intake for the quarter was NOK 396 million, giving a book-to-bill ratio of 0.8x in the quarter and 0.9x measured over the last 12 months. Backlog came in at NOK 1.9 billion, compared to NOK 2.0 billion at the end of last quarter and NOK 2.1 billion in the same quarter last year.

The tender pipeline in Norway is approximately NOK 10.7 billion, an increase of NOK 0.5 billion compared to the tender pipeline three months ago. The increase is mainly explained by increased number of larger tenders in the market for Civil construction and Environment, partly offset by a reduction in Rail construction. The tender pipeline has increased by approximately NOK 4.5 billion compared with the same time last year. The increase is mainly related to Civil construction and Environment services, and to some extent Rail construction.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|-------------------------|--------------|-------------------|
| Marthinsen & Duvholt AS | 64 | Rail construction |
| Total | 64 | |

EBIT ADJ. MARGIN

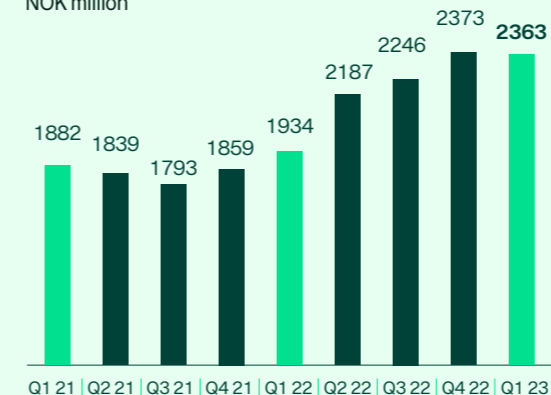
1.8%

Q1 2022: 0.8%



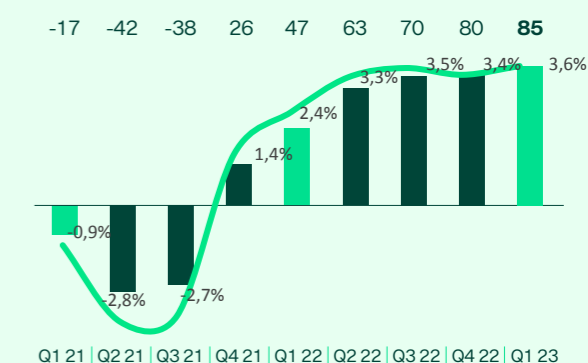
Revenue LTM

NOK million



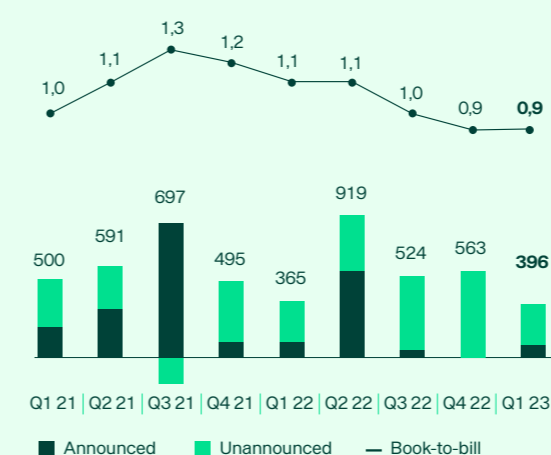
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



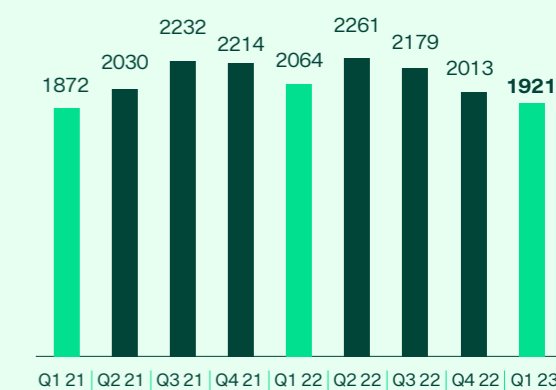
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Norway (Amounts in NOK million)

| | Q1 2023 | Q1 2022 | FY 2022 |
|----------------------|--------------|--------------|--------------|
| Revenue | 489 | 499 | 2 373 |
| EBITDA | 75 | 25 | 173 |
| EBIT adj. | 9 | 4 | 80 |
| EBIT adj. (%) | 1,8 % | 0,8 % | 3,4 % |
| Order intake | 396 | 365 | 2 370 |
| Order backlog | 1 921 | 2 064 | 2 013 |

Market and outlook

IMPACTS OF THE GLOBAL ECONOMY

The war in Ukraine, the energy crisis in Europe and high inflation 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. In 2023, NRC Group expects high investments in rail based on proposals in national budgets and national transportation plans in Norway, Sweden and Finland.

The market for rail investments is at a historical high level, driven by urbanisation, population growth and the shift towards sustainable infrastructure. On long term, NRC Group expects these global mega-trends will lead to continued growth in the market.

The Group 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 considers the Civil business to be more exposed than Rail related businesses. However, the impact for NRC Group has so far been limited. The Group monitors the development, including both direct and indirect effects, and is actively evaluating opportunities to limit risk in the project portfolio.



OUTLOOK

NRC Group is strongly positioned in a growing market with a substantial tender pipeline. In 2023, NRC Group expects investments in rail to be at same level as in 2022, based on proposals in national budgets and national transportation plans in Norway, Sweden and Finland.

Uncertainty in the world economy has had limited impact on NRC Group per date. The uncertain situation has led to an evaluation of the public investments in infrastructure going forward in the Nordics and can impact rail funding in certain projects.

NRC Group continues its focus on measures to improve profitability. For 2023, we expect continued positive operational and financial development with a slight decrease in revenue and moderate increase in EBIT adj. margins compared to 2022.

NRC Group is strongly positioned in a growing market with a substantial tender pipeline.

Financial information

CASH FLOW

Net cash flow from operating activities for the first quarter of 2023 was NOK -48 million, compared to NOK 69 million in the same quarter last year due to increase in net working capital.

Net cash flow from investing activities in the first quarter was NOK 86 million compared to NOK -7 million in the same period last year. This included NOK 114 million in proceeds from sale of the Gravco business unit net of transaction costs, cash disposed of NOK 17 million in Gravco, and a final payment of NOK 7 million for the remaining 20% of the shares in the Swedish subsidiary Gästrike Signal & Projektering AB.

The net cash flows from financing activities amounted to NOK -101 million for the quarter compared to NOK -91 million last year. The cash flows mainly include ordinary instalments and interests for loans and lease liabilities (financial and operating). The Group has a NIBOR hedge linked to the outstanding bond, which partly offsets increased market interest rates. See further details in the Risks section.

The first quarter net change in cash, including currency impact, was NOK -78 million compared to NOK -34 million last year. Cash at the end of the period amounted to NOK 395 million. The Group has an unused credit facility of NOK 200 million and an undrawn seasonal credit facility of NOK 300 million.

FINANCIAL POSITION

NOK weakened towards SEK and EUR during the first quarter of 2023 leading to a net positive translation difference recognised in other comprehensive income of NOK 103 million, compared to a negative adjustment of NOK -52 million last year.

NOK weakened towards SEK and EUR, leading to a net positive translation difference recognised in other comprehensive income.

Intangible assets increased by NOK 76 million to NOK 2,570 million during the quarter. Net of positive currency effects of NOK 131 million, intangible assets decreased by approximately NOK 50 million due to released goodwill in connection with the sale of the Gravco business unit.

Tangible and right-of-use assets were more or less unchanged at NOK 751 million compared to last quarter.

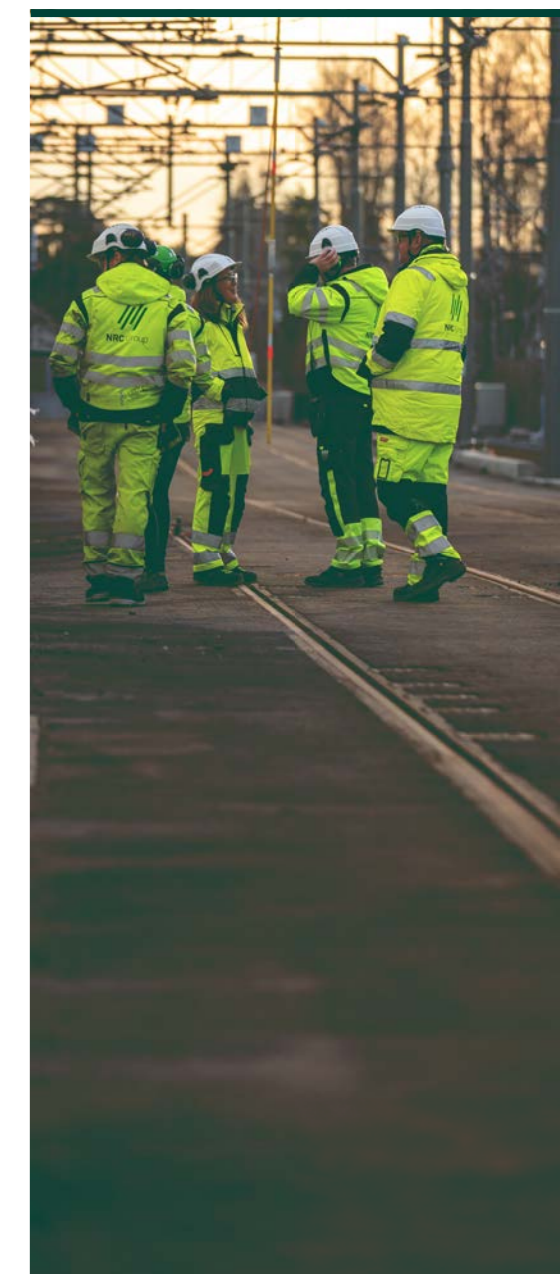
Total receivables reduced by NOK 38 million to NOK 1,387 million during the quarter due to increased receivable collection in the period.

Total assets at NOK 5,146 million were reduced by NOK 46 million in the quarter. The equity ratio was 46 % on 31 March 2023.

Interest-bearing liabilities consist of a EUR 24.6 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 1,400 million at the end of March, including operating lease liabilities of NOK 245 million. The repayment of the EUR bank loan amounted to NOK 39 million in the quarter. Total lease liability was reduced by NOK 7 million to NOK 521 million as lease payments and terminated agreements were higher than the discounted value of new lease agreements.

Net interest-bearing debt increased by NOK 55 million during the quarter to NOK 1,005 million mainly due to the negative operating cash flow and currency impact, partly offset by divestment of the Gravco business unit. The increase of net interest-bearing debt due to currency amounted to NOK 34 million.

Net interest-bearing debt excluding lease liabilities increased by NOK 62 million during the quarter to NOK 484 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 changes 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, the same level as at year-end 2022.

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 1,810 million at the end of the quarter, NOK 227 million higher than the short-term liabilities. Total unrestricted cash amounted to NOK 395 million in addition to an undrawn multi-currency credit facility of NOK 200 million and an undrawn seasonal credit facility of NOK 300 million. The central

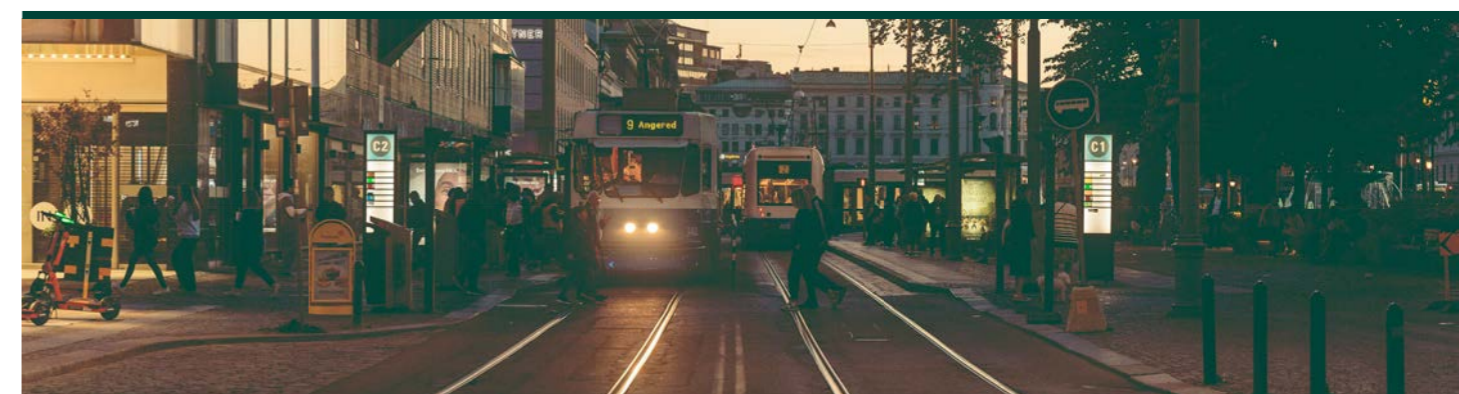
NRC Group has developed risk management processes that are well adapted to the business. This includes analysis of project risk from the tendering phase through to completion to ensure appropriate pricing and risk management.

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 war in Ukraine, the energy crisis in Europe and high inflation, 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.



Sustainability

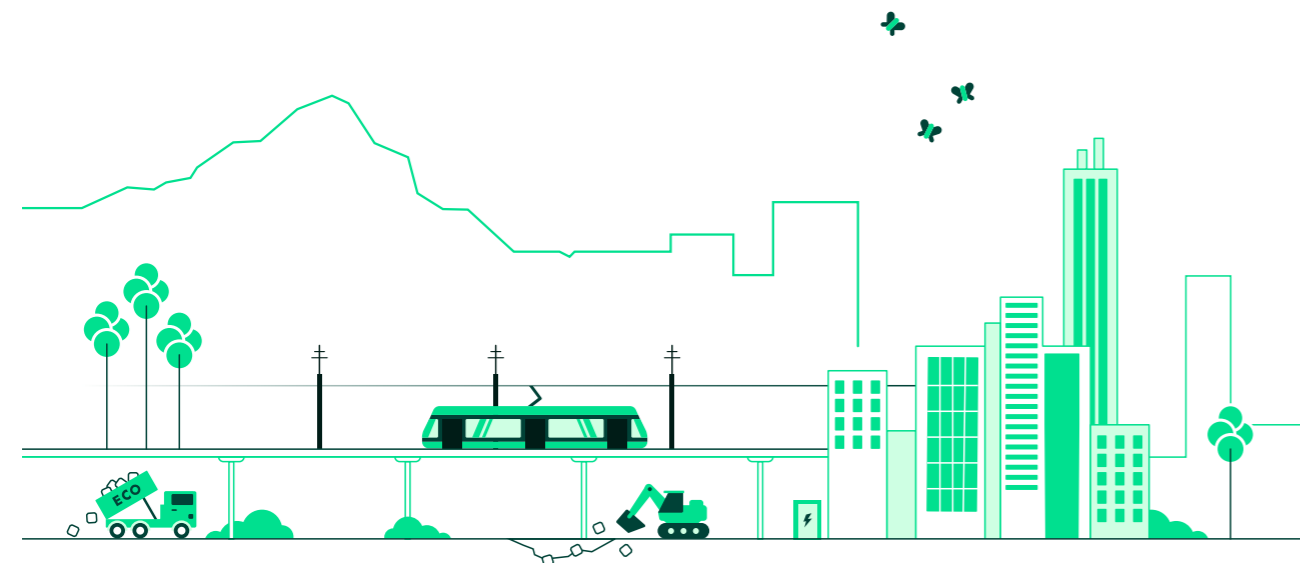
Our third report on progress was published in April 2023.

We build sustainable infrastructure that creates economic, social and environmental value now and for the future. We are committed to operating to the highest sustainability standards and transparently reporting our performance.

Our sustainability framework is based on our core competencies and most material impacts. It provides a clear structure for how we approach and address environmental, social and governance topics. The six key pillars of our framework are:

- Building a low-carbon future
- Improving environmental performance
- Providing a safe and secure workplace
- Emphasizing diversity and equal opportunities
- Training and developing our people
- Ensuring ethical business practice

Sustainability is embedded in our company's values, strategy and the way we work.



Building a low carbon future

We are working on projects across the Nordics that have real and positive impacts on decarbonising society. At the same time, we are converting our sustainability credentials into a contract-winning competitive advantage.

In the Sustainability Report published April 2023, we highlighted a contract signed for mass removal at NOK 400 million by Gunnar Knutsen (owned by NRC Group). Gunnar Knutsen delivers transport services with biogas trucks for a new drinking water supply in the Oslo area.

Our work on Fyrspåret Malmö–Lund, a quadruple-track railway project in Sweden, was recognised as the most sustainable infrastructure project of the year at Sweden's Green Building Awards 2022. Through innovative solutions, the project avoided over 18,000 tonnes of greenhouse gas emissions.

As a business, we have set a net zero climate impact ambition by 2050 with unambiguous near-term targets. We aim to reduce our greenhouse gas emissions by 30% by 2025. Our concrete climate target is further embedded in the organisation through its inclusion as a criterion in top management's executive compensation scheme. In 2022, we achieved meaningful annual emissions reduction in both



We aim to reduce our greenhouse gas emissions by 30% by 2025.



Sweden (-8.4%) and Norway (-10.4%), and we are actively working to enhance our emissions reduction strategy across the Group. Total GHG emissions for the Group in 2022 were 13,051 tonnes carbon dioxide equivalents (2021: 12,058).

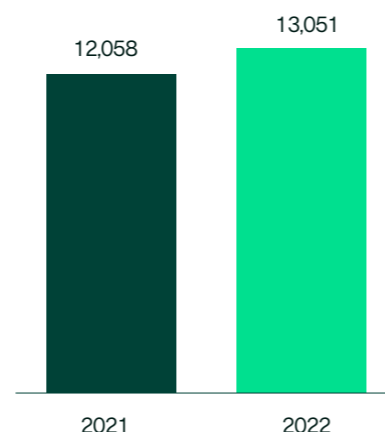
We continued monitoring our climate-related risks and opportunities in 2022 and have disclosed these in our Sustainability Report following the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We've also been actively following the development of the EU Taxonomy and its related legislation, which came into force in Norway 1 January 2023. NRC Group voluntarily discloses the Key Performance Indicators (KPIs) as defined in the current Taxonomy structure.

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

| | Eligible | Aligned |
|-----------------------------|----------|---------|
| KPIs | | |
| Turnover (Revenue) | 87% | 67% |
| Operational expenses (OpEx) | 87% | 67% |
| Investments (CapEx) | 81% | 73% |

Total GHG emissions

CO₂ tonnes (Scope 1, 2 and 3)



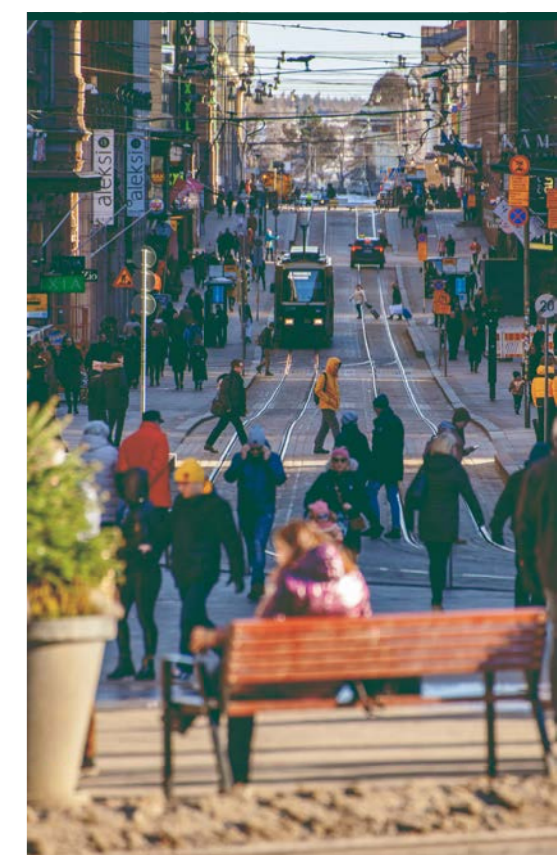
Environmental performance

Improving environmental performance

Our approach to environmental management is guided by our environmental policies and management systems. Environmental regulations, contract conditions for environmental management and stakeholder expectations regarding environmental performance continue to increase.

All of our work sites operate waste minimisation plans and have a goal of eliminating the creation of waste in the first instance. In 2022 we maintained our group-wide recycling rate at 94% (2021: 96%). Where unavoidable waste materials were generated, we investigated reuse and recycling options. We are setting recycling targets and continue to pursue our zero waste ambitions. Ultimately, we aspire to operate our business in a circular economic model, where waste is designed out of the system.

Some of our most visible environmental impacts occur on our work sites. Impacts such as noise, dust, vibration, emissions, soil and vegetation removal are all regulated and specified in many of our project contracts. We are meeting and exceeding these environmental performance requirements, primarily through the implementation of NRC Group's environmental management system. Our Norwegian and Finnish operations are certified to ISO14001, the internationally recognised environmental management standard. A key premise of our approach to responsible site management is maintaining positive dialogue with the local community about our projects and responding to their information needs. There were zero reported environmental compliance breaches or formal community complaints in 2022 and zero incidents involving hazardous substances or harmful spills.



Safe workplace

Providing a safe and secure workplace

Our number one priority is that all employees and partners shall return home safe and free of injuries every day. We work and focus on safety in all we do, in line with our policies for health, working environment and safety. All employees shall have a safe and secure working environment at NRC Group.

All of NRC Group's countries operate a health and safety system that is certified to the ISO 45001 standard and is independently audited annually. Health and safety training starts from onboarding and continues throughout employment at NRC Group. We maintain a focus on learning from all incidents to enhance our knowledge and continuously upgrade our health and safety systems. Our ultimate goal is zero injuries. Our approach includes supporting proactive health measures for our employees and building a single, strong health and safety culture throughout the organisation.

Our LTI frequency rate (injuries resulting in absence at least one full day per million man-hours) decreased to 6.2 per 31 March 2023, compared with 5.3 same period last year. Subcontractors are included in the figures. We had zero serious injuries in first quarter. The sickness absence rate was 4.3% (Q1 2022: 4.9%)

LTI frequency rate

Q1 2023

6.2

(Q1 2022: 5.3)



Ethical practice

Ensuring ethical business practice

NRC Group's business success is built on a foundation of trust. We believe that our business behaviour should reflect the highest ethical standards. Our long-term relationships with our customers and suppliers are where we demonstrate our commitment to ethical business practice.

The new Norwegian Transparency Act (Åpenhetsloven) came into force in July 2022. A formal Transparency Act Statement will be made available on the Company's website on or before 30 June 2023, to meet the requirements of the new law. A detailed description of how we comply with the Act and our approach to upholding human rights is contained within our 2022 Sustainability Report.

The Business Ethics and Code of Conduct Policy serves as NRC Group's primary governance document for ethical business practices. Since 2019, NRC Group Norway has been ISO 37001 certified, the internationally recognised ISO standard for anti-bribery management systems. An annual risk analysis is undertaken as part of the certification process. All managers have completed formal anti-corruption training.

Whistleblowing reports are dealt with in accordance with NRC Group's formal whistleblowing process. Employees can anonymous report in local languages or in English. External stakeholders can report from our webpages.



Interim condensed consolidated financial statement

Interim condensed consolidated statement of profit or loss

| <i>(Amounts in NOK million)</i> | Q1 2023 | Q1 2022 | FY 2022 |
|--|------------|------------|-------------|
| Revenue | 1 291 | 1 176 | 7 030 |
| Operating expenses | -1 329 | -1 168 | -6 695 |
| Other income and expenses | 40 | -1 | -2 |
| EBITDA | 2 | 7 | 333 |
| Depreciation | -48 | -45 | -185 |
| EBITA | -46 | -38 | 149 |
| Amortisation and impairment | -4 | -9 | -389 |
| Operating profit/loss (EBIT) | -49 | -47 | -240 |
| Net financial items | -15 | -14 | -58 |
| Share of profit from associates and joint ventures | 0 | 0 | -15 |
| Profit/loss before tax (EBT) | -65 | -62 | -313 |
| Taxes | 22 | 13 | -51 |
| Net profit/loss | -43 | -48 | -364 |
| Profit/loss attributable to: | | | |
| Shareholders of the parent | -42 | -48 | -363 |
| Non-controlling interests | -1 | 0 | -1 |
| Net profit / loss | -43 | -48 | -364 |
| Earnings per share in NOK (ordinary) | -0,59 | -0,66 | -4,99 |
| Earnings per share in NOK (diluted) | -0,59 | -0,66 | -4,99 |

Interim condensed consolidated statement of comprehensive income

| <i>(Amounts in NOK million)</i> | Q1 2023 | Q1 2022 | FY 2022 |
|---|------------|------------|-------------|
| Net profit / loss | -43 | -48 | -364 |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i> | | | |
| Translation differences | 103 | -52 | 36 |
| Net gain on hedging instruments | 4 | 10 | 15 |
| <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 | 5 |
| Total comprehensive profit/loss | 64 | -90 | -308 |
| Total comprehensive profit/loss attributable to: | | | |
| Shareholders of the parent | 65 | -90 | -307 |
| Non-controlling interests | -1 | 0 | -1 |
| Total comprehensive profit/loss | 64 | -90 | -308 |

Interim condensed consolidated statement of financial position

| <i>(Amounts in NOK million)</i> | 31.03.2023 | 31.12.2022 |
|--|--------------|--------------|
| ASSETS | | |
| Deferred tax assets | 98 | 98 |
| Goodwill | 2 440 | 2 364 |
| Customer contracts and other intangible assets | 31 | 32 |
| Intangible assets | 2 570 | 2 493 |
| Tangible assets | 192 | 184 |
| Right-of-use assets | 559 | 564 |
| Other non-current assets | 16 | 23 |
| Total non-current assets | 3 337 | 3 265 |
| Total inventories | 28 | 29 |
| Total receivables | 1 387 | 1 425 |
| Cash and cash equivalents | 395 | 472 |
| Total current assets | 1 810 | 1 927 |
| Total assets | 5 146 | 5 191 |
| (Amounts in NOK million) | | |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Paid-in-capital | 2 396 | 2 396 |
| Other equity | -20 | -85 |
| Total equity attributable to owners of the parent | 2 375 | 2 310 |
| Non-controlling interests | 0 | 2 |
| Total equity | 2 376 | 2 312 |
| Liabilities | | |
| Pension obligations | 11 | 11 |
| Long-term leasing liabilities | 347 | 353 |
| Other non-current interest-bearing liabilities | 823 | 741 |
| Deferred taxes | 0 | 1 |
| Other non-current liabilities | 7 | 0 |
| Total non-current liabilities | 1 188 | 1 106 |
| Short-term leasing liabilities | 174 | 175 |
| Other interest-bearing current liabilities | 56 | 153 |
| Other current liabilities | 1 353 | 1 445 |
| Total current liabilities | 1 582 | 1 773 |
| Total equity and liabilities | 5 146 | 5 191 |

Interim condensed consolidated statement of cash flows

| <i>(Amounts in NOK million)</i> | Q1 2023 | Q1 2022 | FY 2022 |
|---|-------------|------------|-------------|
| Profit/loss before tax | -65 | -62 | -313 |
| Depreciation, amortisation and impairment | 52 | 54 | 574 |
| Taxes paid | -5 | -6 | -13 |
| Net financial items | 16 | 14 | 57 |
| Gain from sale of property, plant and equipment | -4 | -19 | -32 |
| Gain from disposal of subsidiary | -40 | 0 | 0 |
| Share of profit from associates and joint ventures | 0 | 0 | 15 |
| Change in working capital and other accruals | -1 | 88 | -51 |
| Net cash flow from operating activities | -48 | 69 | 235 |
| Purchase of property, plant and equipment | -8 | -5 | -47 |
| Acquisition of companies, net of cash acquired | -7 | -21 | -24 |
| Investments in associates and joint ventures | 0 | 0 | -14 |
| Net proceeds from sale of property, plant and equipment | 5 | 20 | 55 |
| Disposal of companies, net of cash disposed | 97 | 0 | 0 |
| Net cash flow from investing activities | 86 | -7 | -29 |
| Repayments of borrowings | -39 | -36 | -147 |
| Payments of lease liabilities | -47 | -41 | -171 |
| Interest paid | -16 | -14 | -46 |
| Net proceeds from acquisition/sale of treasury shares | 0 | 1 | -3 |
| Net cash flow from financing activities | -101 | -91 | -366 |
| Net change in cash and cash equivalents | -63 | -29 | -160 |
| Cash and cash equivalents at the start of the period | 472 | 626 | 626 |
| Translation differences | -15 | -5 | 6 |
| Cash and cash equivalents at the end of the period | 395 | 593 | 472 |
| <i>Hereof presented as:</i> | | | |
| Free cash | 395 | 593 | 472 |
| Restricted cash | 0 | 0 | 0 |

Interim condensed consolidated statement of changes in equity

(Amounts in NOK million)

| | Share capital | Treasury shares | Other paid-in capital | Hedge reserve | Translation differences | Retained earnings | Total | Non-controlling interests | Total equity |
|-----------------------------------|---------------|-----------------|-----------------------|---------------|-------------------------|-------------------|-------|---------------------------|--------------|
| Equity at 1 January 2022 | 73 | 0 | 2 325 | -3 | 12 | 213 | 2 619 | 2 | 2 622 |
| Profit/loss for the period | | | | | | -363 | -363 | -1 | -364 |
| Other comprehensive income | | | | 15 | 36 | 5 | 56 | | 56 |
| Employee share program | | | 5 | | | | 5 | | 5 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -7 | | | | -7 | | -7 |
| Total changes in equity | 0 | 0 | -2 | 15 | 36 | -358 | -309 | -1 | -310 |
| Equity at 31 December 2022 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |
| Equity at 1 January 2023 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |
| Profit/loss for the period | | | | | | -42 | -42 | -1 | -43 |
| Other comprehensive income | | | | 4 | 103 | | 107 | | 107 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Total changes in equity | 0 | 0 | 0 | 4 | 103 | -42 | 65 | -1 | 64 |
| Equity at 31 March 2023 | 73 | 0 | 2 323 | 15 | 151 | -187 | 2 375 | 0 | 2 376 |

Notes to the interim condensed consolidated statement

1.1 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.

NRC Group is listed at Oslo Stock exchange under the ticker "NRC" and with ISIN NO0003679102.

1.2 Accounting policies and basis for preparation

The condensed consolidated financial statements as per 31 March 2023 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 2022.

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 2022. 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 first quarter financial report for 2022, and the audited financial report for the full year of 2022.

1.3 Significant estimates and judgement

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.

1.3.1 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, the value of any project modifications being recognised and the impact of any disputes or contractual disagreements.

1.3.2 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 270 million as of 31 March 2023. The book value of goodwill is most sensitive to the discount rate and the estimated future cash flows. The last impairment test was carried out at the end of 2022.

1.3.3 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 requires the 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.

1.3.4 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 443 million and in Sweden of SEK 744 million corresponding to gross deferred tax assets of NOK 97 million in Norway and SEK 153 million in Sweden that can be used to reduce future tax payments. In Norway there are no non-recognized deferred tax assets related to unused tax losses. In Sweden, total non-recognised deferred tax assets related to unused tax losses amount to SEK 128 million. Net of deferred tax liabilities and non-recognised assets, deferred tax assets of NOK 79 million in Norway and SEK 19 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.

2. Segments

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| Q1 2023 | | | | | |
| External | 571 | 249 | 470 | 0 | 1 291 |
| Inter-segment | -83 | 90 | 0 | -7 | 0 |
| Total revenue | 489 | 340 | 470 | -7 | 1 291 |
| Operating expenses | -454 | -389 | -483 | -3 | -1 329 |
| Other income and expenses | 41 | 0 | 0 | -1 | 40 |
| Depreciation | -25 | -10 | -12 | 0 | -48 |
| EBITA | 50 | -60 | -25 | -11 | -46 |
| Amortisation and impairment | 0 | -1 | -3 | 0 | -4 |
| EBIT | 50 | -61 | -28 | -11 | -49 |
| Adjustments | -41 | 41 | 0 | 1 | 1 |
| EBIT adj. | 9 | -19 | -27 | -10 | -48 |
| Order backlog | 1 921 | 3 428 | 2 851 | | 8 200 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| Q1 2022 | | | | | |
| External | 515 | 271 | 389 | 0 | 1 176 |
| Inter-segment | -16 | 17 | 0 | -1 | 0 |
| Total revenue | 499 | 289 | 389 | -1 | 1 176 |
| Operating expenses | -474 | -300 | -385 | -10 | -1 168 |
| Other income and expenses | 0 | 0 | 0 | 0 | -1 |
| Depreciation | -21 | -11 | -12 | 0 | -45 |
| EBITA | 4 | -22 | -9 | -11 | -38 |
| Amortisation and impairment | 0 | -1 | -8 | 0 | -9 |
| EBIT | 4 | -23 | -18 | -11 | -47 |
| Adjustments | 0 | 0 | 6 | 0 | 7 |
| EBIT adj. | 4 | -23 | -11 | -11 | -41 |
| Order backlog | 2 064 | 1 879 | 3 388 | | 7 331 |

2. Segments (continued)

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| FY 2022 | | | | | |
| External | 2 571 | 1 877 | 2 582 | 0 | 7 030 |
| Inter-segment | -198 | 203 | 0 | -5 | 0 |
| Total revenue | 2 373 | 2 080 | 2 582 | -5 | 7 030 |
| Operating expenses | -2 200 | -2 088 | -2 378 | -29 | -6 695 |
| Other income and expenses | 0 | 0 | -1 | -1 | -2 |
| Depreciation | -93 | -42 | -48 | -1 | -185 |
| EBITA | 80 | -49 | 154 | -36 | 149 |
| Amortisation and impairment | 0 | -355 | -34 | 0 | -389 |
| EBIT | 80 | -404 | 120 | -36 | -240 |
| Adjustments | 0 | 352 | 25 | 1 | 378 |
| EBIT adj. | 80 | -52 | 145 | -36 | 137 |
| Order backlog | 2 013 | 3 160 | 2 622 | | 7 795 |

3. Interests in associated companies

The Group has a 20% interest sharing risks and rewards of two larger projects (E04 Station Haga, and E03 Kvarnberget) with Webuild (40%) and Gülermak (40%) in connection with Station Haga in Gothenburg, through the associated company AGN Haga AB. NRC Group is represented in the board of AGN Haga, without being operationally involved in the projects. The projects commenced during 2018/2019 and were previously scheduled to be completed by 2026. The projects are complex with substantial risk, which has increased. The Group is represented in the board of the company but is not operationally involved in any of the projects.

In 2022, NRC Group made capital contributions of SEK 15 million to AGN Haga AB, representing NRC Group's pro-rata share of the total capital contributions, to support working capital in AGN Haga AB. Due to substantial uncertainty in the projects, net income from AGN Haga AB has not been recognised in NRC Group accounts, and all capital contributions of SEK 15.5 million was impaired in 2022.

On January 24 2023, AGN Haga received a termination notice from Trafikverket in relation to Station Haga in Gothenburg (E04). The contract in relation to Kvarnberget (E03) was not part of the termination notice.

The book value of AGN Haga AB in the Group's Q1 2023 accounts is NOK 0 million. Note 27 to the Group accounts in the annual report for 2022 provides further disclosures regarding the associated company.

4. Transactions between related parties

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the first quarter of 2023. Note 28 to the Group accounts in the annual report for 2022 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 million.

5. Events after the end of the period

VM Suomalainen Oy appointed NRC Group Finland, to a contract for tramway construction work in Helsinki valued at approximately EUR 3.1 million. The work will commence in May 2023 and is scheduled for completion in December 2025. NRC Group was also appointed to a contract by Wellbeing services County of Vantaa and Kerava rescue department to build a rescue building. The contract is valued at approximately EUR 3.9 million, and will be completed in May 2024. In addition, the City of Oulu appointed NRC Group Finland a contract valued at EUR 4.8 million for traffic light maintenance. The work is scheduled for completion in June 2026, with a possible two-year option.

The Swedish Transport Administration appointed NRC Sverige AB, to a contract for signal installation on the railway connection between Kolbäck and Västerås, valued at approximately SEK 41 million. The work will commence in June 2023 and is scheduled for completion in October 2024.

On 26 April, Henning Olsen, CEO of NRC Group submitted his notice of resignation. The Board of Directors will start a recruitment process to find Olsen's successor immediately. Henning will continue as CEO until a new successor is in place or by the latest 1 October 2023.

On 4 May, the Annual General Meeting approved all items in accordance with the Notice to the General Meeting.

Finnish Transport Infrastructure Agency (FTIA) appointed NRC Group Finland to a contract for track and signalling maintenance on maintenance area 9. The contract is valued at approximately EUR 14,3 million and will commence in November 2023.

Alternative performance measures

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 Groups 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 EBIT adj. 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 M&A expenses and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, 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 EBIT adj, EBITA and EBITDA, and EBIT adj, EBITA and EBITDA margin differently, the Group's presentation of these APMs may not be comparable to similar titled measures used by other companies.



Reconciliation of EBIT adj.

| <i>(Amounts in NOK million)</i> | Q1 2023 | Q1 2022 | FY 2022 |
|--|------------|------------|-------------|
| Operating profit/loss (EBIT) | -49 | -47 | -240 |
| Adjusting items | | | |
| Gain from sale of Gravco business unit | -40 | 0 | 0 |
| M&A expenses | 1 | 1 | 2 |
| Amortisation and impairment from PPA* | 0 | 6 | 376 |
| Restructuring items | 6 | 0 | 0 |
| Write-down operations to be discontinued | 35 | 0 | 0 |
| Adjusting items, total | 1 | 7 | 378 |
| EBIT adj. | -48 | -41 | 137 |
| Depreciation | 47 | 45 | 185 |
| Amortisation of IT software investments | 4 | 3 | 13 |
| EBITDA adj. | 3 | 8 | 335 |

*PPA (purchase price allocation) refers to merger related fair value adjustments

Reconciliation of Net cash/ net interest-bearing debt position

| <i>(Amounts in NOK million)</i> | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|--|--------------|--------------|--------------|
| Long-term leasing liabilities | 347 | 305 | 353 |
| Other non-current interest-bearing liabilities | 823 | 834 | 741 |
| Short-term leasing liabilities | 174 | 155 | 175 |
| Other interest-bearing current liabilities | 56 | 142 | 153 |
| Interest-bearing debt | 1 400 | 1 436 | 1 423 |
| <i>Minus:</i> | | | |
| Cash and cash equivalents | 395 | 593 | 472 |
| Net interest-bearing debt | 1 005 | 843 | 950 |
| <i>Minus:</i> | | | |
| Total leasing liabilities | 521 | 461 | 528 |
| Net interest-bearing debt excl. leasing | 484 | 383 | 422 |

Reconciliation of Net working capital (NWC)

| <i>(Amounts in NOK million)</i> | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---------------------------------|--------------|--------------|--------------|
| Total inventories | 28 | 30 | 29 |
| Total receivables | 1 387 | 1 155 | 1 425 |
| Current assets (ex cash) | 1 415 | 1 184 | 1 454 |
| <i>Minus:</i> | | | |
| Other current liabilities | 1 353 | 1 269 | 1 445 |
| Net working capital | 62 | -85 | 9 |

Definitions

| <i>Term</i> | <i>Description</i> |
|------------------------------------|---|
| Adjusting items | Adjusting items are material items outside ordinary course of business such as impairment of goodwill, operating profit from businesses to be closed down, restructuring costs, gains or losses arising from the divestments of a business or part of a business, and impacts of the fair value adjustments from purchase price allocations, such as amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). |
| 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. |
| Contract value | The amount stated in the contract for contract work excluding VAT. |
| EBIT | Operating profit. Earnings before net financial items and share of profit from associates and joint ventures. |
| EBIT adj. | Operating profit excluding adjusting items. |
| EBIT adj. % | Operating profit excluding adjusting items in relation to operating revenues. |
| 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 and IT software investments. |
| EBITA* (ex M&A) | EBITA plus other income and expenses. |
| 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. |
| EBITDA adj. | EBITDA excluding adjusting items. |
| EBITDA adj. % | EBITDA adj. excluding adjusting items in relation to operating revenues. |
| EBT | Profit before tax. |
| Financial Lease Agreements | Lease agreements transferring the main risk and control of the assets to the lessee. |

| <i>Term</i> | <i>Description</i> |
|-----------------------------------|---|
| FTIA | Finnish Transport Infrastructure Agency. |
| Equity ratio | Total equity in relation to total assets. |
| LTI | Injuries resulting in absence at least one full day per million man-hours including subcontractors. |
| LTM | Last twelve months on a rolling basis. |
| 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 interest-bearing debt | Interest-bearing liabilities minus cash and cash equivalents. |
| Net working capital (NWC) | The net amount of inventories, receivables (including contract assets) and other current liabilities (including contract liabilities). |
| Operating lease agreements | Lease agreements that are not financial lease agreements, including real estate rent. |
| Order backlog | Total nominal value of orders received less revenue recognised on the same orders. |
| Order intake | Total nominal value of orders received. |
| 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 and excluding full year revenue effect (proforma) for any disposed business, calculated in local currency. |
| Other income and expenses | 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. |
| Sickness Absence | 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. |
| TRI | Frequency of injuries with and without absence for personnel (employees and rented workers) and subcontractors per million hours worked. |
| TRV | Trafikverket – Swedish Transport Administration. |

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

Niklas Sundel
EVP and COO 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

NRC Group ASA

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Lysaker Torg 25
1366 Lysaker
Norway

Postal Address
P.O. Box 18
1324 Lysaker
Norway

Financial calendar 2023

2nd quarter and 1st half year 2023: 29 August
3rd quarter 2023: 24 November

QUARTERLY AND HALF-YEAR REPORT

29 August 2023

Q2



 NRC Group

From the CEO

NRC Group continued the positive development in the second quarter of 2023. We delivered improved results, improved margins and strong cash flow from operations.

The operating result was NOK 65 million, up from NOK 60 million in the same period last year. The improved profit is mainly driven by operations in Norway. Measures to improve profitability in Sweden, are also starting to yield results. In Finland, we ended the quarter with a solid margin of 5.8%.

During first half of 2023, we have initiated measures to improve profitability in Sweden. In the second quarter, we delivered a positive operating result of NOK 10 million, up from NOK 2 million from the same period last year. Actions to improve profitability continue, and the discontinuation of Civil operations is moving forward as planned.

Cash flow from operating activities was NOK 107 million in the quarter, compared to NOK -90 million in the same quarter last year. This is due to better working capital development.

The order intake for the Group was NOK 1.6 billion, resulting in a book-to-bill ratio of 0.9x. Our markets remain strong with a tender pipeline for the next nine months of NOK 21.1 billion, and we continue to see high tender activity in our three markets as we enter into the third quarter.

Many industries have faced considerable uncertainty the past years from volatile material and energy prices, pandemics, climate changes and supply chain disruptions. The direct effect has been limited for NRC Group, as our business model and market has proven resilient as investing and maintaining sustainable infrastructure have been and will continue to be a high priority in all our markets.



We build sustainable infrastructure that creates economic, social and environmental value. And we are committed to operating to the highest sustainability standards and transparently reporting our performance. NRC Group voluntarily discloses the Key Performance Indicators (KPIs) as defined in the current EU Taxonomy structure, and for the first half of 2023 91% of our revenues were defined as eligible, and 68% as aligned.

In June, the United Nations' Assistant Secretary-General and CEO of the UN Global Compact, Sanda Ojiambo, came to visit our project in Holmenkollen, where we build a water reservoir for the Oslo Municipality. This is a project with a solid environmental profile, where both nature is restored, the choice of machines and materials reduces the footprint and re-use of masses is in focus. We demonstrate our forward leaning approach on environmental topics in this project.

I would like to use this opportunity to thank all employees for the effort over the past four years while being the CEO of the company. Together we have built a strong organisation, worked systematically to improve profitability by improving our core commercial processes and built a solid foundation for future growth and profitability.



Stay healthy and safe,

Henning Olsen,
CEO NRC Group

Group highlights

2nd quarter

- Revenue of NOK 1,797 million (NOK 1,912 million), -6% growth and -13% organic growth
- Operating profit (EBIT adj.) of NOK 65 million (NOK 60 million), corresponding to a margin of 3.6% (3.1%)
- Order backlog reduced from NOK 8,200 million to NOK 7,982 million explained by a book-to-bill ratio of 0.9x in the quarter
- Financial improvement continues in Norway and actions to improve profitability in Sweden are starting to yield results
- Strong operating cash flow of NOK 107 million (NOK -90 million) due to good working capital management and improved results. Net interest-bearing debt decreased by NOK 37 million to NOK 968 million.
- Tender pipeline within Rail construction remains strong across all segments
- Anders Gustafsson appointed as new CEO of NRC Group, and will start on October 1st.

Half year

- Revenue of NOK 3,088 million (NOK 3,088 million)
- Operating profit (EBIT adj.) of NOK 17 million (NOK 19 million), corresponding to a margin of 0.5% (0.6%)
- Operating cash flow of NOK 58 million (NOK -21 million) and net interest-bearing debt at NOK 968 million (NOK 1,009 million at year-end 2022)
- Successful completion of the sale of the Gravco business unit in first quarter, recognising a net gain of NOK 40 million and NOK 114 million in net proceeds
- Civil construction division in Sweden decided to be discontinued. One-off cost of NOK 35 million related to the close-down recognised in first quarter.

EBIT ADJ. % Q2 2023

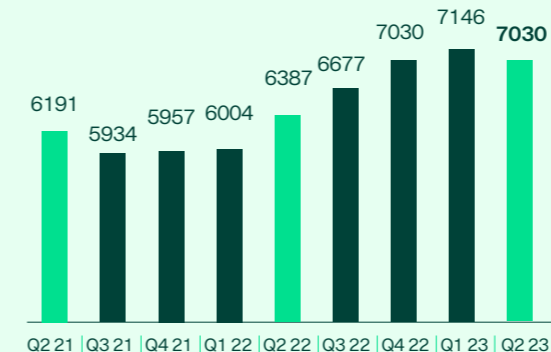
3.6%

Q2 2022: 3.1%



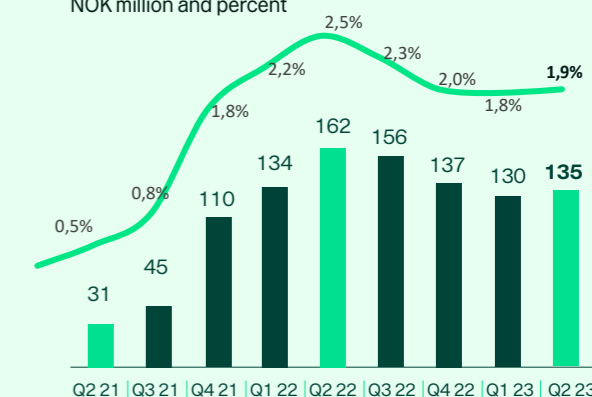
Group Revenue LTM

NOK million



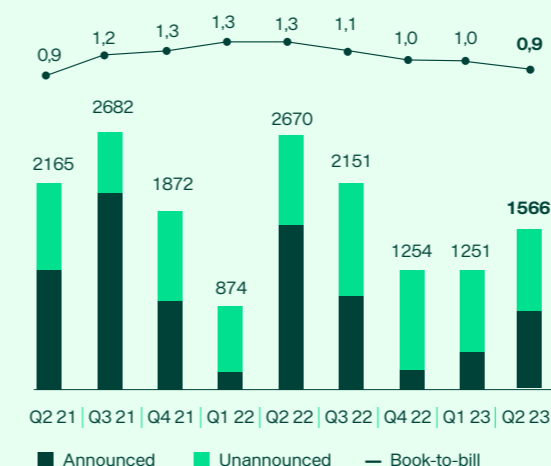
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



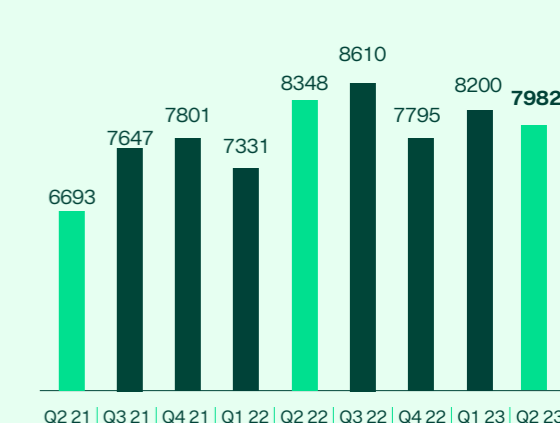
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



(Amounts in NOK million)

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 1 797 | 1 912 | 3 088 | 3 088 | 7 030 |
| EBITDA | 118 | 109 | 121 | 115 | 333 |
| EBIT adj. | 65 | 60 | 17 | 19 | 137 |
| EBIT adj. (%) | 3,6 % | 3,1 % | 0,5 % | 0,6 % | 2,0 % |
| Order intake | 1 566 | 2 670 | 2 817 | 3 545 | 6 959 |
| Order backlog | 7 982 | 8 348 | 7 982 | 8 348 | 7 795 |
| Cash flow from operating activities | 107 | -90 | 58 | -21 | 235 |
| Net interest-bearing debt | 968 | 1 009 | 968 | 1 009 | 950 |
| Equity ratio | 44 % | 47 % | 44 % | 47 % | 45 % |
| LTI | 7.9 | 3.5 | 7.1 | 4.3 | 6.0 |
| Sickness absence (%) | 3,3 % | 3,7 % | 3,8 % | 4,3 % | 4,2 % |

Finland

Finland had a revenue of NOK 726 million compared to NOK 712 million in the second quarter last year. Adjusted for currency effects the organic growth was -12%, driven by negative growth in Rail construction and Light rail, partly offset by higher volumes in Maintenance and Materials. The EBIT adj. was NOK 42 million compared to NOK 50 million in the same period in 2022, leading to an EBIT adj. margin of 5.8%, down from 7.1% the same quarter last year. Net gain from sale of machinery was NOK 1 million 2023 compared to NOK 1 million in same quarter last year. Good profitability in Light rail and Materials was offset by weak results in Rail Construction. Lower result in Rail construction during first half of 2023 is due to a significant write-down of a large railway-yard renewal project as well as growth initiatives within the newly established Civil unit.

Order intake was NOK 1,044 million, giving a book-to-bill ratio of 1.4x in the quarter and 0.7x measured over the last 12 months. The order backlog came in at NOK 3.2 billion, compared to NOK 2.9 billion at the end of last quarter and NOK 3.6 billion in the same quarter last year.

The tender pipeline in Finland is approximately NOK 6.1 billion, a decrease of approximately NOK 0.2 billion compared to the tender pipeline three months ago and an increase of approximately NOK 4.2 billion than the same period last year. Compared to last quarter the pipeline in Rail division increased with approximately NOK 1.6 billion, but this was offset by reduced tender pipeline in Civil construction and Maintenance.

ORDER INTAKE Q2 2023

1,044 MNOK

Q2 2022: 674 MNOK

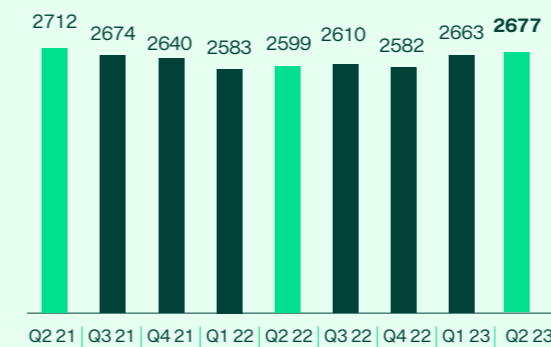


Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--|--------------|----------------------------------|
| VM Suomalainen Oy | 35 | Tramway construction |
| The City of Oulu | 56 | Traffic light maintenance |
| County of Vantaa and Kerava rescue department | 46 | Civil works on rescue station |
| Finnish Transport Infrastructure Agency (FTIA) | 166 | Track and signalling maintenance |
| Finnish Transport Infrastructure Agency (FTIA) | 319 | Track, electro and groundworks |
| Finnish Transport Infrastructure Agency (FTIA) | 46 | Rail construction |
| Total | 668 | |

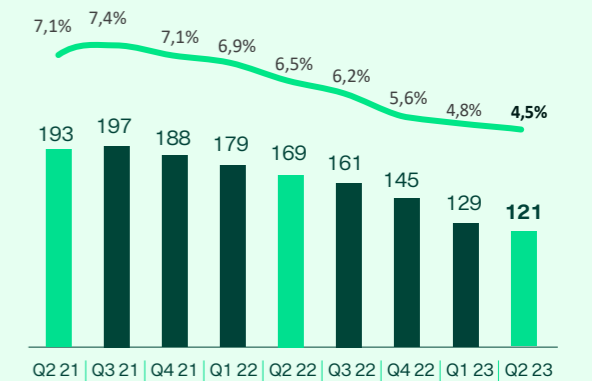
Revenue LTM

NOK million



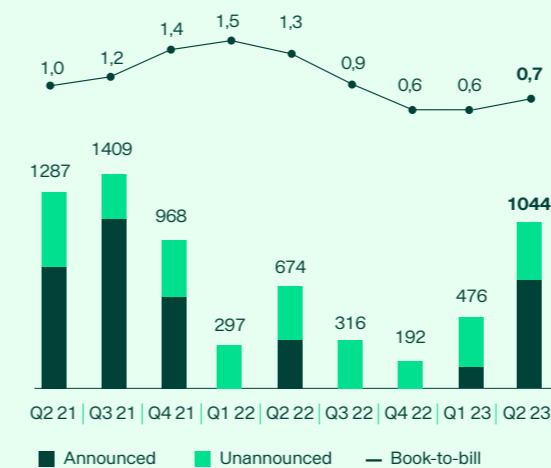
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



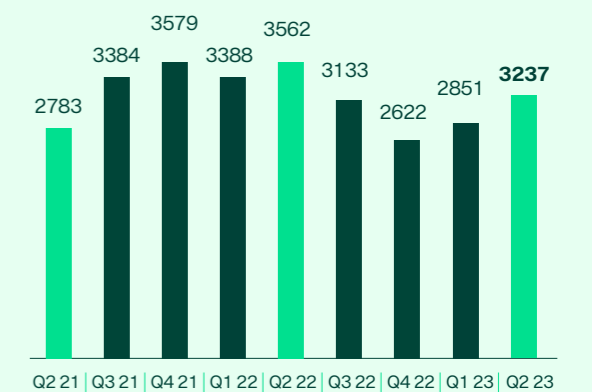
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Finland (Amounts in NOK million)

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 726 | 712 | 1 197 | 1 101 | 2 582 |
| EBITDA | 59 | 64 | 46 | 68 | 203 |
| EBIT adj. | 42 | 50 | 15 | 39 | 145 |
| EBIT adj. (%) | 5,8 % | 7,1 % | 1,3 % | 3,5 % | 5,6 % |
| Order intake | 1 044 | 674 | 1 520 | 971 | 1 479 |
| Order backlog | 3 237 | 3 562 | 3 237 | 3 562 | 2 622 |

Sweden

Revenue from the Swedish operation amounted to NOK 552 million for the quarter compared to NOK 516 million in the same period of 2022. Adjusted for currency, the organic growth in the quarter was 1%. Strong growth in Rail construction was offset by lower sales in Civil business, which is to be discontinued. Excluding the Civil operation, the growth in the quarter was 15%. The EBIT adj. for the quarter was NOK 10 million compared to NOK 2 million for the same quarter last year, mainly driven by improved profitability in Maintenance and reduced overhead costs.

Actions to improve profitability continue, and discontinuing the Civil operation in Karlstad is moving forward. In August the Group signed the final agreement to divest ongoing projects in Karlstad. The transaction will have limited financial impact. The initiated improvement measures in Sweden are starting to yield results and profitability improvements are expected in Sweden in 2023.

The order intake was NOK 251 million, giving a book-to-bill ratio of 0.5x in the quarter and 1.2x measured over the last 12 months. The order backlog was NOK 3.1 billion, compared to NOK 3.4 billion at the end of last quarter and NOK 2.5 billion in the same quarter last year.

In Sweden, the tender pipeline is approximately NOK 7.4 billion, with NOK 5.6 billion for Rail construction and NOK 1.9 billion for Maintenance. The tender pipeline decreased by NOK 5.3 billion compared to three months ago. The decrease is explained by a reduction in Rail maintenance, partly offset by an increased Rail construction pipeline. The tender pipeline is NOK 1.3 billion below the same period last year, which is related to reduced level of tenders in Maintenance.

EBIT ADJ. Q2 2023

10.2 MNOK

Q2 2022: 1.5 MNOK

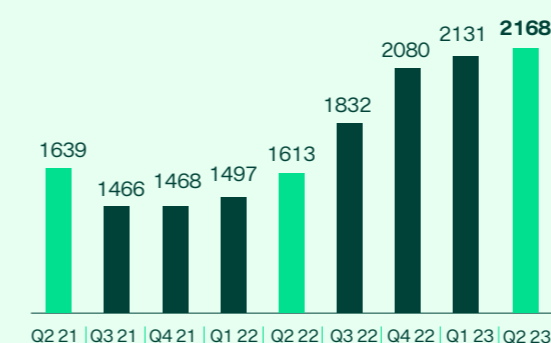


Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--|--------------|------------------------|
| The Swedish Transport Administration (TRV) | 42 | Signalling maintenance |
| Total | 42 | |

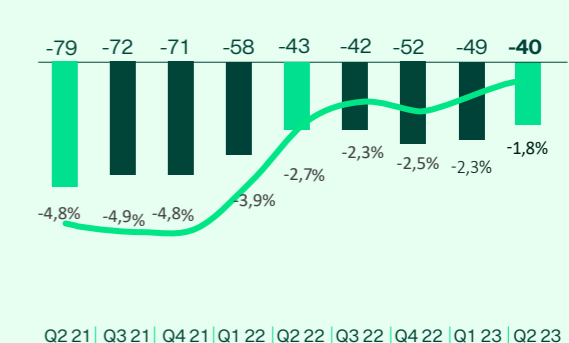
Revenue LTM

NOK million



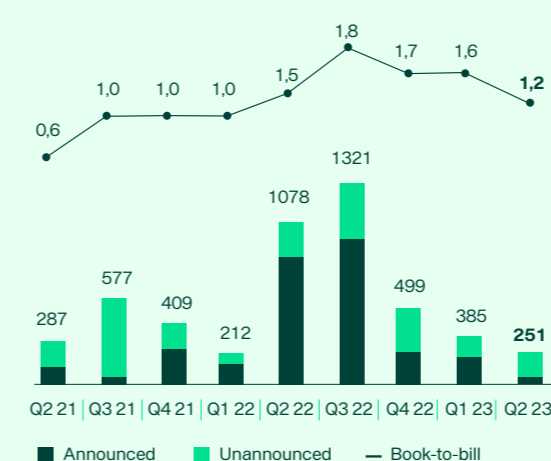
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



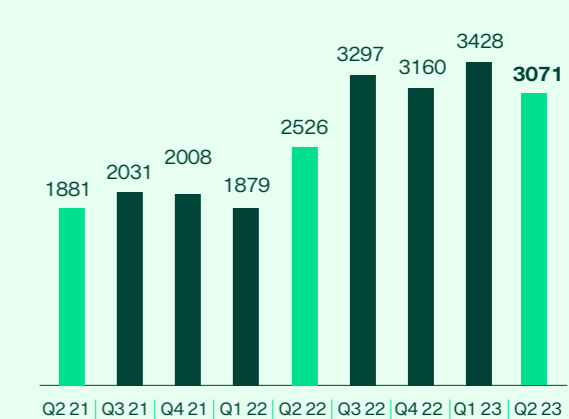
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Sweden (Amounts in NOK million)

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|----------------------|--------------|--------------|---------------|---------------|---------------|
| Revenue | 552 | 516 | 892 | 804 | 2 080 |
| EBITDA | 21 | 13 | -28 | 2 | -7 |
| EBIT adj. | 10 | 2 | -9 | 21 | -52 |
| EBIT adj. (%) | 1,9 % | 0,3 % | -1,0 % | -2,6 % | -2,5 % |
| Order intake | 251 | 1 078 | 639 | 1 290 | 3 111 |
| Order backlog | 3 071 | 2 526 | 3 071 | 2 526 | 3 160 |

Norway

Revenue in Norway was NOK 524 million compared to NOK 686 million in the second quarter of 2022. The organic growth was -21% in the quarter. Lower sales in Civil construction and Environment, was partly offset by strong growth within Rail construction. EBIT adj. was NOK 23 million compared to NOK 18 million in the same period of 2022, which resulted in an EBIT adj. margin of 4.4%, up from 2.6% for the same quarter last year. Profitability was driven by improved results from Civil construction, partly offset by weaker results in the demolition and recycling business within Environment.

The order intake was NOK 277 million, giving a book-to-bill ratio of 0.5x in the quarter and 0.7x measured over the last 12 months. The order backlog came in at NOK 1.7 billion, compared to NOK 1.9 billion at the end of last quarter and NOK 2.3 billion in the same quarter last year.

The tender pipeline in Norway is approximately NOK 7.6 billion, a decrease of NOK 3.1 billion compared to the tender pipeline three months ago. The decrease is explained by the decreased number of tenders in the market for Civil construction and Environment. The tender pipeline has increased by approximately NOK 0.2 billion compared with the same time last year.

EBIT ADJ. % Q2 2023

4.4%

Q2 2022: 2.6%

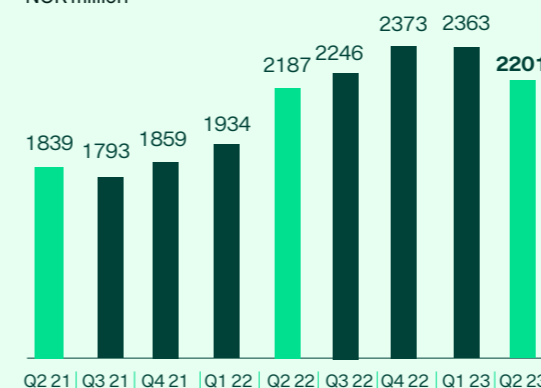


Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|-----------------------|--------------|--------------------|
| Kristiansand Havn IKS | 58 | Civil ground works |
| Total | 58 | |

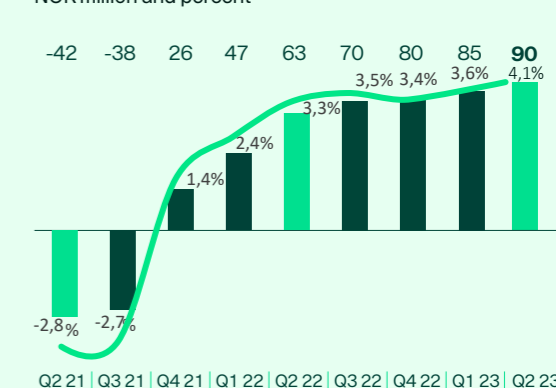
Revenue LTM

NOK million



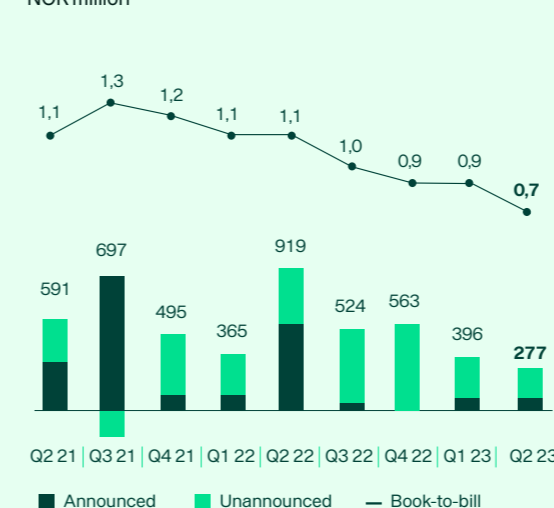
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



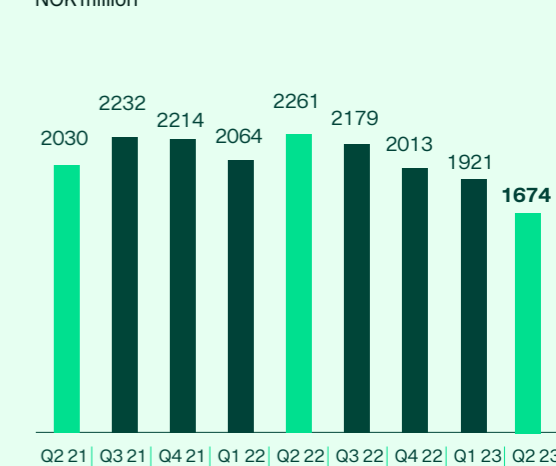
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Norway (Amounts in NOK million)

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 524 | 686 | 1 013 | 1 185 | 2 373 |
| EBITDA | 49 | 40 | 124 | 66 | 173 |
| EBIT adj. | 23 | 18 | 32 | 22 | 80 |
| EBIT adj. (%) | 4,4 % | 2,6 % | 3,2 % | 1,9 % | 3,4 % |
| Order intake | 277 | 918 | 673 | 1 284 | 2 370 |
| Order backlog | 1 674 | 2 261 | 1 674 | 2 261 | 2 013 |

Market and outlook

IMPACTS OF THE GLOBAL ECONOMY

The war in Ukraine, the energy crisis in Europe and high inflation have 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 development and uncertainty. In 2023, NRC Group expects high investments in rail, based on proposals in national budgets and national transportation plans in Norway, Sweden and Finland.

The market for rail investments is at a historical high level, driven by urbanisation, population growth and the shift towards sustainable infrastructure. On long term, NRC Group expects that these global mega-trends will lead to continued growth in the market.

The Group 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 adjustments, the customer predominantly takes the risk on sector specific materials within rail infrastructure. The Group considers the Civil business to be more exposed than Rail-related businesses. However, the impact for NRC Group has so far been limited. The Group monitors the development, including both direct and indirect effects, and is actively evaluating opportunities to limit risk in the project portfolio.



OUTLOOK

NRC Group is strongly positioned in a growing market with a substantial tender pipeline. In 2023, NRC Group expects investments in rail to be at same level as in 2022, based on national budgets and national transportation plans in Norway, Sweden and Finland.

Uncertainty in the world economy has had limited impact on NRC Group per date. The uncertain situation has led to an evaluation of the public investments in infrastructure going forward in the Nordics and can impact rail funding in certain projects.

NRC Group continues its focus on measures to improve profitability. For 2023, we expect continued positive operational and financial development with a slight decrease in revenue and moderate increase in EBIT adj. margins compared to 2022.

NRC Group is strongly positioned in a growing market with a substantial tender pipeline.

Financial information

CASH FLOW

Net cash flow from operating activities for the second quarter of 2023 was NOK 107 million, compared to NOK -90 million in the same quarter last year due to better working capital development.

Net cash flow from investing activities was NOK -9 million compared to NOK -3 million in the same period last year. This included proceeds from sale of equipment 6 million, compared to 7 million in the same period last year.

The net cash flows from financing activities amounted to NOK -78 million for the quarter compared to NOK -93 million last year. The cash flows mainly include ordinary bank instalments and interests for loans and lease liabilities (financial and operating). Bank instalments in the quarter totaled 14 million, compared to NOK 35 million in the same quarter last year. The Group has a NIBOR hedge linked to the outstanding bond, which partly offsets increased market interest rates. See further details in the Risks section.

The second quarter net change in cash, including currency impact, was NOK 33 million compared to NOK -180 million last year. Cash at the end of the period amounted to NOK 427 million. The Group has an unused credit facility of NOK 200 million and an undrawn seasonal credit facility of NOK 300 million.

FINANCIAL POSITION

NOK weakened towards EUR during the second quarter leading to a net positive translation difference recognised in other comprehensive income of NOK 34 million, compared to a positive adjustment of NOK 81 million last year.

Cash flow from operating activities increased to NOK 107 million in the second quarter, compared to -90 million in the same quarter last year.

Intangible assets increased by NOK 32 million to NOK 2,602 million during the quarter due to currency effects.

Tangible and right-of-use assets were more or less unchanged at NOK 750 million compared to last quarter. Total receivables increased by NOK 329 million to NOK 1,717 million during the quarter due to increased production in the period.

Total assets at NOK 5,544 million increased by NOK 398 million in the quarter. The equity ratio was 44 % on 30 June 2023.

Interest-bearing liabilities consist of a EUR 23.3 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 1,395 million at the end of June, including operating lease liabilities of NOK 256 million. The repayment of the EUR bank loan amounted to NOK 14 million in the quarter. Total lease liabilities were more or less unchanged at NOK 522 million as lease payments and terminated agreements were at the same level as the discounted value of new lease agreements.

Net interest-bearing debt decreased by NOK 37 million during the quarter to NOK 968 million due to the positive operating cash flow and partly offset by currency impact of NOK 10 million. Net interest-bearing debt excluding lease liabilities decreased by NOK 39 million during the quarter to NOK 445 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 changes 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 +21 million, NOK 6 million higher than at year-end 2022.

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 2,170 million at the end of the quarter, NOK 255 million higher than the short-term liabilities. Total unrestricted cash amounted to NOK 427 million in addition to an undrawn multi-currency credit facility of NOK 200 million and an undrawn seasonal credit facility of NOK 300 million. The central

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.

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 war in Ukraine, the energy crisis in Europe and high inflation, 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 development and uncertainty.



Sustainability

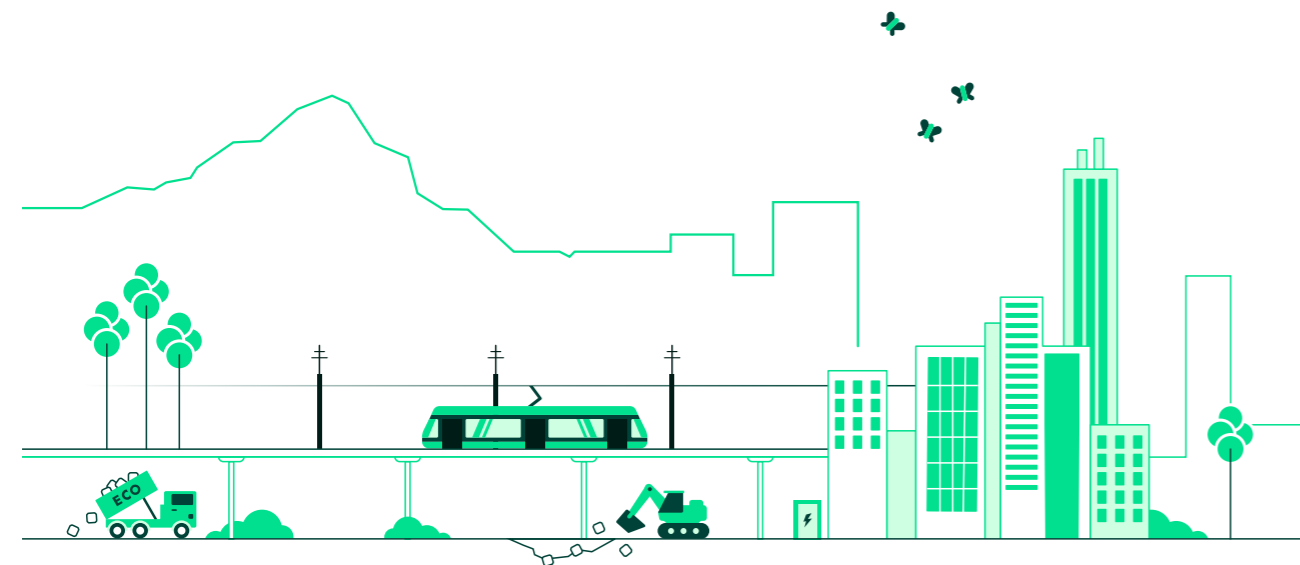
Our third report on progress was published in April 2023.

We build sustainable infrastructure that creates economic, social and environmental value now and for the future. We are committed to operating to the highest sustainability standards and transparently reporting our performance.

Our sustainability framework is based on our core competencies and most material impacts. It provides a clear structure for how we approach and address environmental, social and governance topics. The six key pillars of our framework are:

- Building a low-carbon future
- Improving environmental performance
- Providing a safe and secure workplace
- Emphasizing diversity and equal opportunities
- Training and developing our people
- Ensuring ethical business practice

Sustainability is embedded in our company's values, strategy and the way we work.



Building a low carbon future

We continue monitoring our climate-related risks and opportunities and have disclosed these in our Sustainability Report for 2022 following the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We've also been actively following the development of the EU Taxonomy and its related legislation, which came into force in Norway 1 January 2023. NRC Group voluntarily discloses the Key Performance Indicators (KPIs) as defined in the current Taxonomy structure.

Based on the Group's review of economic activities for first half of 2023, the following KPIs have been consolidated:

| | Eligible | Aligned |
|-----------------------------|----------|---------|
| KPIs | | |
| Turnover (Revenue) | 91% | 68% |
| Operational expenses (OpEx) | 92% | 71% |
| Investments (CapEx) | 91% | 77% |

GREEN FINANCE

NRC Group has established a green financing framework, established as part of our commitment to develop and supply services to build sustainable transport solutions. The Framework sets out the criteria for investments that can be financed or refinanced with green bonds, green loans other green debt instruments. S&P Global Ratings (formerly part of CICERO Shades of green) has conducted the independent external assessment of the framework and given it their highest rating, dark green, with a governance score of 'Good'. Danske Bank acted as green structuring advisor in the development of the Framework.



Providing a safe and secure workplace

Our number one priority is that all employees and partners shall return home safe and free of injuries every day. We work and focus on safety in all we do, in line with our policies for health, working environment and safety. All employees shall have a safe and secure working environment at NRC Group.

Our LTI frequency rate (injuries resulting in absence at least one full day per million man-hours) increased to 7.1 per 30 June 2023, compared with 4.3 the same period last year. Subcontractors are included in the figures. We had zero serious injuries in the second quarter. The sickness absence rate was 3.8% (Q2 2022: 4.3%)



Visit from UN Global Impact

In June, NRC Group Norway's Managing director, Arild Moe, and Project manager, Tor Øyvind Andersen, had the pleasure of guiding Sanda Ojiambo, Assistant Secretary-General of the United Nations Global Compact, and her team around at Tryvann. Here we build a water reservoir for Oslo Municipality. The main focus for the visit was our initiatives to reduce emissions and how we take care of the nature and surroundings.

It is great to experience a construction site, which is so forward leaning on environment and sustainability, and it shows that you can operate environmentally friendly, but at the same time economically and financially sound, Sanda Ojiambo said, during the visit.

Value for our customers

NRC Group Finland has initiated a two year long Lean leap, where the purpose is to make Lean methodology apart of their daily routines.

Lean is a management tool that is about continuous improvement of activities and eliminating different forms of inefficiency. By optimising our workflows, we can deliver value to our customer with fewer resources and less waste, says Jussi Takamaa, Director of Lean processes in NRC Group Finland.





Summer intern

At NRC group, we strive to give our interns relevant experience while being a student. It's also important learning for our more experienced employees, to bring in new perspectives and ideas.

Our summer intern Oda Eline Brandtzæg Hope (24) worked during summer at the Holmenkollen project in Norway.

I also worked here last summer and because I enjoyed it so much, I applied back this summer. I get very varied experience, everything from casting concrete to maintaining safety for our workers. No days are the same. My colleagues are very welcoming and helpful here. This internship is highly valuable for me, as I am interested in working with similar projects and in leadership roles in the future.



Re-using masses

We build sustainable infrastructure, and how we do it matters. In the railway project Lustån – Hedemora, NRC Group Sweden reduced emissions by 23%.

The excess masses were re-used in a local project. This reduced the transport of masses and also the waste. With the re-use and a more effective way of handling the masses, we reduced CO₂ emission by over 162 tonnes. The client awarded us a climate bonus for this reduction.

I think it's great to experience that our client rewards the sustainable solutions and initiatives we implement, says Dennis Samuelsson, HSEQ expert in NRC Group Sweden.



Interim condensed consolidated financial statement

Interim condensed consolidated statement of profit or loss

| <i>(Amounts in NOK million)</i> | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|--|------------|------------|------------|------------|-------------|
| Revenue | 1 797 | 1 912 | 3 088 | 3 088 | 7 030 |
| Operating expenses | -1 678 | -1 804 | -2 965 | -2 972 | -6 695 |
| Other income and expenses | 0 | 0 | -2 | -1 | -2 |
| EBITDA | 118 | 109 | 121 | 115 | 333 |
| Depreciation | -51 | -45 | -99 | -90 | -185 |
| EBITA | 68 | 63 | 22 | 26 | 149 |
| Amortisation and impairment | -4 | -9 | -7 | -18 | -389 |
| Operating profit/loss (EBIT) | 64 | 54 | 14 | 7 | -240 |
| Net financial items | -17 | -14 | -32 | -28 | -58 |
| Share of profit from associates and joint ventures | 0 | 0 | 0 | 0 | -15 |
| Profit/loss before tax (EBT) | 47 | 40 | -18 | -22 | -313 |
| Taxes | -10 | -8 | 12 | 5 | -51 |
| Net profit/loss | 37 | 32 | -6 | -17 | -364 |
| Profit/loss attributable to: | | | | | |
| Shareholders of the parent | 37 | 32 | -5 | -17 | -363 |
| Non-controlling interests | 0 | 0 | -1 | 0 | -1 |
| Net profit / loss | 37 | 32 | -6 | -17 | -364 |
| Earnings per share in NOK (ordinary) | 0,51 | 0,44 | -0,08 | -0,23 | -4,99 |
| Earnings per share in NOK (diluted) | 0,51 | 0,43 | -0,08 | -0,23 | -4,99 |

Interim condensed consolidated statement of comprehensive income

| <i>(Amounts in NOK million)</i> | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|---|-----------|------------|------------|------------|-------------|
| Net profit / loss | 37 | 32 | -6 | -17 | -364 |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i> | | | | | |
| Translation differences | 34 | 81 | 137 | 29 | 36 |
| Net gain on hedging instruments | 0 | 5 | 4 | 15 | 15 |
| <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 | 5 |
| Total comprehensive profit/loss | 71 | 118 | 135 | 28 | -308 |
| Total comprehensive profit/loss attributable to: | | | | | |
| Shareholders of the parent | 71 | 118 | 136 | 28 | -307 |
| Non-controlling interests | 0 | 0 | -1 | 0 | -1 |
| Total comprehensive profit/loss | 71 | 118 | 135 | 28 | -308 |

Interim condensed consolidated statement of financial position

| (Amounts in NOK million) | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|--|--------------|--------------|--------------|
| ASSETS | | | |
| Deferred tax assets | 96 | 130 | 98 |
| Goodwill | 2 474 | 2 705 | 2 364 |
| Customer contracts and other intangible assets | 32 | 48 | 32 |
| Intangible assets | 2 602 | 2 883 | 2 493 |
| Tangible assets | 190 | 182 | 184 |
| Right-of-use assets | 560 | 490 | 564 |
| Other non-current assets | 21 | 24 | 23 |
| Total non-current assets | 3 374 | 3 579 | 3 265 |
| Total inventories | 27 | 42 | 29 |
| Total receivables | 1 717 | 1 540 | 1 425 |
| Cash and cash equivalents | 427 | 413 | 472 |
| Total current assets | 2 170 | 1 994 | 1 927 |
| Total assets | 5 544 | 5 573 | 5 191 |
| | | | |
| (Amounts in NOK million) | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Paid-in-capital | 2 396 | 2 395 | 2 396 |
| Other equity | 50 | 249 | -85 |
| Total equity attributable to owners of the parent | 2 447 | 2 645 | 2 310 |
| Non-controlling interests | 0 | 2 | 2 |
| Total equity | 2 447 | 2 646 | 2 312 |
| | | | |
| Liabilities | | | |
| Pension obligations | 12 | 16 | 11 |
| Long-term leasing liabilities | 348 | 304 | 353 |
| Other non-current interest-bearing liabilities | 815 | 813 | 741 |
| Deferred taxes | 1 | 3 | 1 |
| Other non-current liabilities | 7 | 4 | 0 |
| Total non-current liabilities | 1 182 | 1 141 | 1 106 |
| | | | |
| Short-term leasing liabilities | 174 | 154 | 175 |
| Other interest-bearing current liabilities | 58 | 151 | 153 |
| Other current liabilities | 1 683 | 1 480 | 1 445 |
| Total current liabilities | 1 915 | 1 786 | 1 773 |
| Total equity and liabilities | 5 544 | 5 573 | 5 191 |

Interim condensed consolidated statement of cash flows

| (Amounts in NOK million) | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|---|------------|-------------|-------------|-------------|-------------|
| Profit/loss before tax | 47 | 40 | -18 | -22 | -313 |
| Depreciation, amortisation and impairment | 55 | 55 | 106 | 109 | 574 |
| Taxes paid | 8 | -30 | 2 | -37 | -13 |
| Net financial items | 16 | 14 | 32 | 28 | 57 |
| Gain from sale of property, plant and equipment | -4 | -5 | -8 | -24 | -32 |
| Gain from disposal of subsidiary | 0 | 0 | -40 | 0 | 0 |
| Share of profit from associates and joint ventures | 0 | 0 | 0 | 0 | 15 |
| Change in working capital and other accruals | -15 | -164 | -17 | -75 | -51 |
| Net cash flow from operating activities | 107 | -90 | 58 | -21 | 235 |
| Purchase of property, plant and equipment | -15 | -11 | -23 | -16 | -47 |
| Acquisition of companies, net of cash acquired | 0 | 0 | -8 | -21 | -24 |
| Investments in associates and joint ventures | 0 | 0 | 0 | 0 | -14 |
| Net proceeds from sale of property, plant and equipment | 6 | 7 | 11 | 27 | 55 |
| Disposal of companies, net of cash disposed | 0 | 0 | 97 | 0 | 0 |
| Net cash flow from investing activities | -9 | -3 | 77 | -10 | -29 |
| Repayments of borrowings | -14 | -35 | -52 | -71 | -147 |
| Payments of lease liabilities | -45 | -41 | -91 | -83 | -171 |
| Interest paid | -17 | -12 | -33 | -26 | -46 |
| Net proceeds from acquisition/sale of treasury shares | -3 | -4 | -2 | -4 | -3 |
| Net cash flow from financing activities | -78 | -93 | -179 | -184 | -366 |
| Net change in cash and cash equivalents | 20 | -187 | -43 | -215 | -160 |
| Cash and cash equivalents at the start of the period | 395 | 593 | 472 | 626 | 626 |
| Translation differences | 13 | 7 | -2 | 2 | 6 |
| Cash and cash equivalents at the end of the period | 427 | 413 | 427 | 413 | 472 |
| <i>Hereof presented as:</i> | | | | | |
| Free cash | 427 | 413 | 427 | 413 | 472 |
| Restricted cash | 0 | 0 | 0 | 0 | 0 |

Interim condensed consolidated statement of changes in equity

(Amounts in NOK million)

| | Share capital | Treasury shares | Other paid-in capital | Hedge reserve | Translation differences | Retained earnings | Total | Non-controlling interests | Total equity |
|---------------------------------|---------------|-----------------|-----------------------|---------------|-------------------------|-------------------|-------|---------------------------|--------------|
| Equity at 1 January 2022 | 73 | 0 | 2 325 | -3 | 12 | 213 | 2 619 | 2 | 2 622 |
| 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 |
| Total changes in equity | 0 | 0 | -2 | 15 | 29 | -17 | 25 | -1 | 25 |
| Equity at 30 June 2022 | 73 | 0 | 2 323 | 12 | 41 | 196 | 2 645 | 2 | 2 646 |
| Equity at 1 January 2023 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |
| Profit/loss for the period | | | | | | -5 | -5 | -1 | -6 |
| Other comprehensive income | | | | 4 | 137 | | 141 | | 141 |
| Employee share program | | | 3 | | | | 3 | | 3 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -3 | | | | -3 | | -3 |
| Total changes in equity | 0 | 0 | 0 | 4 | 137 | -5 | 136 | -1 | 135 |
| Equity at 30 June 2023 | 73 | 0 | 2 323 | 15 | 185 | -150 | 2 447 | 0 | 2 447 |

Notes to the interim condensed consolidated statement

1.1 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.

NRC Group is listed at Oslo Stock exchange under the ticker "NRC" and with ISIN NO0003679102.

1.2 Accounting policies and basis for preparation

The condensed consolidated financial statements as per 30 June 2023 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 2022.

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 2022. 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 2022, and the audited financial report for the full year of 2022.

1.3 Significant estimates and judgement

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.

1.3.1 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, the value of any project modifications being recognised and the impact of any disputes or contractual disagreements.

1.3.2 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 270 million as of 30 June 2023. The book value of goodwill is most sensitive to the discount rate and the estimated future cash flows. The last impairment test was carried out at the end of 2022.

1.3.3 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 requires the 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 rates.

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 requires 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.

1.3.4 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 443 million and in Sweden of SEK 744 million corresponding to gross deferred tax assets of NOK 97 million in Norway and SEK 153 million in Sweden that can be used to reduce future tax payments. In Norway there are no non-recognized deferred tax assets related to unused tax losses. In Sweden, total non-recognised deferred tax assets related to unused tax losses amount to SEK 128 million. Net of deferred tax liabilities and non-recognised assets, deferred tax assets of NOK 79 million in Norway and SEK 19 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.

2. Segments

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| Q2 2023 | | | | | |
| External | 599 | 471 | 726 | 0 | 1 797 |
| Inter-segment | -75 | 81 | 0 | -6 | 0 |
| Total revenue | 524 | 552 | 726 | -6 | 1 797 |
| Operating expenses | -475 | -531 | -667 | -5 | -1 678 |
| Other income and expenses | 0 | 0 | 0 | 0 | 0 |
| Depreciation | -26 | -11 | -14 | 0 | -51 |
| EBITA | 23 | 11 | 45 | -11 | 68 |
| Amortisation and impairment | 0 | -1 | -3 | 0 | -4 |
| EBIT | 23 | 10 | 42 | -11 | 64 |
| Adjustments | 0 | 1 | 0 | 0 | 1 |
| EBIT adj. | 23 | 10 | 42 | -11 | 65 |
| Order backlog | 1 674 | 3 071 | 3 237 | | 7 982 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| Q2 2022 | | | | | |
| External | 722 | 479 | 712 | 0 | 1 912 |
| Inter-segment | -36 | 37 | 0 | -1 | 0 |
| Total revenue | 686 | 516 | 712 | -1 | 1 912 |
| Operating expenses | -645 | -503 | -647 | -9 | -1 804 |
| Other income and expenses | 0 | 0 | 0 | 1 | 0 |
| Depreciation | -23 | -11 | -12 | 0 | -45 |
| EBITA | 18 | 2 | 52 | -9 | 63 |
| Amortisation and impairment | 0 | -1 | -8 | 0 | -9 |
| EBIT | 18 | 2 | 44 | -9 | 54 |
| Adjustments | 0 | 0 | 6 | -1 | 6 |
| EBIT adj. | 18 | 2 | 50 | -10 | 60 |
| Order backlog | 2 261 | 2 526 | 3 562 | | 8 348 |

2. Segments (continued)

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| YTD 2023 | | | | | |
| External | 1 171 | 721 | 1 197 | 0 | 3 088 |
| Inter-segment | -158 | 171 | 0 | -13 | 0 |
| Total revenue | 1 013 | 892 | 1 197 | -13 | 3 088 |
| Operating expenses | -930 | -920 | -1 150 | -8 | -3 007 |
| Other income and expenses | 41 | 0 | -1 | -1 | 39 |
| Depreciation | -51 | -21 | -26 | 0 | -99 |
| EBITA | 73 | -49 | 20 | -22 | 22 |
| Amortisation and impairment | 0 | -2 | -6 | 0 | -7 |
| EBIT | 73 | -51 | 14 | -22 | 14 |
| Adjustments | -41 | 42 | 1 | 1 | 2 |
| EBIT adj. | 32 | -9 | 15 | -21 | 17 |
| Order backlog | 1 674 | 3 071 | 3 237 | | 7 982 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| YTD 2022 | | | | | |
| External | 1 237 | 750 | 1 101 | 0 | 3 088 |
| Inter-segment | -52 | 54 | 0 | -2 | 0 |
| Total revenue | 1 185 | 804 | 1 101 | -2 | 3 088 |
| Operating expenses | -1 119 | -802 | -1 033 | -18 | -2 972 |
| Other income and expenses | 0 | 0 | -1 | 0 | -1 |
| Depreciation | -43 | -22 | -25 | 0 | -90 |
| EBITA | 22 | -20 | 43 | -20 | 25 |
| Amortisation and impairment | 0 | -1 | -17 | 0 | -18 |
| EBIT | 22 | -21 | 26 | -20 | 7 |
| Adjustments | 0 | 0 | 13 | 0 | 12 |
| EBIT adj. | 22 | -21 | 39 | -21 | 19 |
| Order backlog | 2 261 | 2 526 | 3 562 | | 8 348 |

2. Segments (continued)

| <i>(Amounts in NOK million)</i> | | | | | |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| FY 2022 | Norway | Sweden | Finland | Other | Consolidated |
| External | 2 571 | 1 877 | 2 582 | 0 | 7 030 |
| Inter-segment | -198 | 203 | 0 | -5 | 0 |
| Total revenue | 2 373 | 2 080 | 2 582 | -5 | 7 030 |
| Operating expenses | -2 200 | -2 088 | -2 378 | -29 | -6 695 |
| Other income and expenses | 0 | 0 | -1 | -1 | -2 |
| Depreciation | -93 | -42 | -48 | -1 | -185 |
| EBITA | 80 | -49 | 154 | -36 | 149 |
| Amortisation and impairment | 0 | -355 | -34 | 0 | -389 |
| EBIT | 80 | -404 | 120 | -36 | -240 |
| Adjustments | 0 | 352 | 25 | 1 | 378 |
| EBIT adj. | 80 | -52 | 145 | -36 | 137 |
| Order backlog | 2 013 | 3 160 | 2 622 | | 7 795 |

3. Interests in associated companies

The Group has a 20% interest sharing risks and rewards of two larger projects (E04 Station Haga, and E03 Kvarnberget) with Webuild (40%) and Gülermak (40%) in connection with Station Haga in Gothenburg, through the associated company AGN Haga AB. The projects commenced during 2018/2019 and were previously scheduled to be completed by 2026. The projects are complex with substantial risk. The Group is not operationally involved in any of the projects.

In 2022, NRC Group made capital contributions of SEK 15 million to AGN Haga AB, representing NRC Group's pro-rata share of the total capital contributions, to support working capital in AGN Haga AB. Due to substantial uncertainty in the projects, net income from AGN Haga AB has not been recognised in NRC Group accounts, and all capital contributions of SEK 15.5 million was impaired in 2022.

On January 24 2023, AGN Haga received a termination notice from Trafikverket in relation to Station Haga in Gothenburg (E04). The contract in relation to Kvarnberget (E03) was not part of the termination notice. During the first half of 2023, AGN Haga filed an application for reconstruction to the District Court, which was approved on the 22nd of May 2023. The restructuring process is ongoing.

The book value of AGN Haga AB in the Group's Q2 2023 accounts is NOK 0 million. Note 27 to the Group accounts in the annual report for 2022 provides further disclosures regarding the associated company.

4. Transactions between related parties

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the second quarter of 2023. Note 28 to the Group accounts in the annual report for 2022 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 million.

5. Events after the end of the period

NRC Group ASA has carried out its employee share purchase program for 2023. Participants in the share purchase program were offered a discount of 20 percent on the average closing price through the subscription period. Hence the subscription price after discount was NOK 8.93. NRC Group has transferred 322,855 of its shares held in treasury to employees participating in the program. Following the transaction, NRC Group owns 95,975 treasury shares.

The Swedish Transport Administration appointed NRC Group Sweden, a company wholly owned by NRC Group ASA, to a contract for track and signal installation in Skåne. The contract is valued at approximately SEK 39.9 million, and will involve rail services such as track, signal, electrical, telecom and groundwork. The work will commence in October 2023 and is scheduled for completion in September 2024.

Skanska has appointed Gunnar Knutsen AS, a company wholly owned by NRC Group ASA, to a contract for transportation and disposal of masses on the road connection between Lyasker and Ramstadsletta. The contract is valued at approximately NOK 115 million. The work will commence in August 2023, and the project is scheduled for completion in the second half of 2026.

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 2023.

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 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.

The Board of Directors would like to thank Henning Olsen for his significant contributions over his four year tenure as CEO of NRC Group. Henning has built a robust organisation across the countries, and has implemented significant operational and financial improvements.

Lysaker, 28 August 2023

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

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 Groups 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 EBIT adj. 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 M&A expenses and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, 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 EBIT adj, EBITA and EBITDA, and EBIT adj, EBITA and EBITDA margin differently, the Group's presentation of these APMs may not be comparable to similar titled measures used by other companies.



Reconciliation of EBIT adj.

| <i>(Amounts in NOK million)</i> | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|--|------------|------------|------------|------------|-------------|
| Operating profit/loss (EBIT) | 64 | 54 | 14 | 7 | -240 |
| Adjusting items | | | | | |
| Gain from sale of Gravco business unit | 0 | 0 | -40 | 0 | 0 |
| M&A expenses | 0 | 0 | 1 | 1 | 2 |
| Amortisation and impairment from PPA* | 0 | 6 | 0 | 12 | 376 |
| Restructuring items | 1 | 0 | 6 | 0 | 0 |
| Write-down operations to be discontinued | 0 | 0 | 35 | 0 | 0 |
| Adjusting items, total | 1 | 6 | 2 | 12 | 378 |
| EBIT adj. | 65 | 60 | 17 | 19 | 137 |
| Depreciation | 51 | 45 | 99 | 90 | 185 |
| Amortisation of IT software investments | 4 | 3 | 7 | 6 | 13 |
| EBITDA adj. | 119 | 108 | 123 | 116 | 335 |

*PPA (purchase price allocation) refers to merger related fair value adjustments

Reconciliation of Net cash/ net interest-bearing debt position

| <i>(Amounts in NOK million)</i> | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|--|--------------|--------------|--------------|
| Long-term leasing liabilities | 348 | 304 | 353 |
| Other non-current interest-bearing liabilities | 815 | 813 | 741 |
| Short-term leasing liabilities | 174 | 154 | 175 |
| Other interest-bearing current liabilities | 58 | 151 | 153 |
| Interest-bearing debt | 1 395 | 1 422 | 1 423 |
| <i>Minus:</i> | | | |
| Cash and cash equivalents | 427 | 413 | 472 |
| Net interest-bearing debt | 968 | 1 009 | 950 |
| <i>Minus:</i> | | | |
| Total leasing liabilities | 522 | 459 | 528 |
| Net interest-bearing debt excl. leasing | 445 | 551 | 422 |

Reconciliation of Net working capital (NWC)

| <i>(Amounts in NOK million)</i> | 30.06.2023 | 30.06.2022 | 31.12.2022 |
|---------------------------------|--------------|--------------|--------------|
| Total inventories | 27 | 42 | 29 |
| Total receivables | 1 717 | 1 540 | 1 425 |
| Current assets (ex cash) | 1 743 | 1 581 | 1 454 |
| <i>Minus:</i> | | | |
| Other current liabilities | 1 683 | 1 480 | 1 445 |
| Net working capital | 60 | 101 | 9 |

Definitions

| <i>Term</i> | <i>Description</i> |
|------------------------------------|---|
| Adjusting items | Adjusting items are material items outside ordinary course of business such as impairment of goodwill, operating profit from businesses to be closed down, restructuring costs, gains or losses arising from the divestments of a business or part of a business, and impacts of the fair value adjustments from purchase price allocations, such as amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). |
| 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. |
| Contract value | The amount stated in the contract for contract work excluding VAT. |
| EBIT | Operating profit. Earnings before net financial items and share of profit from associates and joint ventures. |
| EBIT adj. | Operating profit excluding adjusting items. |
| EBIT adj. % | Operating profit excluding adjusting items in relation to operating revenues. |
| 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 and IT software investments. |
| EBITA* (ex M&A) | EBITA plus other income and expenses. |
| 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. |
| EBITDA adj. | EBITDA excluding adjusting items. |
| EBITDA adj. % | EBITDA adj. excluding adjusting items in relation to operating revenues. |
| EBT | Profit before tax. |
| Financial Lease Agreements | Lease agreements transferring the main risk and control of the assets to the lessee. |

| <i>Term</i> | <i>Description</i> |
|-----------------------------------|---|
| FTIA | Finnish Transport Infrastructure Agency. |
| Equity ratio | Total equity in relation to total assets. |
| LTI | Injuries resulting in absence at least one full day per million man-hours including subcontractors. |
| LTM | Last twelve months on a rolling basis. |
| 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 interest-bearing debt | Interest-bearing liabilities minus cash and cash equivalents. |
| Net working capital (NWC) | The net amount of inventories, receivables (including contract assets) and other current liabilities (including contract liabilities). |
| Operating lease agreements | Lease agreements that are not financial lease agreements, including real estate rent. |
| Order backlog | Total nominal value of orders received less revenue recognised on the same orders. |
| Order intake | Total nominal value of orders received. |
| 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 and excluding full year revenue effect (proforma) for any disposed business, calculated in local currency. |
| Other income and expenses | 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. |
| Sickness Absence | 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. |
| TRI | Frequency of injuries with and without absence for personnel (employees and rented workers) and subcontractors per million hours worked. |
| TRV | Trafikverket – Swedish Transport Administration. |

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

Niklas Sundel
EVP and COO 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

NRC Group ASA

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Lysaker Torg 25
1366 Lysaker
Norway

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P.O. Box 18
1324 Lysaker
Norway

Financial calendar 2023

3rd quarter 2023: 24 November

QUARTERLY REPORT

24 November 2023

Q3



 NRC Group

From the CEO

I am honored and excited to address you as the new CEO of NRC Group, as we embark on a journey into the next five-year strategy period. First of all, I would like to thank my new colleagues for warmly welcoming me to the company. The experience, knowledge and competence impress me in so many ways. Our mission is clear – to build and maintain sustainable infrastructure in the Nordics while driving profitable growth.

Many industries have faced considerable uncertainty in the past years from increased global tensions and unpredictability across the global economy. The direct effect has been limited to NRC Group, as our business model and market has proven resilient. Investing and maintaining sustainable infrastructure has been and will continue to be a high priority in all our markets.

As we plan the track for the new strategy from 2024 to 2028, the outlook for our company is promising. With a solid foundation after four years of challenges, we are now well positioned to capitalize on the strong market we operate within. We will analyse our strengths, identify existing and emerging opportunities, and tackle challenges with determination. The demand to build and maintain critical infrastructure is increasing, and the tender pipeline has reached a record high level. Our unique position in the industry, with specialized competence to construct sustainable infrastructure, gives us a competitive advantage.

Norway has been consistently on a positive margin trajectory the last two years, showcasing improved performance since the beginning of 2022. To secure and amplify our future success for Norway, our focus now lies in securing significant contracts. This presents us with an exciting opportunity to leverage our proven specialized capabilities.



The turnaround plan in Sweden is well on track and our measures to improve profitability are clearly yielding results. The recent win of a significant Rail construction contract, track renewal of Pitebanan and Skelleftebanan valued at nearly 400 million, confirms our progress and creates renewed confidence in future projects for this business segment after navigating through a few challenging years.

While we have achieved strong profitability levels in Finland over the years, it is realistic to assume that the profitability in this business segment will be reduced to a lower, yet sustainable level. We now dedicate efforts to conducting analysis of the Finnish operations, in order to streamline and make the operations more cost effective.

We are confirming our commitment to achieving profitability above 5% for the company. This journey will be demanding, but it is one we are well-prepared to undertake. During this transition, we remain steadfast in our mission to create value for our employees, customers and shareholders. Our commitment to excellence, innovation, and ethical business practices remains. We will continue to invest in our people, foster a culture of collaboration and accountability, and diligently manage our resources efficiently.

Thank you for your trust in us, and I look forward to working with all of you as we write the next chapter of our company's exciting journey.



Stay healthy and safe,

Anders Gustafsson,
CEO NRC Group

Group highlights

3rd quarter

- Revenue of NOK 1,844 million (NOK 1,988 million), -7% growth and -13% organic growth
- Operating profit (EBIT adj.) of NOK 80 million (NOK 91 million), corresponding to a margin of 4.3% (4.6%)
- Order backlog reduced from NOK 8,610 million to NOK 6,613 million explained by a book-to-bill ratio of 0.4x in the quarter
- Financial improvement in Norway and Sweden continues, while profitability in Finland has decreased
- Operating cash flow of NOK 12 million (NOK 96 million) due to increased working capital. Net interest-bearing debt increased by NOK 25 million to NOK 992 million
- Tender pipeline within Rail construction remains strong across all segments

Year to date

- Revenue of NOK 4,932 million (NOK 5,075 million)
- Operating profit (EBIT adj.) of NOK 96 million (NOK 110 million), corresponding to a margin of 2.0% (2.2%)
- Operating cash flow of NOK 70 million (NOK 75 million) and net interest-bearing debt at NOK 992 million (NOK 950 million at year-end 2022)
- Successful completion of the sale of the Gravco business unit in first quarter
- In Q1, the Civil construction division in Sweden was decided to be discontinued, and in Q3 disposal of the business has been completed

EBIT ADJ. % Q3 2023

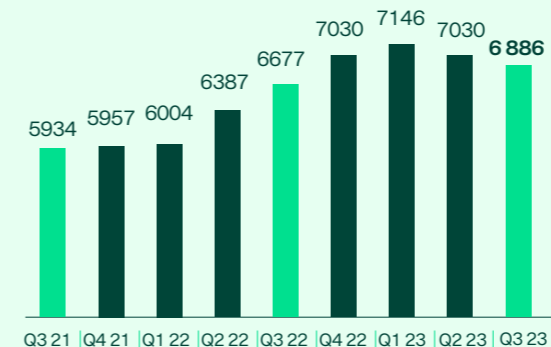
4.3%

Q3 2022: 4.6%



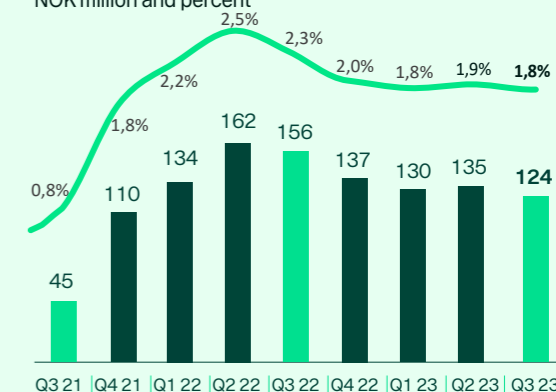
Group Revenue LTM

NOK million



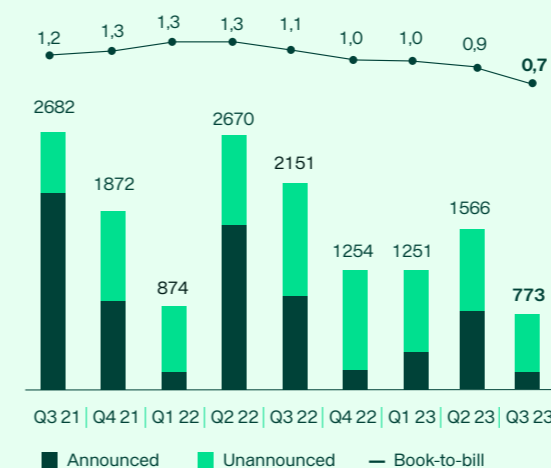
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



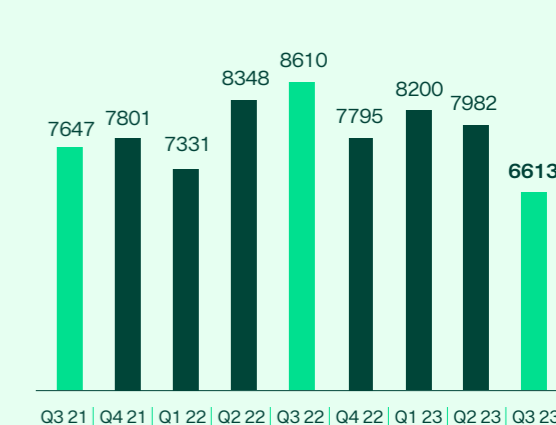
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



(Amounts in NOK million)

| | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|-------------------------------------|---------|---------|----------|----------|---------|
| Revenue | 1 844 | 1 988 | 4 932 | 5 075 | 7 030 |
| EBITDA | 126 | 138 | 247 | 254 | 333 |
| EBIT adj. | 80 | 91 | 96 | 110 | 137 |
| EBIT adj. (%) | 4,3 % | 4,6 % | 2,0 % | 2,2 % | 2,0 % |
| Order intake | 773 | 2 161 | 3 590 | 5 706 | 6 959 |
| Order backlog | 6 613 | 8 610 | 6 613 | 8 610 | 7 795 |
| Cash flow from operating activities | 12 | 96 | 70 | 75 | 235 |
| Net interest-bearing debt | 992 | 997 | 992 | 997 | 950 |
| Equity ratio | 44 % | 47 % | 44 % | 47 % | 45 % |
| LTI | 3,1 | 5,9 | 5,8 | 4,9 | 6,0 |
| Sickness absence (%) | 3,5 % | 3,5 % | 3,7 % | 4,0 % | 4,2 % |

Finland

Finland had a revenue of NOK 805 million compared to NOK 804 million in the third quarter last year. Adjusted for currency effects the organic growth was -12%, driven by negative growth in Rail construction and Materials. The EBIT adj. was NOK 49 million compared to NOK 75 million in the same period in 2022, leading to an EBIT adj. margin of 6.1%, down from 9.3% the same quarter last year. Net gain from sale of machinery was NOK 1 million 2023 compared to NOK 3 million in same quarter last year. The result is negatively affected by the performance in Rail Construction.

The order backlog came in at NOK 2.7 billion, compared to NOK 3.2 billion at the end of last quarter and NOK 3.1 billion in the same quarter last year. The order intake was NOK 338 million, resulting in a book-to-bill ratio of 0.4x in the quarter and 0.8x measured over the last 12 months. In the quarter, the City of Tampere and the Municipality of Pirkkala selected NRC Group Finland and YIT Finland as construction parties and approved the development phase of the Pirkkala–Linnainmaa tramway. This is the seventh rail transport-related alliance project for NRC Group Finland, and is an important win for the Group. This win confirms our strong capabilities and strengthen our position in large rail alliance contracts. The construction of the tramway will take place between 2025 and 2028. The target price of the construction phase is approximately EUR 322 million, including YIT's share, but will not be included in the Group's order backlog before expected approval from the councils late in 2024.

The tender pipeline in Finland is approximately NOK 12.3 billion, an increase of approximately NOK 6.2 billion compared to the tender pipeline three months ago. The increase is explained by the increased number of tenders in the market for Rail construction. The tender pipeline has increased by approximately NOK 10.6 billion compared with the same period last year.

EBIT ADJ. Q3 2023

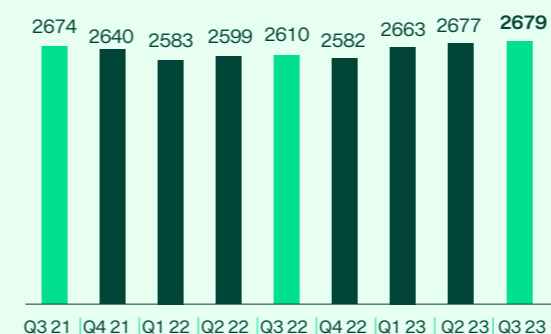
49 MNOK

Q3 2022: 75 MNOK



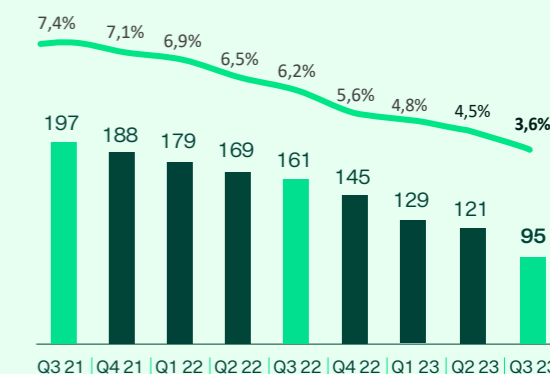
Revenue LTM

NOK million



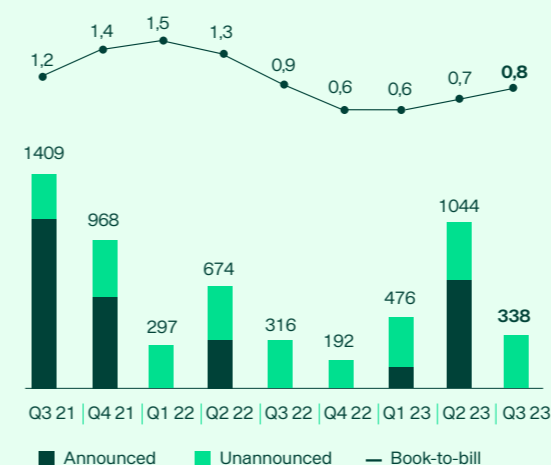
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



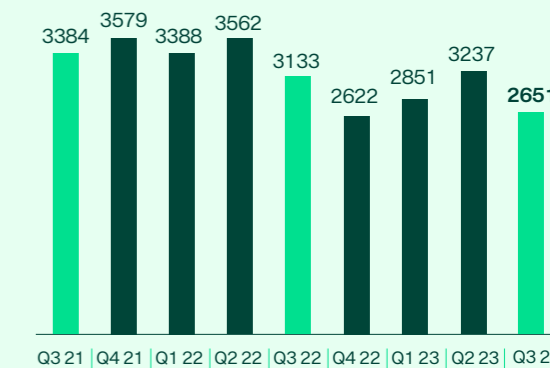
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Finland (Amounts in NOK million)

| | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 805 | 804 | 2 002 | 1 905 | 2 582 |
| EBITDA | 65 | 89 | 111 | 157 | 203 |
| EBIT adj. | 49 | 75 | 64 | 114 | 145 |
| EBIT adj. (%) | 6,1 % | 9,3 % | 3,2 % | 6,0 % | 5,6 % |
| Order intake | 338 | 316 | 1 857 | 1 287 | 1 479 |
| Order backlog | 2 651 | 3 133 | 2 651 | 3 133 | 2 622 |

Sweden

Revenue from the Swedish operation amounted to NOK 447 million for the quarter compared to NOK 630 million in the same period of 2022. Revenue in Rail construction was lower in Q3 2023 as several large project in Q3 2022 grew significant in size. NOK 76 million of the reduction is due to the disposed Civil operations which from August 2023 no longer is part of the Group. By excluding the Civil operation, the organic growth in the quarter was -24%.

The EBIT adj. for the quarter was NOK 5 million compared to NOK 0 million for the same quarter last year. Actions to improve profitability continue. In August, the Group completed the divestment of the Civil operation in Karlstad. The initiated improvement measures in Sweden are starting to yield results and profitability improvements are expected in Sweden in 2023.

The order intake was NOK 170 million, giving a book-to-bill ratio of 0.4x in the quarter and 0.7x measured over the last 12 months. The order backlog was NOK 2.6 billion, compared to NOK 3.1 billion at the end of last quarter (NOK 125 million related to the Civil business disposed in August) and NOK 3.3 billion in the same quarter last year. After quarter-end, NRC Group Sweden won a major contract for track renewal on Pitebanan and Skelleftebanan. The contract is valued at approximately SEK 392 million, and will involve rail services such as track, electro, signal/telecom and groundwork. The work will commence in November 2023 and is scheduled for completion in autumn 2024.

In Sweden, the tender pipeline is approximately NOK 9.5 billion, with NOK 6.1 billion for Rail construction and NOK 3.4 billion for Maintenance. The tender pipeline increased by NOK 2.1 billion compared to three months ago, with increased pipeline for both Rail construction and Maintenance. The tender pipeline is NOK 0,8 billion below the same period last year, which is related to reduced level of tenders in Maintenance.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--|--------------|----------------------------------|
| The Swedish Transport Administration (TRV) | 39 | Track and signalling maintenance |
| Total | 39 | |

EBIT ADJ. Q3 2023

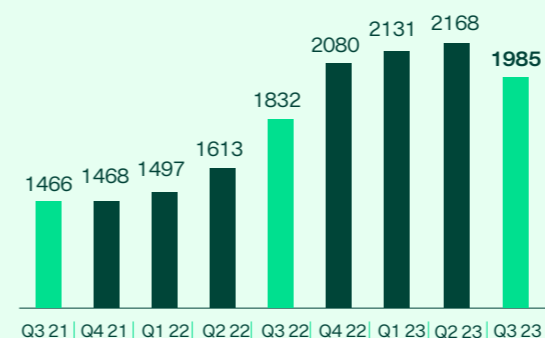
5.1 MNOK

Q3 2022: 0.3 MNOK



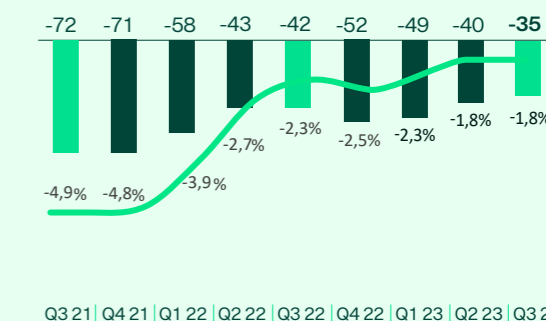
Revenue LTM

NOK million



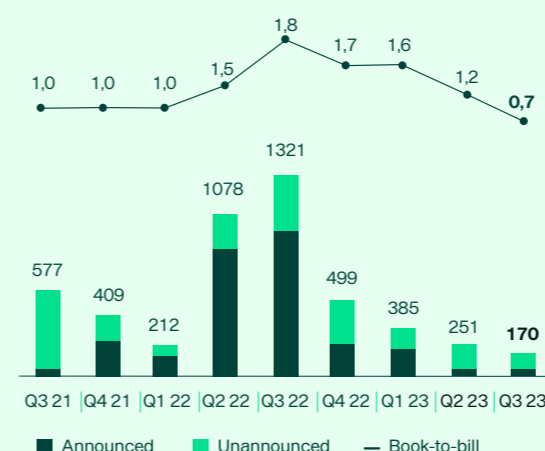
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



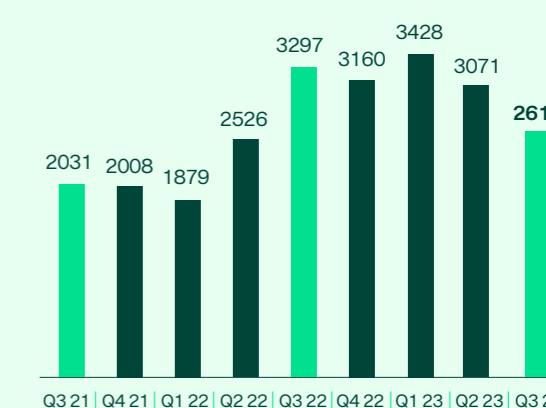
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Sweden (Amounts in NOK million)

| | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|----------------------|--------------|--------------|---------------|---------------|---------------|
| Revenue | 447 | 630 | 1 339 | 1 434 | 2 080 |
| EBITDA | 12 | 11 | -16 | 13 | -7 |
| EBIT adj. | 5 | 0 | -4 | -21 | -52 |
| EBIT adj. (%) | 1,1 % | 0,1 % | -0,3 % | -1,5 % | -2,5 % |
| Order intake | 170 | 1 321 | 806 | 2 611 | 3 111 |
| Order backlog | 2 615 | 3 297 | 2 615 | 3 297 | 3 160 |

Norway

Revenue in Norway was NOK 600 million compared to NOK 554 million in the third quarter of 2022. The organic growth was 12% in the quarter. Lower revenue in Civil construction was offset by strong growth within Rail construction. EBIT adj. was NOK 33 million compared to NOK 27 million in the same period of 2022, which resulted in an EBIT adj. margin of 5.5%, up from 4.9% for the same quarter last year. Profitability was driven by improved results from Rail construction and Civil construction. Environment delivered results at same level as last year. Weaker results in the demolition and recycling business was offset by continued strong results from Gunnar Knutsen, the Group's mass transportation company.

The order intake was NOK 273 million, giving a book-to-bill ratio of 0.5x in the quarter and 0.6x measured over the last 12 months. The order backlog came in at NOK 1.3 billion, compared to NOK 1.7 billion at the end of last quarter and NOK 2.2 billion in the same quarter last year. After quarter-end, NRC Group Norway won a major Civil construction contract of approximately NOK 300 million for foundation and groundwork in connection with the expansion of New Aker Hospital, which will be part of Oslo University Hospital. The work will commence in February 2024 and is scheduled for completion in autumn 2025.

The tender pipeline in Norway is approximately NOK 12.8 billion, an increase of NOK 5.2 billion compared to the tender pipeline three months ago. The increase is explained by the increased number of tenders in the market for Rail construction. The tender pipeline has increased by approximately NOK 5.9 billion compared with the same period last year.

EBIT ADJ. % Q3 2023

5.5%

Q3 2022: 4.9%

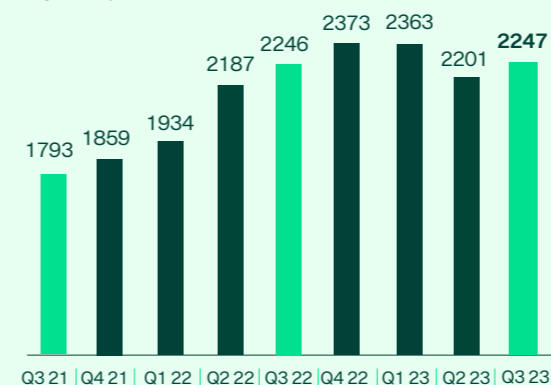


Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--------------|--------------|---------------------------------------|
| Skanska | 115 | Transportation and disposal of masses |
| Total | 115 | |

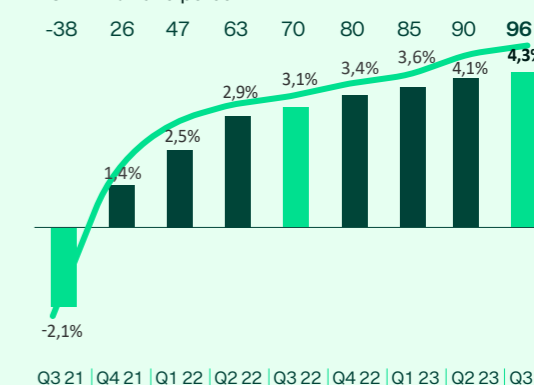
Revenue LTM

NOK million



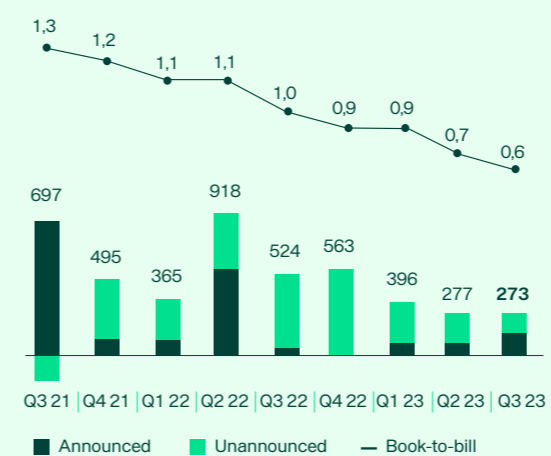
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



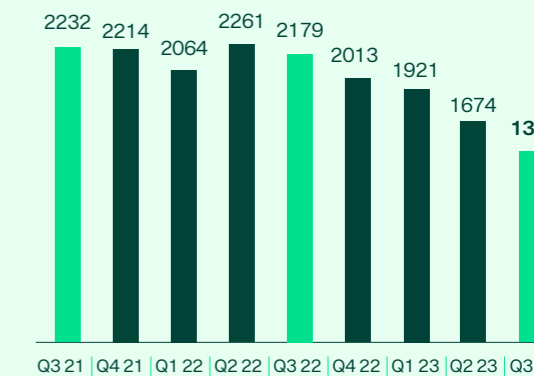
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Norway (Amounts in NOK million)

| | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 600 | 554 | 1 612 | 1 739 | 2 373 |
| EBITDA | 56 | 49 | 180 | 115 | 173 |
| EBIT adj. | 33 | 27 | 65 | 49 | 80 |
| EBIT adj. (%) | 5,5 % | 4,9 % | 4,0 % | 2,8 % | 3,4 % |
| Order intake | 273 | 524 | 945 | 1 808 | 2 370 |
| Order backlog | 1 347 | 2 179 | 1 347 | 2 179 | 2 013 |

Market and outlook

IMPACTS OF THE GLOBAL ECONOMY

The ongoing wars in Ukraine and Gaza, high inflation and increased interest rates have led to volatility in the financial market and uncertainty in the global economic outlook. Due to the situation, the global outlook is more uncertain both related to material prices, supply chain risks, and government spending on infrastructure. The Group has analysed the direct earnings sensitivity from increasing material and fuel prices. The findings conclude that the direct effect for NRC Group has been limited, and that our business model is resilient and yields good protection against increasing material prices. In addition to frequently used index adjustments, 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.

The Group expects high investments in rail, based on proposals in national budgets and national transportation plans in Norway, Sweden and Finland. The market for rail investments is at a historical high level, driven by urbanization, population growth and the green shift towards sustainable infrastructure. On long term, NRC Group expects that these global mega-trends will lead to continued growth in the market.



OUTLOOK

NRC Group is strongly positioned in a growing market with a substantial tender pipeline. In 2024, NRC Group expects investments in rail to be at same level as in 2023, based on national budgets and national transportation plans in Norway, Sweden and Finland.

NRC Group continues its focus on measures to improve profitability. For 2023, NRC Group previously guided a slight decrease in revenue and a moderate increase in EBIT adj. margins compared to 2022. Following the development in Finland, we now expect an EBIT adj. margin in line with 2022 and still a slight decrease in revenue. The Group is confirming the commitment to achieving long-term profitability above 5%.

The forthcoming strategy period, navigating the Group from mid-2024 until the end of 2028, will be presented in a Capital Markets Update during May 2024.

NRC Group is strongly positioned in a growing market with a substantial tender pipeline.

Financial information

CASH FLOW

Net cash flow from operating activities for the second quarter of 2023 was NOK 12 million, compared to NOK 96 million in the same quarter last year due to negative working capital development.

Net cash flow from investing activities was NOK -7 million compared to NOK -11 million in the same period last year. This included proceeds from sale of machinery of NOK 9 million, compared to NOK 19 million in the same period last year, as well as a negative cash effect of NOK 10 million from sale of the Civil operation.

The net cash flows from financing activities amounted to NOK -80 million for the quarter compared to NOK -89 million last year. The cash flows mainly include ordinary bank instalments and interests for loans and lease liabilities (financial and operating). Bank instalments in the quarter totaled NOK 14 million, compared to NOK 38 million in the same quarter last year. The Group has a NIBOR hedge linked to the outstanding bond, which partly offsets increased market interest rates. See further details in the Risks section.

The third quarter net change in cash, including currency impact, was NOK -82 million compared to NOK -1 million last year. Cash at the end of the period amounted to NOK 346 million.

The Group had per third quarter an unused credit facility of NOK 200 million. After the end of the quarter, the Group has increased the multi-currency credit facility from NOK 200 million to NOK 400 million. At the same time, the existing NOK 600 million bond has been replaced with a new NOK 400 million bond maturing in 2027.

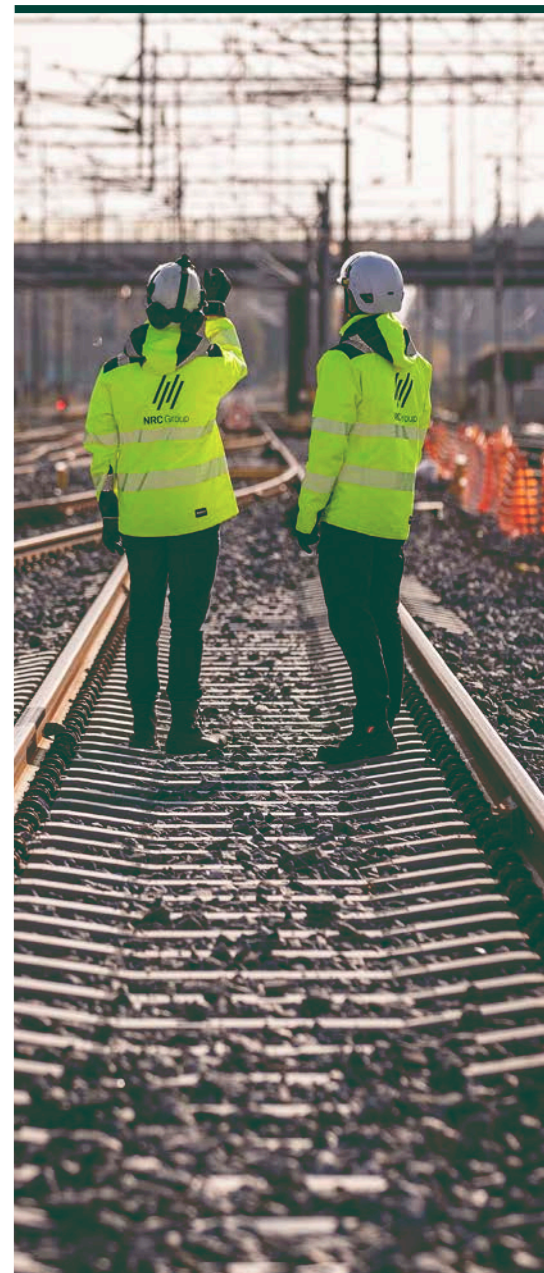
After quarter end, the Group completed a refinancing process including issuing a new 4-year senior unsecured green NOK 400 million bond maturing in 2027, repurchased and called the existing NOK 600 million bond, increased the multi-currency credit facility from NOK 200 million to NOK 400 million and extended the maturity of the existing EUR 22 million term loan from 2024 to 2027.

FINANCIAL POSITION

NOK strengthened towards EUR during the third quarter leading to a net negative translation difference recognised in other comprehensive income of NOK 47 million, compared to a positive adjustment of NOK 81 million last year. Intangible assets decreased by NOK 63 million to NOK 2,540 million during the quarter due to currency effects. Tangible and right-of-use assets decreased by NOK 48 million during the quarter. Net of currency adjustments, the decrease amounts to NOK 38 million as depreciations and terminations exceeded new investments. Total receivables increased by NOK 227 million to NOK 1,943 million during the quarter due to increased production in the period. Total assets at NOK 5,571 million increased by NOK 27 million in the quarter. The equity ratio was 44 % on 30 September 2023.

Interest-bearing liabilities consisted per third quarter of a EUR 22.1 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 1,338 million at the end of September, including operating lease liabilities of NOK 233 million. The repayment of the EUR bank loan amounted to NOK 14 million in the quarter. Total lease liabilities were reduced by NOK 34 million to NOK 489 million as lease payments and terminated agreements were higher than the discounted value of new lease agreements. Net interest-bearing debt increased by NOK 25 million during the quarter to NOK 992 million. Net interest-bearing debt excluding lease liabilities increased by NOK 58 million during the quarter to NOK 504 million.

After quarter end, the Group completed a refinancing process including issuing a new 4-year senior unsecured green NOK 400 million bond maturing in 2027, repurchased and called the existing NOK 600 million



bond, increased the multi-currency credit facility from NOK 200 million to NOK 400 million and extended the maturity of the existing EUR 22 million term loan from 2024 to 2027.

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 changes 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 +17 million. After quarter end, the Group completed a refinancing process including issuing a new 4-year senior unsecured green NOK 400 million bond maturing in 2027, and repurchased and called the existing NOK 600 million bond. The new NOK 400 million bond carries an interest of three months NIBOR + 4,40%

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.

until maturity in 2027.

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 2,328 million at the end of the quarter, NOK 459 million lower than the short-term liabilities, as the NOK 600 million bond and the EUR 22,1 million term loan matured within twelve months.

Total unrestricted cash amounted per quarter-end to NOK 346 million in addition to an undrawn multi-currency credit facility of NOK 200 million. In connection with the refinancing process after quarter end, the Group has increased the multi-currency credit facility from NOK 200 million to NOK 400 million. At the same time, the existing NOK 600 million bond has been replaced with a new NOK 400 million bond maturing in 2027, implying that available liquidity on a proforma basis per Q3 is more or less unchanged.

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 available liquidity and the refinancing completed after quarter end, as described above, 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 wars in Ukraine and Gaza, the high inflation and increased interest rates, 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 development and uncertainty.

Sustainability

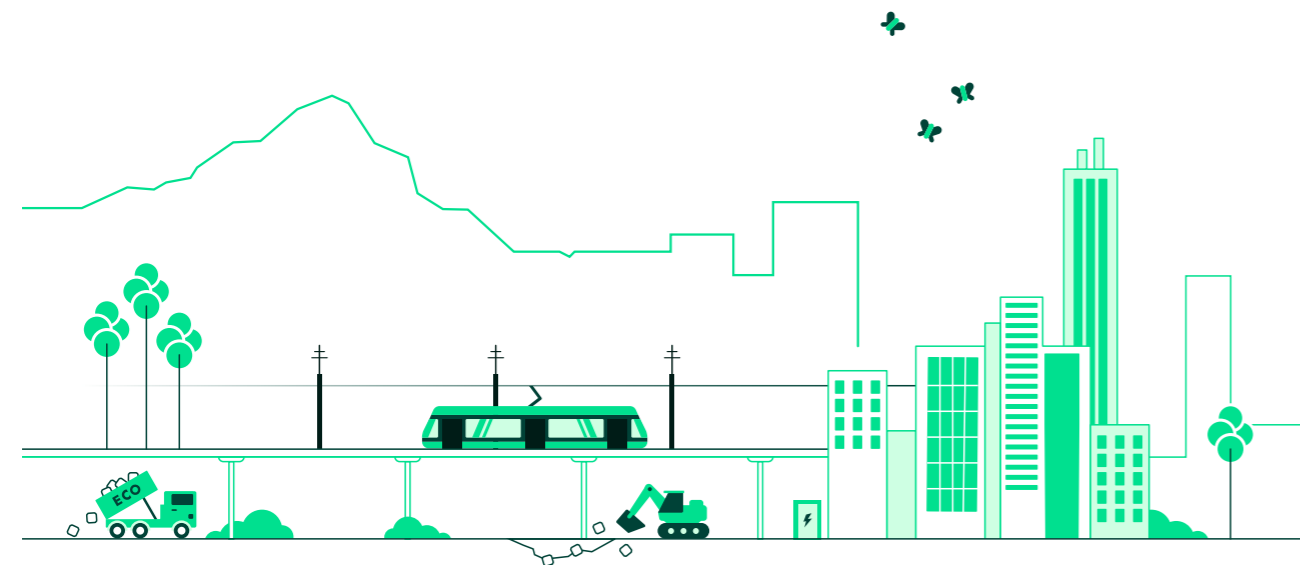
Our third report on progress was published in April 2023.

We build sustainable infrastructure that creates economic, social and environmental value now and for the future. We are committed to operating to the highest sustainability standards and transparently reporting our performance.

Our sustainability framework is based on our core competencies and most material impacts. It provides a clear structure for how we approach and address environmental, social and governance topics. The six key pillars of our framework are:

- Building a low-carbon future
- Improving environmental performance
- Providing a safe and secure workplace
- Emphasizing diversity and equal opportunities
- Training and developing our people
- Ensuring ethical business practice

Sustainability is embedded in our company's values, strategy and the way we work.



Building a low carbon future

The Group voluntarily discloses the Key Performance Indicators (KPIs) related to EU Taxonomy. The Group reviews their economic activities in relation to EU Taxonomy per 30 June and 31 December. As per 30 June 2023, the Group's taxonomy-aligned revenue, operational expenses and investments were 68%, 71% and 77% respectively.

GREEN FINANCE

NRC Group has established a Green Financing Framework as part of our commitment to develop and supply services to build sustainable transport solutions. The framework sets out the criteria for investments that can be financed or refinanced with green bonds, green loans other green debt instruments. S&P Global Ratings (formerly part of CICERO Shades of green) has conducted the independent external assessment of the framework and given it their highest rating, dark green, with a governance score of 'Good'. Danske Bank acted as green structuring advisor in the development of the framework.

Based on the Green Financing Framework, the Group has subsequent to the quarter successfully issued a new 4-year senior unsecured NOK 400 million green bond. The net proceeds from the green bond will be used in accordance with the green project categories as described in the framework. NRC Group will annually until full allocation, and in the event of any material developments, provide investors with a Green Finance Report describing the allocation of proceeds and the environmental impact of the green projects.



Providing a safe and secure workplace

Our number one priority is that all employees and partners shall return home safe and free of injuries every day. We work and focus on safety in all we do, in line with our policies for health, working environment and safety. All employees shall have a safe and secure working environment at NRC Group.

Our LTI frequency rate (injuries resulting in absence at least one full day per million man-hours) increased to 5.8 per 30 September 2023, compared with 4.9 the same period last year. Subcontractors are included in the figures. We had zero serious injuries in the third quarter. The sickness absence rate was 3.7% (2022: 4.0%).



How we do it matters to us

Reuse of sleepers and masses

Rather than purchasing new sleepers, the existing ones were reused in the maintenance contract between Storvik and Falun. As a result of also reusing all the masses within the work area, we have reduced emissions and the cost of transportation of masses. In order to minimize transportation distances, the nearest quarry is carefully selected when purchasing backfill material.

Magnus Tingström
Site manager
NRC Group Sweden





Reducing emissions by converting diesel machines to hybrids

NRC Kept, a subsidiary of NRC Group rebuilt and modernized two large demolition machines, Caterpillar 352 and 340, earlier this year. The machines are originally diesel machines but are now being modified to hybrid machines that can run on electricity. One of them was ready for use as of this quarter.

NRC Kept invests in electrical machines to reduce greenhouse gas emissions and noise from the machines. From replacing machines on fossil fuel, we contribute to a more healthy, environmentally friendly, and safe workplace.

Morten Heimvik
General manager
NRC Kept



Carbon Roadmap to be implemented

As of 2035, NRC Group Finland aims to be carbon neutral. The management group of NRC Group Finland approved a new carbon roadmap for 2035 in June.

The carbon roadmap outlines our plans to achieve carbon neutrality. Energy sources, management, procurement, planning, and circular economy are all considered in this plan. To achieve this goal, we will use some proven methods, such as biofuels and energy efficiency development. We will also explore and test new technologies such as low carbon steel and concrete in addition to the proven methods.

Ville Vainiomäki
Environmental manager
NRC Group Finland



Interim condensed consolidated financial statement

Interim condensed consolidated statement of profit or loss

| <i>(Amounts in NOK million)</i> | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|--|------------|------------|------------|------------|-------------|
| Revenue | 1 844 | 1 988 | 4 932 | 5 075 | 7 030 |
| Operating expenses | -1 711 | -1 849 | -4 677 | -4 821 | -6 695 |
| Other income and expenses | -6 | 0 | -9 | -1 | -2 |
| EBITDA | 126 | 138 | 247 | 254 | 333 |
| Depreciation | -49 | -44 | -148 | -135 | -185 |
| EBITA | 77 | 94 | 99 | 120 | 149 |
| Amortisation and impairment | -3 | -9 | -11 | -28 | -389 |
| Operating profit/loss (EBIT) | 73 | 85 | 88 | 91 | -240 |
| Net financial items | -18 | -14 | -50 | -43 | -58 |
| Share of profit from associates and joint ventures | 0 | -9 | 0 | -9 | -15 |
| Profit/loss before tax (EBT) | 56 | 61 | 38 | 40 | -313 |
| Taxes | -7 | -15 | 4 | -10 | -51 |
| Net profit/loss | 49 | 46 | 43 | 30 | -364 |
| Profit/loss attributable to: | | | | | |
| Shareholders of the parent | 49 | 32 | 44 | 30 | -363 |
| Non-controlling interests | 0 | 0 | -1 | 0 | -1 |
| Net profit / loss | 49 | 32 | 43 | 30 | -364 |
| Earnings per share in NOK (ordinary) | 0,67 | 0,64 | 0,58 | 0,41 | -4,99 |
| Earnings per share in NOK (diluted) | 0,66 | 0,63 | 0,57 | 0,40 | -4,99 |

Interim condensed consolidated statement of comprehensive income

| <i>(Amounts in NOK million)</i> | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|---|-----------|------------|------------|------------|-------------|
| Net profit / loss | 49 | 32 | 43 | 30 | -364 |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i> | | | | | |
| Translation differences | -47 | 81 | 90 | 61 | 36 |
| Net gain on hedging instruments | -2 | 5 | 2 | 17 | 15 |
| <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 | 5 |
| Total comprehensive profit/loss | 0 | 118 | 135 | 108 | -308 |
| Total comprehensive profit/loss attributable to: | | | | | |
| Shareholders of the parent | 0 | 118 | 136 | 108 | -307 |
| Non-controlling interests | 0 | 0 | -1 | 0 | -1 |
| Total comprehensive profit/loss | 0 | 118 | 135 | 108 | -308 |

Interim condensed consolidated statement of financial position

| (Amounts in NOK million) | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--|--------------|--------------|--------------|
| ASSETS | | | |
| Deferred tax assets | 96 | 129 | 98 |
| Goodwill | 2 413 | 2 739 | 2 364 |
| Customer contracts and other intangible assets | 30 | 40 | 32 |
| Intangible assets | 2 540 | 2 907 | 2 493 |
| Tangible assets | 175 | 188 | 184 |
| Right-of-use assets | 528 | 510 | 564 |
| Other non-current assets | 1 | 27 | 23 |
| Total non-current assets | 3 243 | 3 632 | 3 265 |
| Total inventories | 39 | 37 | 29 |
| Total receivables | 1 943 | 1 758 | 1 425 |
| Cash and cash equivalents | 346 | 412 | 472 |
| Total current assets | 2 328 | 2 207 | 1 927 |
| Total assets | 5 571 | 5 839 | 5 191 |
| | | | |
| (Amounts in NOK million) | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Paid-in-capital | 2 396 | 2 395 | 2 396 |
| Other equity | 51 | 330 | -85 |
| Total equity attributable to owners of the parent | 2 446 | 2 726 | 2 310 |
| Non-controlling interests | 0 | 2 | 2 |
| Total equity | 2 447 | 2 727 | 2 312 |
| Liabilities | | | |
| Pension obligations | 11 | 17 | 11 |
| Long-term leasing liabilities | 325 | 315 | 353 |
| Other non-current interest-bearing liabilities | 0 | 780 | 741 |
| Deferred taxes | 0 | 0 | 1 |
| Total non-current liabilities | 337 | 1 112 | 1 106 |
| Short-term leasing liabilities | 164 | 161 | 175 |
| Other interest-bearing current liabilities | 849 | 154 | 153 |
| Other current liabilities | 1 775 | 1 685 | 1 445 |
| Total current liabilities | 2 787 | 2 000 | 1 773 |
| Total equity and liabilities | 5 571 | 5 839 | 5 191 |

Interim condensed consolidated statement of cash flows

| (Amounts in NOK million) | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|---|------------|------------|-------------|-------------|-------------|
| Profit/loss before tax | 56 | 61 | 38 | 40 | -313 |
| Depreciation, amortisation and impairment | 52 | 54 | 159 | 162 | 574 |
| Taxes paid | -4 | -2 | -2 | -39 | -13 |
| Net financial items | 18 | 15 | 50 | 43 | 57 |
| Gain from sale of property, plant and equipment | -4 | -7 | -13 | -31 | -32 |
| Gain from disposal of subsidiary | 0 | 0 | -40 | 0 | 0 |
| Share of profit from associates and joint ventures | 0 | 9 | 0 | 9 | 15 |
| Change in working capital and other accruals | -106 | -33 | -123 | -108 | -51 |
| Net cash flow from operating activities | 12 | 96 | 70 | 75 | 235 |
| Purchase of property, plant and equipment | -6 | -19 | -29 | -35 | -47 |
| Acquisition of companies, net of cash acquired | -10 | -3 | -17 | -24 | -24 |
| Investments in associates and joint ventures | 0 | -8 | 0 | -8 | -14 |
| Net proceeds from sale of property, plant and equipment | 9 | 19 | 20 | 46 | 55 |
| Disposal of companies, net of cash disposed | 0 | 0 | 97 | 0 | 0 |
| Net cash flow from investing activities | -7 | -11 | 71 | -21 | -29 |
| Net proceeds from issue of shares | -1 | 0 | -1 | 0 | 0 |
| Proceeds from borrowings | 0 | 0 | 0 | 0 | 0 |
| Repayments of borrowings | -14 | -38 | -67 | -109 | -147 |
| Payments of lease liabilities | -46 | -42 | -137 | -125 | -171 |
| Interest paid | -20 | -10 | -53 | -36 | -46 |
| Net proceeds from acquisition/sale of treasury shares | 1 | 1 | -1 | -3 | -3 |
| Net cash flow from financing activities | -80 | -89 | -259 | -273 | -366 |
| Net change in cash and cash equivalents | -74 | -3 | -118 | -218 | -160 |
| Cash and cash equivalents at the start of the period | 427 | 413 | 472 | 626 | 626 |
| Translation differences | -7 | 2 | -9 | 4 | 6 |
| Cash and cash equivalents at the end of the period | 346 | 412 | 346 | 412 | 472 |
| Hereof presented as: | | | | | |
| Free cash | 346 | 412 | 346 | 412 | 472 |
| Restricted cash | 0 | 0 | 0 | 0 | 0 |

Interim condensed consolidated statement of changes in equity

(Amounts in NOK million)

| | Share capital | Treasury shares | Other paid-in capital | Hedge reserve | Translation differences | Retained earnings | Total | Non-controlling interests | Total equity |
|------------------------------------|---------------|-----------------|-----------------------|---------------|-------------------------|-------------------|-------|---------------------------|--------------|
| Equity at 1 January 2022 | 73 | 0 | 2 325 | -3 | 12 | 213 | 2 619 | 2 | 2 622 |
| Profit/loss for the period | | | | | | 30 | 30 | 0 | 30 |
| Other comprehensive income | | | | 17 | 61 | | 78 | | 78 |
| Employee share program | | | 5 | | | | 5 | | 5 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -7 | | | | -7 | | -7 |
| Total changes in equity | 0 | 0 | -2 | 17 | 61 | 30 | 106 | 0 | 106 |
| Equity at 30 September 2022 | 73 | 0 | 2 323 | 14 | 73 | 243 | 2 726 | 2 | 2 727 |
| Equity at 1 January 2023 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |
| Profit/loss for the period | | | | | | 44 | 44 | -1 | 43 |
| Other comprehensive income | | | | 2 | 90 | | 92 | | 92 |
| Employee share program | | | 3 | | | | 3 | | 3 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -3 | | | | -3 | | -3 |
| Total changes in equity | 0 | 0 | 0 | 2 | 90 | 44 | 136 | -1 | 135 |
| Equity at 30 September 2023 | 73 | 0 | 2 323 | 14 | 138 | -101 | 2 446 | 0 | 2 447 |

Notes to the interim condensed consolidated statement

1.1 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.

NRC Group is listed at Oslo Stock exchange under the ticker "NRC" and with ISIN NO0003679102.

1.2 Accounting policies and basis for preparation

The condensed consolidated financial statements as per 30 September 2023 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 2022.

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 2022. 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 third quarter financial report for 2022, and the audited financial report for the full year of 2022.

1.3 Significant estimates and judgement

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.

1.3.1 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, the value of any project modifications being recognised and the impact of any disputes or contractual disagreements.

1.3.2 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 270 million as of 30 September 2023. The book value of goodwill is most sensitive to the discount rate and the estimated future cash flows. The last impairment test was carried out at the end of 2022.

1.3.3 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 requires the 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 rates.

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 requires 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.

1.3.4 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 443 million and in Sweden of SEK 744 million corresponding to gross deferred tax assets of NOK 97 million in Norway and SEK 153 million in Sweden that can be used to reduce future tax payments. In Norway there are no non-recognized deferred tax assets related to unused tax losses. In Sweden, total non-recognised deferred tax assets related to unused tax losses amount to SEK 128 million. Net of deferred tax liabilities and non-recognised assets, deferred tax assets of NOK 79 million in Norway and SEK 19 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.

2. Segments

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|-----------|--------------|
| Q3 2023 | | | | | |
| External | 652 | 386 | 805 | 0 | 1 844 |
| Inter-segment | -53 | 61 | 0 | -8 | 0 |
| Total revenue | 600 | 447 | 805 | -8 | 1 844 |
| Operating expenses | -544 | -436 | -740 | 1 | -1 719 |
| Other income and expenses | 0 | 1 | 0 | 0 | 1 |
| Depreciation | -26 | -9 | -14 | 0 | -49 |
| EBITA | 30 | 3 | 51 | -7 | 77 |
| Amortisation and impairment | 0 | -1 | -2 | 0 | -3 |
| EBIT | 30 | 2 | 49 | -7 | 73 |
| Adjustments | 3 | 3 | 0 | 0 | 6 |
| EBIT adj. | 33 | 5 | 49 | -7 | 80 |
| Order backlog | 1 347 | 2 615 | 2 651 | | 6 613 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| Q3 2022 | | | | | |
| External | 606 | 578 | 804 | 0 | 1 988 |
| Inter-segment | -52 | 52 | 0 | 0 | 0 |
| Total revenue | 554 | 630 | 804 | 0 | 1 988 |
| Operating expenses | -505 | -619 | -714 | -11 | -1 849 |
| Other income and expenses | 0 | 0 | 0 | 0 | 0 |
| Depreciation | -22 | -10 | -12 | 0 | -44 |
| EBITA | 27 | 1 | 77 | -12 | 94 |
| Amortisation and impairment | 0 | -1 | -9 | 0 | -9 |
| EBIT | 27 | 0 | 69 | -12 | 85 |
| Adjustments | 0 | 0 | 6 | 0 | 6 |
| EBIT adj. | 27 | 0 | 75 | -12 | 91 |
| Order backlog | 2 179 | 3 297 | 3 133 | | 8 610 |

2. Segments (continued)

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| YTD 2023 | | | | | |
| External | 1 823 | 1 107 | 2 002 | 0 | 4 932 |
| Inter-segment | -211 | 232 | 0 | -21 | 0 |
| Total revenue | 1 612 | 1 339 | 2 002 | -21 | 4 932 |
| Operating expenses | -1 474 | -1 355 | -1 890 | -7 | -4 726 |
| Other income and expenses | 41 | 1 | -1 | -1 | 40 |
| Depreciation | -77 | -30 | -40 | -1 | -148 |
| EBITA | 103 | -46 | 71 | -29 | 99 |
| Amortisation and impairment | 0 | -3 | -8 | 0 | -11 |
| EBIT | 103 | -49 | 63 | -29 | 88 |
| Adjustments | -38 | 45 | 1 | 1 | 9 |
| EBIT adj. | 65 | -4 | 64 | -29 | 96 |
| Order backlog | 1 347 | 2 615 | 2 651 | | 6 613 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| YTD 2022 | | | | | |
| External | 1 843 | 1 328 | 1 905 | 0 | 5 075 |
| Inter-segment | -104 | 106 | 0 | -2 | 0 |
| Total revenue | 1 739 | 1 434 | 1 905 | -2 | 5 075 |
| Operating expenses | -1 624 | -1 421 | -1 747 | -29 | -4 821 |
| Other income and expenses | 0 | 0 | -1 | 0 | -1 |
| Depreciation | -66 | -32 | -36 | -1 | -135 |
| EBITA | 49 | -19 | 121 | -32 | 119 |
| Amortisation and impairment | 0 | -2 | -25 | 0 | -28 |
| EBIT | 49 | -21 | 95 | -32 | 91 |
| Adjustments | 0 | 0 | 19 | 0 | 18 |
| EBIT adj. | 49 | -21 | 114 | -32 | 110 |
| Order backlog | 2 179 | 3 297 | 3 133 | | 8 610 |

2. Segments (continued)

| <i>(Amounts in NOK million)</i> | | | | | |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| FY 2022 | Norway | Sweden | Finland | Other | Consolidated |
| External | 2 571 | 1 877 | 2 582 | 0 | 7 030 |
| Inter-segment | -198 | 203 | 0 | -5 | 0 |
| Total revenue | 2 373 | 2 080 | 2 582 | -5 | 7 030 |
| Operating expenses | -2 200 | -2 088 | -2 378 | -29 | -6 695 |
| Other income and expenses | 0 | 0 | -1 | -1 | -2 |
| Depreciation | -93 | -42 | -48 | -1 | -185 |
| EBITA | 80 | -49 | 154 | -36 | 149 |
| Amortisation and impairment | 0 | -355 | -34 | 0 | -389 |
| EBIT | 80 | -404 | 120 | -36 | -240 |
| Adjustments | 0 | 352 | 25 | 1 | 378 |
| EBIT adj. | 80 | -52 | 145 | -36 | 137 |
| Order backlog | 2 013 | 3 160 | 2 622 | | 7 795 |

3. Interests in associated companies

The Group has a 20% interest sharing risks and rewards of two larger projects (E04 Station Haga, and E03 Kvarnberget) with Webuild (40%) and Gülermak (40%) in connection with Station Haga in Gothenburg, through the associated company AGN Haga AB. The projects commenced during 2018/2019 and were previously scheduled to be completed by 2026. The projects are complex with substantial risk. The Group is not operationally involved in any of the projects.

In 2022, NRC Group made capital contributions of SEK 15 million to AGN Haga AB, representing NRC Group's pro-rata share of the total capital contributions, to support working capital in AGN Haga AB. Due to substantial uncertainty in the projects, net income from AGN Haga AB has not been recognised in NRC Group accounts, and all capital contributions of SEK 15.5 million was impaired in 2022.

On January 24 2023, AGN Haga received a termination notice from Trafikverket in relation to Station Haga in Gothenburg (E04). The contract in relation to Kvarnberget (E03) was not part of the termination notice. During the first half of 2023, AGN Haga filed an application for reconstruction to the District Court, which was approved on the 22nd of May 2023. The restructuring process is ongoing.

The book value of AGN Haga AB in the Group's Q3 2023 accounts is NOK 0 million. Note 27 to the Group accounts in the annual report for 2022 provides further disclosures regarding the associated company.

4. Transactions between related parties

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the third quarter of 2023. Note 28 to the Group accounts in the annual report for 2022 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 0.2 million.

5. Events after the end of the period

NRC Group ASA has 25 October 2023 successfully issued a new 4-year senior unsecured green bond issue with an initial issue amount of NOK 400 million. The bond carries an interest rate of 3 month NIBOR plus a margin of 4.4%. Concurrently with the new bond issue, the Group repurchased and called the existing NOK 600 million bond with original maturity date 13 September 2024. In connection with the new bond issue, the Group has increased the multi-currency credit facility from NOK 200 million to NOK 400 million and extended the maturity of the existing EUR 22 million term loan from 2024 to 2027. The credit facility will be available for working capital purposes.

The Swedish Transport Administration has appointed NRC Group Sweden to a contract for track renewal on "Pitebanan" and "Skelleftebanan" in Sweden. The contract is valued at approximately SEK 392 million, and will involve rail services such as track, electro, signal/telecom and groundwork. The work will commence in November 2023 and is scheduled for completion in autumn 2024.

Finnish Transport Infrastructure Agency (FTIA) has appointed NRC Group Finland to a contract for operating and maintaining Saimaa canal. The contract is valued at approximately EUR 9,2 million and will commence in February 2024. The work is scheduled for completion in January 2029.

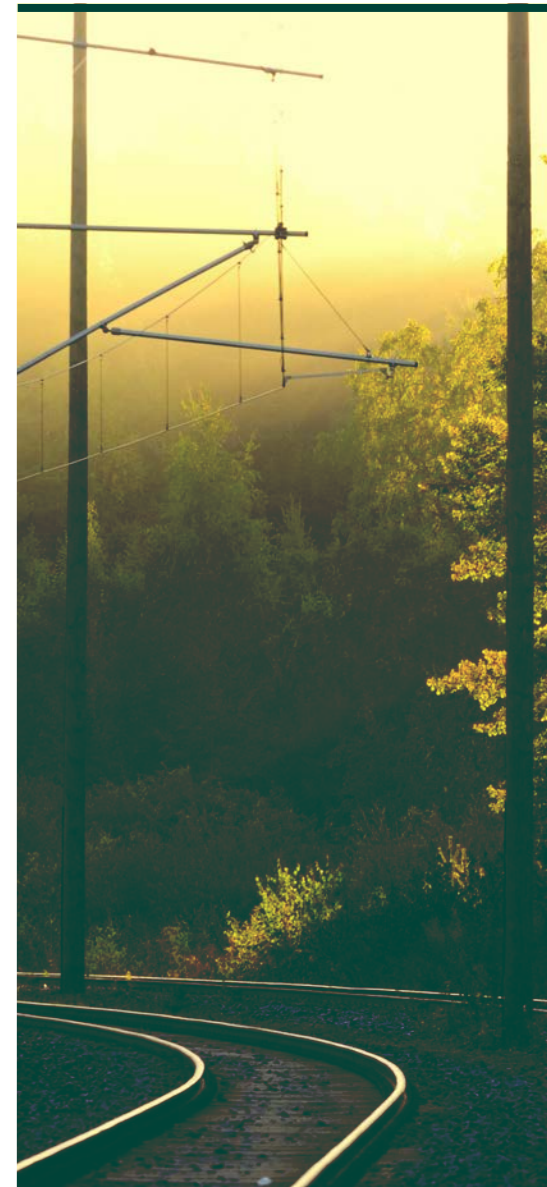
Helse Sør-Øst has appointed NRC Group Norway to a contract for foundation and groundwork in connection with the expansion of New Aker Hospital, which will be part of Oslo University Hospital. The contract is valued at approximately NOK 303 million and will commence in February 2024. The work is scheduled for completion in autumn 2025.

Alternative performance measures

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 Groups 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 EBIT adj. 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 M&A expenses and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, 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 EBIT adj, EBITA and EBITDA, and EBIT adj, EBITA and EBITDA margin differently, the Group's presentation of these APMs may not be comparable to similar titled measures used by other companies.



Reconciliation of EBIT adj.

| <i>(Amounts in NOK million)</i> | Q3 2023 | Q3 2022 | YTD 2023 | YTD 2022 | FY 2022 |
|--|------------|------------|------------|------------|-------------|
| Operating profit/loss (EBIT) | 73 | 85 | 88 | 91 | -240 |
| Adjusting items | | | | | |
| Gain from sale of Gravco business unit | 0 | 0 | -40 | 0 | 0 |
| M&A expenses | -1 | 0 | 0 | 1 | 2 |
| Amortisation and impairment from PPA* | 0 | 6 | 0 | 18 | 376 |
| Restructuring items | 3 | 0 | 9 | 0 | 0 |
| Write-down operations to be discontinued | 4 | 0 | 40 | 0 | 0 |
| Adjusting items, total | 6 | 6 | 9 | 18 | 378 |
| EBIT adj. | 80 | 91 | 96 | 110 | 137 |
| Depreciation | 49 | 44 | 148 | 135 | 185 |
| Amortisation of IT software investments | 3 | 3 | 11 | 10 | 13 |
| EBITDA adj. | 132 | 138 | 255 | 254 | 335 |

*PPA (purchase price allocation) refers to merger related fair value adjustments

Reconciliation of Net cash/ net interest-bearing debt position

| <i>(Amounts in NOK million)</i> | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--|--------------|--------------|--------------|
| Long-term leasing liabilities | 325 | 315 | 353 |
| Other non-current interest-bearing liabilities | 0 | 780 | 741 |
| Short-term leasing liabilities | 164 | 161 | 175 |
| Other interest-bearing current liabilities | 849 | 154 | 153 |
| Interest-bearing debt | 1 338 | 1 410 | 1 423 |
| <i>Minus:</i> | | | |
| Cash and cash equivalents | 346 | 412 | 472 |
| Net interest-bearing debt | 992 | 997 | 950 |
| <i>Minus:</i> | | | |
| Total leasing liabilities | 489 | 476 | 528 |
| Net interest-bearing debt excl. leasing | 504 | 522 | 422 |

Reconciliation of Net working capital (NWC)

| <i>(Amounts in NOK million)</i> | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|---------------------------------|--------------|--------------|--------------|
| Total inventories | 39 | 37 | 29 |
| Total receivables | 1 943 | 1 758 | 1 425 |
| Current assets (ex cash) | 1 982 | 1 794 | 1 454 |
| <i>Minus:</i> | | | |
| Other current liabilities | 1 775 | 1 685 | 1 445 |
| Net working capital | 208 | 109 | 9 |

Definitions

| <i>Term</i> | <i>Description</i> |
|------------------------------------|---|
| Adjusting items | Adjusting items are material items outside ordinary course of business such as impairment of goodwill, operating profit from businesses to be closed down, restructuring costs, gains or losses arising from the divestments of a business or part of a business, and impacts of the fair value adjustments from purchase price allocations, such as amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). |
| 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. |
| Contract value | The amount stated in the contract for contract work excluding VAT. |
| EBIT | Operating profit. Earnings before net financial items and share of profit from associates and joint ventures. |
| EBIT adj. | Operating profit excluding adjusting items. |
| EBIT adj. % | Operating profit excluding adjusting items in relation to operating revenues. |
| 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 and IT software investments. |
| EBITA* (ex M&A) | EBITA plus other income and expenses. |
| 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. |
| EBITDA adj. | EBITDA excluding adjusting items. |
| EBITDA adj. % | EBITDA adj. excluding adjusting items in relation to operating revenues. |
| EBT | Profit before tax. |
| Financial Lease Agreements | Lease agreements transferring the main risk and control of the assets to the lessee. |

| <i>Term</i> | <i>Description</i> |
|-----------------------------------|---|
| FTIA | Finnish Transport Infrastructure Agency. |
| Equity ratio | Total equity in relation to total assets. |
| LTI | Injuries resulting in absence at least one full day per million man-hours including subcontractors. |
| LTM | Last twelve months on a rolling basis. |
| 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 interest-bearing debt | Interest-bearing liabilities minus cash and cash equivalents. |
| Net working capital (NWC) | The net amount of inventories, receivables (including contract assets) and other current liabilities (including contract liabilities). |
| Operating lease agreements | Lease agreements that are not financial lease agreements, including real estate rent. |
| Order backlog | Total nominal value of orders received less revenue recognised on the same orders. |
| Order intake | Total nominal value of orders received. |
| 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 and excluding full year revenue effect (proforma) for any disposed business, calculated in local currency. |
| Other income and expenses | 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. |
| Sickness Absence | 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. |
| TRI | Frequency of injuries with and without absence for personnel (employees and rented workers) and subcontractors per million hours worked. |
| TRV | Trafikverket – Swedish Transport Administration. |

Executive Management

Anders Gustafsson
CEO

Ole Anton Gulsvik
CFO

Arild Ingar Moe
EVP and MD NRC Group Norway

Harri Lukkarinen
EVP and MD NRC Group Finland

Lene Engebretsen
EVP and Head of communications

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

NRC Group ASA

Visiting Address

Lysaker Torg 25
1366 Lysaker
Norway

Postal Address

P.O. Box 18
1324 Lysaker
Norway

Financial calendar

4th quarter 2023: 27 February

1st quarter 2024: 23 May

2nd quarter 2024: 29 August

3rd quarter 2024: 20 November

QUARTERLY REPORT

27 February 2024

Q4



 NRC Group

From the CEO

As we reflect on the past quarter and 2023, I am happy to share improved operational performance in many areas and new strategic important wins across our markets, that confirm our solid foundation for future profitable growth in Norway, Sweden and Finland.

For the full year 2023, our results are overall in line with 2022. The fourth quarter is slightly below the same quarter last year.

While the quarter in Norway reflects decreased results compared to the same period last year, the sustained improvement trajectory over the years remains robust with improved profitability for the full year. We are on a steady journey towards strengthening our presence in the Norwegian market. The order intake for the quarter increased to NOK 714 million compared to NOK 563 million in the same quarter in 2022 and after quarter-end we secured two major contracts, valued over NOK 1 billion. A great start for 2024!

In Sweden, our concerted efforts during 2023 were to restructure operations. Break-even result for the full year was an important milestone to reach after many challenging years. The turnaround in Sweden is a testament to the dedication and resilience of our team. During the quarter we secured new contracts of over NOK 700 million, an increase from the fourth quarter in 2022. After the end of the quarter, we also announced a major rail contract, showing the strength of our initiatives and setting a positive tone for the upcoming year.



As communicated earlier, we are in the process of conducting a comprehensive analysis in Finland. We have identified and initiated measures to optimise the machine fleet, reduce costs, improve resource planning and improve project management. Acknowledging the hurdles, we remain committed to overcoming them and positioning us for profitable growth. Our largest client in Finland, FTIA, exercised the contract option for Turku railway yard during the quarter valued at around NOK 120 million. After the end of the quarter, NRC Group Finland and YIT were appointed as construction parties for Area 2 at Espoo City Rail where our share is valued at approximately EUR 18 million.

Our financial position remains solid, backed up by a robust cash flow. The strength of our order backlog and the growing tender pipeline across all countries signal opportunities for us going forward. The signal from governments across our markets is still high demand for our services. During first half of 2024, we expect National Transportation Plans to be updated in all countries.

Anticipating the evolving landscape, we look forward to sharing the new strategy during our Capital Market Update in May, setting the stage for our next period towards 2028. This strategic roadmap will encapsulate our vision, priorities, and the path we chart to capitalise on emerging opportunities.

In closing, I want to thank our dedicated team for their commitment, which forms the foundation of our success. As we navigate challenges and embrace opportunities, continued support is invaluable. I also want to thank our employees for continued efforts to deliver safe operations in our projects.



Stay healthy and safe,

Anders Gustafsson,
CEO NRC Group

Group highlights

4th quarter

- Revenue of NOK 1,800 million (NOK 1,954 million), -8% growth and -9% organic growth
- Stable operating profit margin of 1.4%. Operating profit (EBIT adj.) of NOK 24 million (NOK 28 million).
- Order backlog increased from NOK 6,613 million to NOK 6,940 million with a book-to-bill ratio of 1.1x in the quarter
- Solid financial performance in Norway, successful ongoing transformation in Sweden, while profitability in Finland has decreased
- Operating cash flow of NOK 306 million (NOK 160 million) due to reduced working capital. Net interest-bearing debt decreased by NOK 231 million to NOK 761 million.
- Completed a debt refinancing process including issuing a new 4-year senior unsecured green NOK 400 million bond maturing in 2027. Bank debt refinanced with longer maturity.
- Tender pipeline remains strong across all segments

Full year

- Revenue of NOK 6,732 million (NOK 7,030 million)
- Operating profit (EBIT adj.) of NOK 121 million (NOK 137 million), corresponding to a margin of 1.8% (2.0%)
- Operating cash flow of NOK 376 million (NOK 235 million) and net interest-bearing debt at NOK 761 million (NOK 950 million at year-end 2022)
- Successful completion of the sale of the Gravco business unit in Q1
- Civil business in Karlstad (Sweden) was discontinued as part of the turnaround plan - process completed in Q3
- Refinancing process of bond loan, term loan and multicurrency credit facility was completed in Q4

EBIT ADJ. % Q4 2023

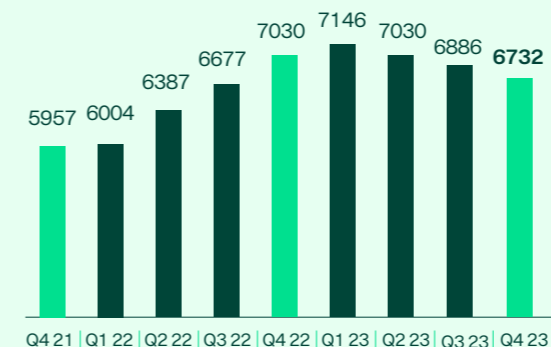
1.4%

Q4 2022: 1.4%



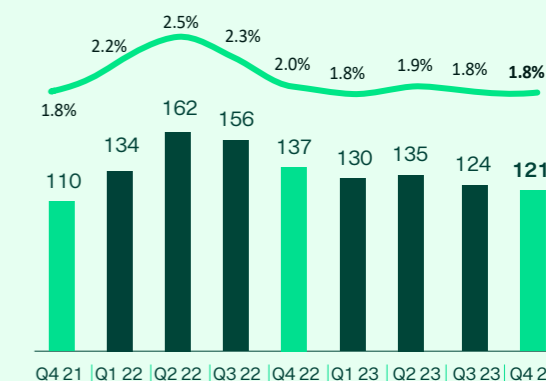
Group Revenue LTM

NOK million



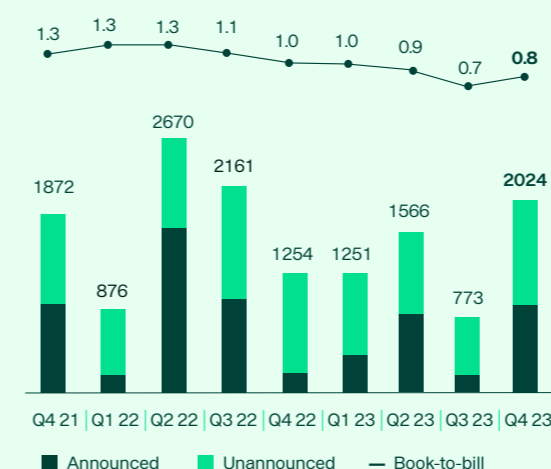
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



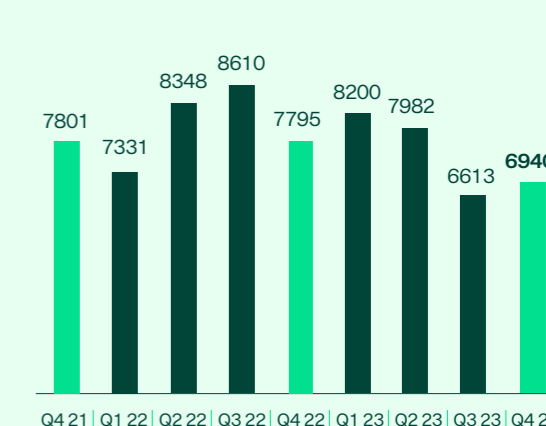
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



(Amounts in NOK million)

| | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|-------------------------------------|---------|---------|---------|---------|
| Revenue | 1 800 | 1 954 | 6 732 | 7 030 |
| EBITDA | 70 | 80 | 316 | 333 |
| EBIT adj. | 24 | 28 | 121 | 137 |
| EBIT adj. (%) | 1.4% | 1.4% | 1.8% | 2.0% |
| Order intake | 2 024 | 1 254 | 5 632 | 6 959 |
| Order backlog | 6 940 | 7 795 | 6 940 | 7 795 |
| Cash flow from operating activities | 306 | 160 | 376 | 235 |
| Net interest-bearing debt | 761 | 950 | 761 | 950 |
| Equity ratio | 47% | 45% | 47% | 45% |
| LTI | 5.0 | 9.1 | 5.6 | 6.0 |
| Sickness absence (%) | 4.2% | 4.6% | 3.8% | 4.2% |

Norway

Fourth quarter

Revenue in Norway was NOK 524 million compared to NOK 635 million in the fourth quarter of 2022. The organic growth was -14% in the quarter due to lower volumes in Civil construction and in the demolition and recycling business. EBIT adj. was NOK 16 million compared to NOK 31 million in the same period of 2022, which resulted in an EBIT adj. margin of 3.0%, down from 4.8% for the same quarter last year. Continued good results in Rail, Civil construction and Gunnar Knutsen were offset by losses in the demolition and recycling business due to challenging market conditions.

Full year

Full year revenue for 2023 was NOK 2,136 million compared to NOK 2,373 million in 2022. The organic growth was -7%, excluding the Gravco business unit sold in Q1 2023. EBIT adj. was NOK 81 million in 2023 compared to NOK 80 million in 2022, which resulted in an EBIT adj. margin of 3.8%, up from 3.4% last year. The 2022 EBIT adj. included NOK 15 million from the Gravco business unit. On a proforma basis, the margin improvement in Norway was NOK 16 million compared to 2023. Solid results in Civil construction and Gunnar Knutsen were offset by losses in the demolition and recycling business due to challenging market conditions.

Order backlog, order intake and tender pipeline

The order backlog was NOK 1.5 billion at year-end, compared to NOK 1.3 billion at the end of last quarter and NOK 2.0 billion in the same quarter last year. The order intake was NOK 714 million, giving a book-to-bill ratio of 1.4x in the quarter and 0.8x measured over the last 12 months. During the quarter, NRC Group Norway won a major Civil construction contract of approximately NOK 300 million for foundation and groundwork in connection with the expansion of New Aker Hospital. The work will commence in February 2024 and is scheduled for completion in autumn 2025.

The tender pipeline in Norway is approximately NOK 10.6 billion, a decrease of NOK 2.2 billion compared to the tender pipeline three months ago and an increase by approximately NOK 0.4 billion compared with the same period last year.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|-------------------|--------------|---------------------------|
| New Aker Hospital | 303 | Foundation and groundwork |
| Total | 303 | |

EBIT ADJ. % FY 2023

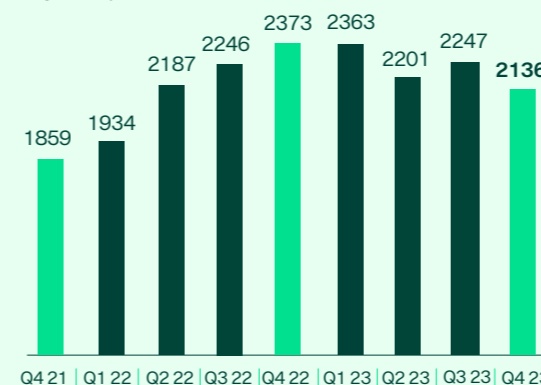
3.8%

FY 2022: 3.4%



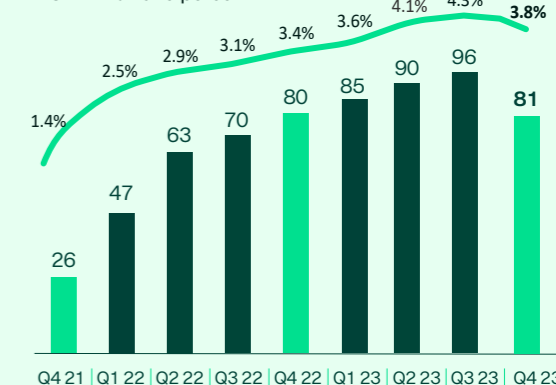
Revenue LTM

NOK million



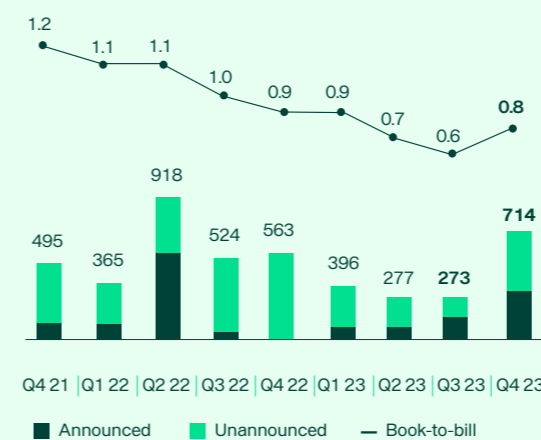
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



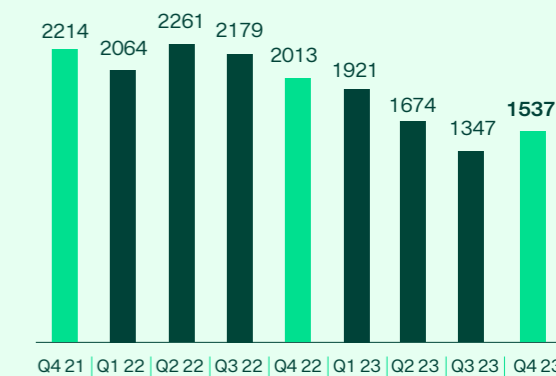
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Norway (Amounts in NOK million)

| | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|----------------------|--------------|--------------|--------------|--------------|
| Revenue | 524 | 635 | 2 136 | 2 373 |
| EBITDA | 40 | 58 | 220 | 173 |
| EBIT adj. | 16 | 31 | 81 | 80 |
| EBIT adj. (%) | 3.0 % | 4.8 % | 3.8 % | 3.4 % |
| Order intake | 714 | 563 | 1 659 | 2 370 |
| Order backlog | 1 537 | 2 013 | 1 537 | 2 013 |

Sweden

Fourth quarter

Revenue from the Swedish operation amounted to NOK 538 million for the quarter compared to NOK 646 million in the same period of 2022. Reduced revenue in Rail were partly offset by increased revenue in Maintenance. NOK 109 million of the reduction is due to the disposed Civil operations. Excluding the Civil operation, the organic growth in the quarter was -10%. The EBIT adj. for the quarter was NOK 4 million compared to NOK -31 million for the same quarter last year, confirming that measures to improve profitability are yielding results.

Full year

As part of our turnaround plan in Sweden, streamlining the organisation, reducing cost and increase project profitability have had higher priority than creating growth the last year. Full year revenue for 2023 was NOK 1,877 compared to NOK 2,080 million in 2022. Reduced revenue in Rail were partly offset by increased revenue in Maintenance. Excluding the disposed Civil operation, the organic growth in 2023 was -6%. The EBIT adj. for 2023 was NOK 0 million compared to NOK -52 million last year. Diligent implementation of strategic measures during the year, are yielding tangible results.

Order backlog, order intake and tender pipeline

The order backlog was NOK 2.9 billion, compared to NOK 2.6 billion at the end of last quarter and NOK 3.2 billion in the same quarter last year. The order intake was NOK 748 million, giving a book-to-bill ratio of 1.4x in the quarter and 0.8x measured over the last 12 months. During the quarter, NRC Group Sweden was appointed to a large track renewal contract on "Pitebanan" and "Skelleftebanan" valued at approximately SEK 392 million. The work commenced in November 2023 and is scheduled for completion in autumn 2024.

The tender pipeline is approximately NOK 11.6 billion, with NOK 7.2 billion for Rail construction and NOK 4.4 billion for Maintenance. The total tender pipeline increased by NOK 2.1 billion compared to three months ago and NOK 1 billion compared to same period last year.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--|--------------|----------------------------------|
| The Swedish Transport Administration (TRV) | 392 | Track and signalling maintenance |
| Total | 392 | |

EBIT ADJ. FY 2023

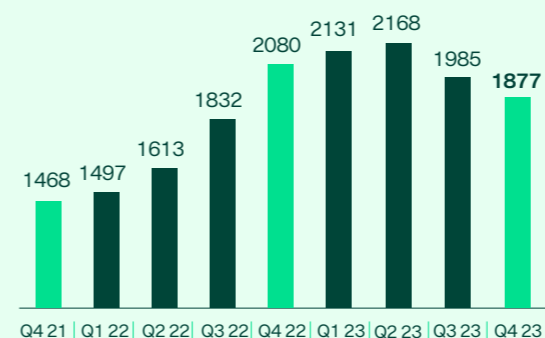
0.0 MNOK

FY 2022: - 52.0 MNOK



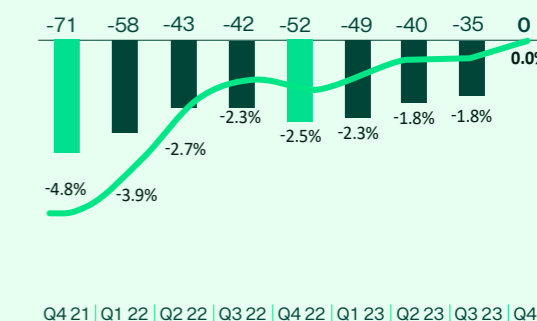
Revenue LTM

NOK million



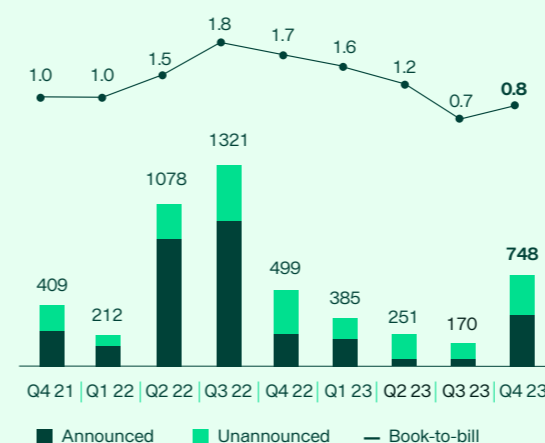
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



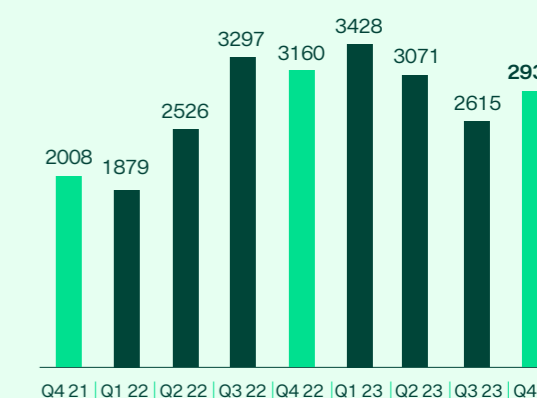
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Sweden (Amounts in NOK million)

| | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|------------------------------|--------------|---------------|--------------|---------------|
| Revenue | 538 | 646 | 1 877 | 2 080 |
| EBITDA | 3 | -20 | -13 | -7 |
| EBIT adj.¹ | 4 | -31 | 0 | -52 |
| EBIT adj. (%) | 0.8 % | -4.8 % | 0.0 % | -2.5 % |
| Order intake | 748 | 499 | 1 553 | 3 111 |
| Order backlog | 2 933 | 3 160 | 2 933 | 3 160 |

¹ 2023 figures are excluding results from the discontinued Civil construction business. 2022 figures are including results from the Civil construction business discontinued in 2023.

Finland

Fourth quarter

Finland had a revenue of NOK 751 million compared to NOK 677 million in the fourth quarter last year. Adjusted for currency effects the organic growth was -1%. The EBIT adj. was NOK 14 million compared to NOK 31 million in the same period in 2022, leading to an EBIT adj. margin of 1.9%, down from 4.6% the same quarter last year. Net gain from sale of machinery was NOK 6 million in Q4 2023 compared to NOK 0 million in same quarter last year. The result is negatively affected by the performance in Rail construction and additional write-downs of a large railway yard renewal project.

We are in the process of conducting a comprehensive analysis in Finland. We have identified and initiated measures to optimise the machine fleet, reduce costs, improve resource planning and improve project management.

Full year

Full year revenue for 2023 was NOK 2,753 million compared to NOK 2,582 last year. Adjusted for currency effects the organic growth was -6%. The EBIT adj. was NOK 78 million compared to NOK 145 million in 2022, leading to an EBIT adj. margin of 2.8%, down from 5.6% last year. Net gain from sale of machinery was NOK 11 million in 2023 compared to NOK 20 million last year. The result is negatively affected by the performance in Rail construction, as well as growth initiatives within the newly established Civil unit.

Order backlog, order intake and tender pipeline

The order backlog was NOK 2.5 billion at year-end, compared to NOK 2.7 billion at the end of last quarter and NOK 2.6 billion in the same quarter last year. The order intake was NOK 563 million, resulting in a book-to-bill ratio of 0.8x in the quarter and 0.9x measured over the last 12 months. During the quarter, FTIA exercised the contract option for track, electro and groundworks at Turku railway yard, valued at approximately EUR 11 million. The work will commence in February 2024, and is scheduled for completion in December 2025.

The tender pipeline in Finland is approximately NOK 12.1 billion, a slight decrease of approximately NOK 0.2 billion compared to the tender pipeline three months ago. The tender pipeline has increased by approximately NOK 6.3 billion compared with the same period last year.

Contracts over NOK 30 million in the quarter:

| Client | Value (MNOK) | |
|--|--------------|--|
| Finnish Transport Infrastructure Agency (FTIA) | 109 | Operating and maintaining Saimaa canal |
| Finnish Transport Infrastructure Agency (FTIA) | 124 | Track, electro and groundworks |
| Total | 233 | |

REVENUE Q4 2023

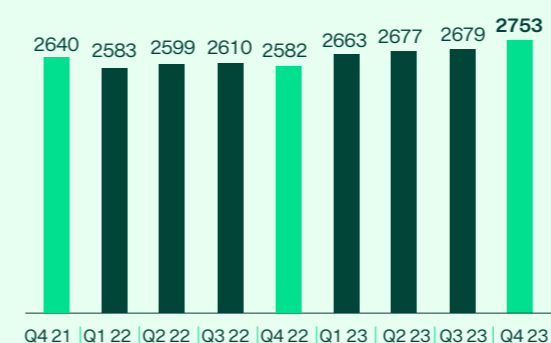
751 MNOK

Q4 2022: 677 MNOK



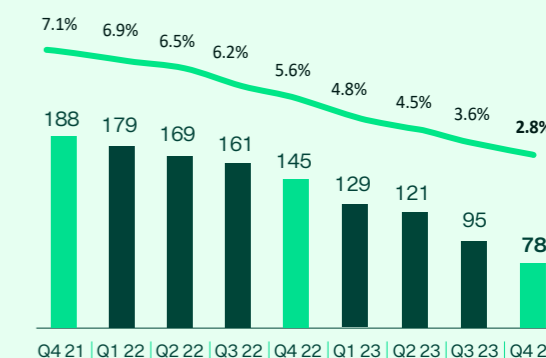
Revenue LTM

NOK million



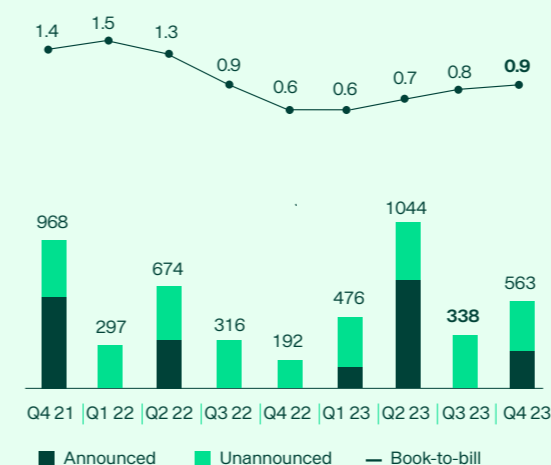
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



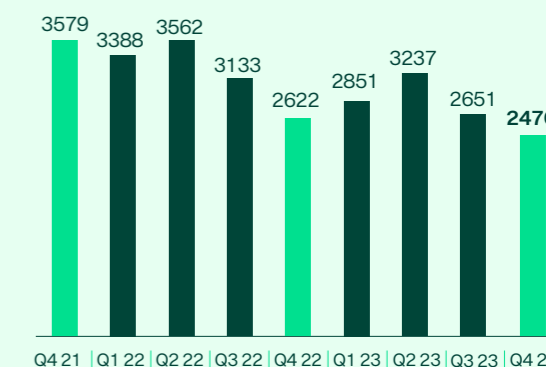
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK million



Key figures Finland (Amounts in NOK million)

| | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|----------------------|-------------|-------------|--------------|--------------|
| Revenue | 751 | 677 | 2 753 | 2 582 |
| EBITDA | 36 | 46 | 147 | 203 |
| EBIT adj. | 14 | 31 | 78 | 145 |
| EBIT adj. (%) | 1.9% | 4.6% | 2.8% | 5.6% |
| Order intake | 563 | 192 | 2 420 | 1 479 |
| Order backlog | 2 470 | 2 622 | 2 470 | 2 622 |

Market and outlook

IMPACTS OF THE GLOBAL ECONOMY

The ongoing wars in Ukraine and Gaza, high inflation and increased interest rates have led to volatility in the financial market and uncertainty in the global economic outlook. Due to the situation, the global outlook is more uncertain both related to material prices, supply chain risks, and government spending on infrastructure. The Group has analysed the direct earnings sensitivity from increasing material and fuel prices. The findings conclude that the direct effect for NRC Group has been limited, and that our business model is resilient and yields good protection against increasing material prices. In addition to frequently used index adjustments, 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.

The Group expects high investments in rail, based on proposals in national budgets and national transportation plans in Norway, Sweden and Finland. During Q2 2024, we expect the governments to share an update of the national transport plans for the next years.

The market for rail investments is at a historical high level, driven by urbanisation, population growth and the green shift towards sustainable infrastructure. On long term, NRC Group expects that these global mega-trends will lead to continued growth in the market.



OUTLOOK

NRC Group is strongly positioned in a growing market with a substantial tender pipeline. The strength of our order backlog and the growing tender pipeline across all countries signal opportunities for us going forward. The signal from governments across our markets is still high demand for our services. During first half of 2024, we expect National Transportation Plans to be updated in all countries.

The forthcoming strategy period, navigating the Group from mid-2024 until the end of 2028, will be presented in a Capital Markets Update (CMU) during May 2024.

NRC Group continues its focus on measures to improve profitability, and is confirming the commitment to achieving long-term profitability above 5%. For 2024, we expect profitable growth, and positive operational and financial development, with slight increase in revenue and EBIT adj. margin.

DIVIDEND

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 dividend as 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.

Based on the 2023 results and restrictions in the loan agreements, the Board of Directors will not propose a dividend for the year 2023.

NRC Group is strongly positioned in a growing market with a substantial tender pipeline.

Financial information

CASH FLOW

Fourth quarter

Net cash flow from operating activities for the fourth quarter of 2023 was NOK 306 million, compared to NOK 160 million in the same quarter last year due to positive working capital development.

Net cash flow from investing activities was NOK 18 million compared to NOK -9 million in the same period last year. This included proceeds from sale of machinery of NOK 10 million, compared to NOK 9 million in the same period last year, as well as a positive cash effect of NOK 17 million related to termination of the interest rate swap linked to the NOK 600 million bond loan that was repurchased and called during the fourth quarter.

The net cash flows from financing activities amounted to NOK -295 million for the quarter compared to NOK -93 million last year. The cash flows include ordinary bank instalments and interests for loans and lease liabilities (financial and operating). In addition to ordinary bank instalments in the quarter of NOK 14 million, buy-back and call of the old bond, totalling a national of NOK 600 million were made during the fourth quarter. From the new bond issue, the Group during the fourth quarter received NOK 395 million net of transaction expenses. The interest paid of NOK 29 million in the quarter, compared to NOK 20 million last quarter, included NOK 7 million in price premium and call premium related to the buy-back and call of the old bond. The Group has a new NIBOR hedge linked to the new outstanding bond. See further details in the Risks section.

The fourth quarter net change in cash, including currency impact, was NOK 24 million compared to NOK 60 million

Net cash flow from operating activities in 2023 was NOK 376 million, compared to NOK 235 million last year due to positive working capital development.

last year. Cash at the end of the period amounted to NOK 369 million. In addition, the Group had per fourth quarter an unused credit facility of NOK 400 million. The Group increased the multi-currency credit facility from NOK 200 million to NOK 400 million during the quarter.

Full year 2023

Net cash flow from operating activities in 2023 was NOK 376 million, compared to NOK 235 million last year due to positive working capital development. Net cash flow from investing activities was NOK 89 million compared to NOK -29 million last year. This included a net positive cash effect from sale of the Gravco business unit of NOK 97 million, and a positive cash effect of NOK 17 million related to termination of the interest rate swap linked to the old bond loan that was repurchased and called in 2023. The net cash flows from financing activities amounted to NOK -553 million in 2023 compared to NOK -366 million last year. In addition to ordinary bank instalments of NOK 81 million, buy-back and call of the old bond, totalling a national of NOK 600 million were made in 2023. From the new bond issue, the Group received NOK 395 million net of transaction expenses. Interest paid of NOK 82 million in 2023 compared to NOK 46 million in 2022 is mainly due to increased interest rates on the EUR term loan and the Group's leasing portfolio, as well as NOK 7 million in price premium and call premium related to the buy-back and call of the old bond. The Group has a new NIBOR hedge linked to the new outstanding bond. See further details in the Risks section.

The net change in cash, including currency impact, was NOK -103 million compared to NOK -154 million last year. Cash at the end of the period amounted to NOK 369 million. In addition, the Group had per year-end an unused credit facility of NOK 400 million. The Group increased the multi-currency credit facility from NOK 200 million to NOK 400 million during the fourth quarter.



FINANCIAL POSITION

Fourth quarter

There were no significant changes to intangible assets, non-current assets or inventory compared to last quarter. Total receivables decreased by NOK 475 million to NOK 1,468 million during the quarter due to seasonal effects and high cash collection in the period. Total assets at NOK 5,142 million decreased by NOK 429 million in the quarter. The equity ratio was 47% on 31 December 2023.

Interest-bearing liabilities consisted per fourth quarter of a EUR 20.9 million bank loan, a NOK 400 million bond, and discounted cash flows related to lease agreements, including operating leases under IFRS 16. Total interest-bearing liabilities amounted to NOK 1,130 million at the end of December, including operating lease liabilities of NOK 241 million. The repayment of the EUR bank loan amounted to NOK 14 million in the quarter. Total lease liabilities increased by NOK 14 million to NOK 503 million as lease payments and terminated agreements were lower than the discounted value of new lease agreements. Net interest-bearing debt decreased by NOK 231 million during the quarter to NOK 761 million. Net interest-bearing debt excluding lease liabilities decreased by NOK 246 million during the quarter to NOK 258 million.

During the quarter, the Group completed a refinancing process including issuing a new 4-year senior unsecured green NOK 400 million bond maturing in 2027, buy-back and call of the existing NOK 600 million bond, increased the multi-currency credit facility from NOK 200 million to NOK 400 million and extended the maturity of the existing EUR 21 million term loan from 2024 to 2027.

Full year 2023

Other than currency effects, there were no significant changes to intangible assets, non-current assets, inventory or total receivables compared to last year. Total assets at NOK 5,142 million decreased by NOK 49 million from 2022. The equity ratio was 47% on 31 December 2023 compared to 45% last year.

During the fourth quarter, the Group completed the debt refinancing process as described above. The net interest-bearing debt decreased by NOK 189 million during the year to

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.

NOK 761 million, while net interest-bearing debt excluding lease liabilities decreased by NOK 164 million during 2023 to NOK 258 million. Total lease liabilities decreased by NOK 25 million to NOK 503 million as lease payments and terminated agreements were higher than the discounted value of new lease agreements.

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 changes 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 a 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 October 2024 carries an interest of three months NIBOR + 4,40% until maturity on 25 September 2027. The three months NIBOR has been hedged to a fixed rate of 3.843% for the full period. The fair market value of the hedge at the end of the quarter was NOK -7 million.

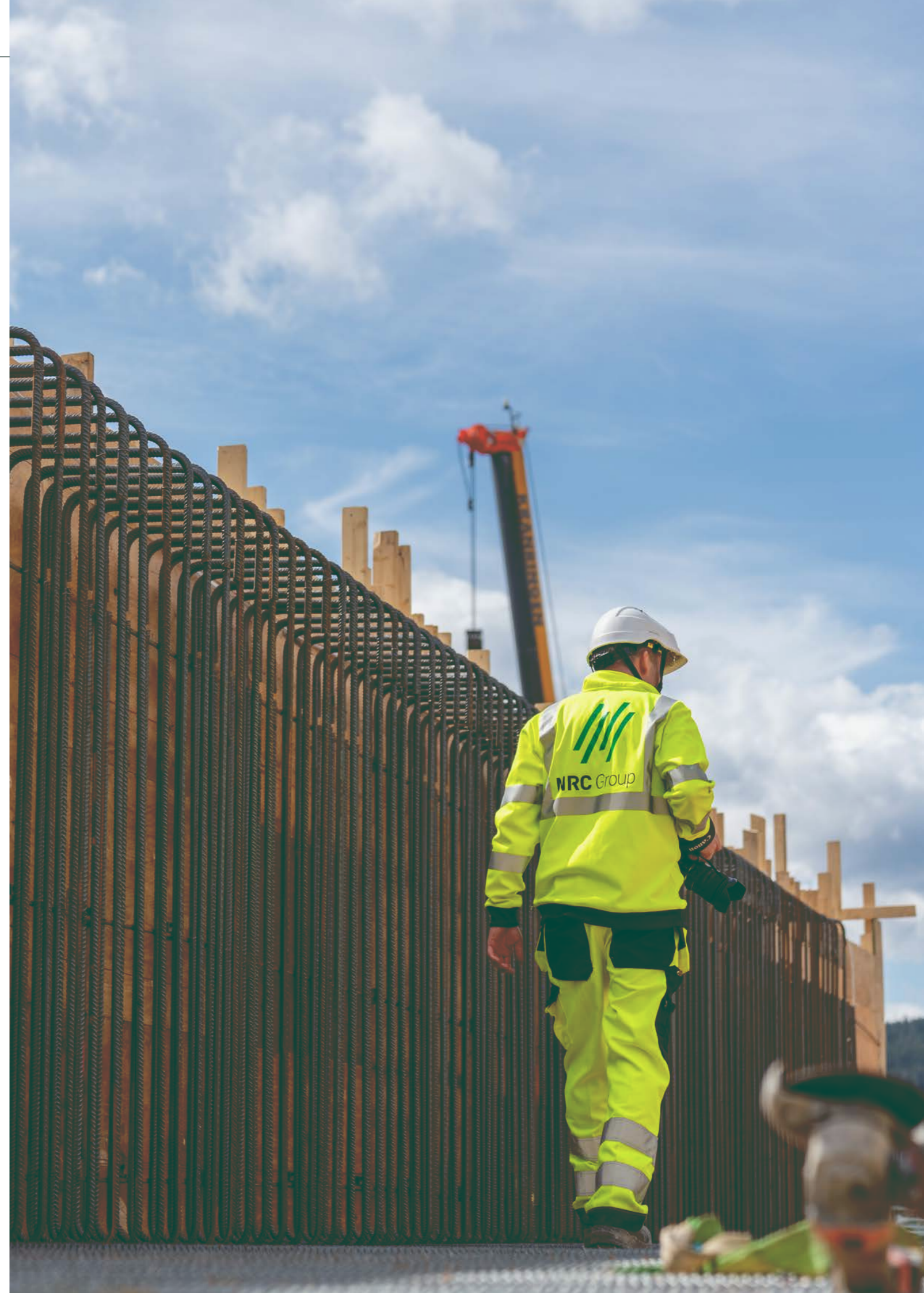
Liquidity risk is when the Group is unable to meet its financial obligations when they are due. The Group had total current assets of NOK 1,873 million at the end of the quarter, NOK 89 million higher than the short-term liabilities. Total unrestricted cash amounted per quarter-end to NOK 369 million in addition to an undrawn multi-currency credit facility of NOK 400 million. In connection with the refinancing process, the multi-currency credit facility was increased from NOK 200 million to NOK 400 million. At the same time, the existing NOK 600 million bond was replaced with a new NOK 400 million bond maturing in 2027, implying that available liquidity on a proforma basis at the time of refinancing was more or less unchanged.

The country management team 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 available liquidity and the refinancing completed in the quarter, 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 in 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. 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 wars in Ukraine and Gaza, the high inflation and increased interest rates, has been limited for the Group. The volatile global market may however impact risks related to material prices, supply chain and government spending on infrastructure. NRC Group is actively managing development and uncertainty.



Building a low carbon future

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. As we pursue a strategy of sustainable growth, we always aim to promote climate-friendly solutions, and proactively work to become a zero-emission industry.

The Group voluntarily discloses the Key Performance Indicators (KPIs) related to EU Taxonomy. The Group reviews their economic activities in relation to EU Taxonomy per 30 June and 31 December. More information will also follow in the Sustainability Report 2023 and the Annual Report for 2023, published in April 2024.

The most relevant eligible activities per date for NRC Group include infrastructure for rail transport and infrastructure enabling low-carbon road transport and public transport. Most of these eligible activities meet the technical screening criteria, they do no significant harm criteria and meet other requirements to be classified as sustainability aligned. Compared to 2022, also most activities related to the environmental and the civil construction business are considered eligible according to the EU Taxonomy. However, most of these activities are not reported as aligned.

NRC Group has established a Green Financing Framework as part of our commitment to develop and supply services to build sustainable transport solutions.

As per 31 December 2023:

| | Eligible | | Aligned | |
|-----------------------------|----------|------|---------|------|
| | 2023 | 2022 | 2023 | 2022 |
| KPIs | | | | |
| Turnover (Revenue) | 98% | 87% | 72% | 67% |
| Operational expenses (OpEx) | 99% | 87% | 74% | 67% |
| Investments (CapEx) | 98% | 81% | 76% | 73% |

GREEN FINANCE

NRC Group has established a Green Financing Framework as part of our commitment to develop and supply services to build sustainable transport solutions. The framework sets out the criteria for investments that can be financed or refinanced with green bonds, green loans or other green debt instruments. S&P Global Ratings has conducted the independent external assessment of the framework and given it their highest rating, dark green.

Based on the Green Financing Framework, the Group issued a new 4-year senior unsecured NOK 400 million green bond during the quarter. The net proceeds from the green bond will be used in accordance with the green project categories as described in the framework. NRC Group will annually until full allocation, and in the event of any material developments, provide investors with a Green Finance Report describing the allocation of proceeds and the environmental impact of the green projects.



Providing a safe and secure workplace

Our number one priority is that all employees and partners shall return home safe and free of injuries every day. We work and focus on safety in everything we do, in line with our policies for health, working environment and safety. All employees shall have a safe and secure working environment at NRC Group. Our LTI frequency rate (injuries resulting in absence for at least one full day per million man-hours) decreased to 5.6 per 31 December 2023, compared to 6.0 the same period last year. Subcontractors are included in the figures. We had zero serious injuries in 2023. The sickness absence rate in 2023 was 3.8% (2022: 4.2%).



How we do it matters to us

The Turku railway yard optimises mass transportation

NRC Group Finland has agreed with NCC to transport around 200,000 tons of aggregates to the Turku railway yard project.

The distance of transportation plays an important role both for the cost and the impact of emissions. The project partly implements NCC's One-Stop-Shop concept, where NRC Group Finland delivers aggregates and some of the project's surplus soil to NCC's soil reception. With round-trip loads, we can utilise returns and contribute to lowering emissions from transportation.

Jarkko Kupiainen
Project Manager
NRC Group Finland





Preparing the ground for the new Aker hospital

NRC Group Norway will execute the ground and foundation work for the new hospital. At the site, listed buildings and trees will be cared for. During the construction, the team will excavate one of Oslo's largest construction pits - a whopping 50 acres in size, with an average depth of 10 meters. Half of the volume in the pit consists of rock. Stabilising the ground during the construction is of high importance.

To minimise environmental impact from CO₂ emissions on the construction site, we use machinery powered by HVO environmental diesel.

Stein Olav Haugen
Project Manager
NRC Group Norway



Going electric in Hallsberg

NRC Group Sweden is conducting a project in Hallsberg to evaluate how electric vehicles can replace older diesel machines. The goal is to secure a sustainable machine park to reduce emissions.

The project also aligns with sustainability requirements set by our client, the Swedish Transport Administration, in the maintenance contract of Godsstråket. We aim to offer a 100% sustainable transportation solution.

Magnus Nordström
Project Manager
NRC Group Sweden



Interim condensed consolidated financial statement

Interim condensed consolidated statement of profit or loss

| <i>(Amounts in NOK million)</i> | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|--|-----------|-------------|------------|-------------|
| Revenue | 1 800 | 1 954 | 6 732 | 7 030 |
| Operating expenses | -1 723 | -1 874 | -6 400 | -6 695 |
| Other income and expenses | -7 | -1 | -16 | -2 |
| EBITDA | 70 | 80 | 316 | 333 |
| Depreciation | -49 | -50 | -197 | -185 |
| EBITA | 21 | 30 | 119 | 151 |
| Amortisation and impairment | -4 | -361 | -15 | -389 |
| Operating profit/loss (EBIT) | 17 | -332 | 105 | -240 |
| Net financial items | -9 | -15 | -59 | -58 |
| Share of profit from associates and joint ventures | -2 | -6 | -2 | -15 |
| Profit/loss before tax (EBT) | 6 | -353 | 45 | -313 |
| Taxes | -12 | -41 | -8 | -51 |
| Net profit/loss | -6 | -393 | 37 | -364 |
| Profit/loss attributable to: | | | | |
| Shareholders of the parent | -6 | -393 | 38 | -363 |
| Non-controlling interests | 0 | 0 | -1 | -1 |
| Net profit/loss | -6 | -393 | 37 | -364 |
| Earnings per share in NOK (ordinary) | -0.08 | -5.40 | 0.52 | -4.98 |
| Earnings per share in NOK (diluted) | -0.08 | -5.40 | 0.51 | -4.98 |

Interim condensed consolidated statement of comprehensive income

| <i>(Amounts in NOK million)</i> | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|---|------------|-------------|------------|-------------|
| Net profit/loss | -6 | -393 | 37 | -364 |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i> | | | | |
| Translation differences | 8 | -25 | 98 | 36 |
| Net gain on hedging instruments | -19 | -3 | -17 | 15 |
| <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 | 5 | 0 | 5 |
| Total comprehensive profit/loss | -17 | -416 | 118 | -308 |
| Total comprehensive profit/loss attributable to: | | | | |
| Shareholders of the parent | -17 | -416 | 119 | -307 |
| Non-controlling interests | 0 | 0 | -1 | -1 |
| Total comprehensive profit/loss | -17 | -416 | 118 | -308 |

Interim condensed consolidated statement of financial position

| <i>(Amounts in NOK million)</i> | 31.12.2023 | 31.12.2022 |
|--|--------------|--------------|
| ASSETS | | |
| Deferred tax assets | 104 | 98 |
| Goodwill | 2 422 | 2 364 |
| Customer contracts and other intangible assets | 31 | 32 |
| Intangible assets | 2 557 | 2 493 |
| Tangible assets | 170 | 184 |
| Right-of-use assets | 542 | 564 |
| Other non-current assets | 1 | 23 |
| Total non-current assets | 3 270 | 3 265 |
| Total inventories | 35 | 29 |
| Total receivables | 1 468 | 1 425 |
| Cash and cash equivalents | 369 | 472 |
| Total current assets | 1 873 | 1 927 |
| Total assets | 5 142 | 5 191 |
| <i>(Amounts in NOK million)</i> | | |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Paid-in-capital | 2 396 | 2 396 |
| Other equity | 34 | -85 |
| Total equity attributable to owners of the parent | 2 429 | 2 310 |
| Non-controlling interests | 0 | 2 |
| Total equity | 2 430 | 2 312 |
| Liabilities | | |
| Pension obligations | 9 | 11 |
| Long-term leasing liabilities | 341 | 353 |
| Other non-current interest-bearing liabilities | 572 | 741 |
| Deferred taxes | 0 | 1 |
| Other non-current liabilities | 7 | 0 |
| Total non-current liabilities | 929 | 1 106 |
| Short-term leasing liabilities | 162 | 175 |
| Other interest-bearing current liabilities | 55 | 153 |
| Other current liabilities | 1 566 | 1 445 |
| Total current liabilities | 1 784 | 1 773 |
| Total equity and liabilities | 5 142 | 5 191 |

Interim condensed consolidated statement of cash flows

| <i>(Amounts in NOK million)</i> | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|---|-------------|------------|-------------|-------------|
| Profit/loss before tax | 6 | -353 | 45 | -313 |
| Depreciation, amortisation and impairment | 53 | 411 | 211 | 574 |
| Taxes paid | 4 | 26 | 3 | -13 |
| Net financial items | 9 | 14 | 59 | 57 |
| Gain from sale of property, plant and equipment | -8 | -1 | -21 | -32 |
| Gain from disposal of subsidiary | 0 | 0 | -40 | 0 |
| Share of profit from associates and joint ventures | 2 | 6 | 2 | 15 |
| Change in working capital and other accruals | 240 | 57 | 117 | -51 |
| Net cash flow from operating activities | 306 | 160 | 376 | 235 |
| Purchase of property, plant and equipment | -7 | -12 | -35 | -47 |
| Acquisition of companies, net of cash acquired | 0 | 0 | -17 | -24 |
| Investments in associates and joint ventures | -2 | -6 | -2 | -14 |
| Net proceeds from sale of property, plant and equipment | 10 | 9 | 30 | 55 |
| Disposal of companies, net of cash disposed | 0 | 0 | 97 | 0 |
| Proceeds from sale of shares and other investments | 17 | 0 | 17 | 0 |
| Net cash flow from investing activities | 18 | -9 | 89 | -29 |
| Net proceeds from issue of shares | 0 | 0 | -1 | 0 |
| Net proceeds from borrowings | 395 | 0 | 395 | 0 |
| Repayment/repurchase of borrowings | -614 | -38 | -681 | -147 |
| Payments of lease liabilities | -46 | -46 | -184 | -171 |
| Interest paid | -29 | -10 | -82 | -46 |
| Net proceeds from acquisition/sale of treasury shares | 1 | 1 | -1 | -3 |
| Net cash flow from financing activities | -295 | -93 | -553 | -366 |
| Net change in cash and cash equivalents | 30 | 58 | -88 | -160 |
| Cash and cash equivalents at the start of the period | 346 | 412 | 472 | 626 |
| Translation differences | -6 | 2 | -15 | 6 |
| Cash and cash equivalents at the end of the period | 369 | 472 | 369 | 472 |
| <i>Hereof presented as:</i> | | | | |
| Free cash | 369 | 472 | 369 | 472 |
| Restricted cash | 0 | 0 | 0 | 0 |

Interim condensed consolidated statement of changes in equity

(Amounts in NOK million)

| | Share capital | Treasury shares | Other paid-in capital | Hedge reserve | Translation differences | Retained earnings | Total | Non-controlling interests | Total equity |
|-----------------------------------|---------------|-----------------|-----------------------|---------------|-------------------------|-------------------|--------------|---------------------------|--------------|
| Equity at 1 January 2022 | 73 | 0 | 2 325 | -3 | 12 | 213 | 2 619 | 2 | 2 622 |
| Profit/loss for the period | | | | | | -363 | -363 | -1 | -364 |
| Other comprehensive income | | | | 15 | 36 | 5 | 56 | | 56 |
| Employee share program | | | 5 | | | | 5 | | 5 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -7 | | | | -7 | | -7 |
| Total changes in equity | 0 | 0 | -2 | 15 | 36 | -358 | -309 | -1 | -310 |
| Equity at 31 December 2022 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |
| Equity at 1 January 2023 | 73 | 0 | 2 323 | 12 | 48 | -145 | 2 310 | 2 | 2 312 |
| Profit/loss for the period | | | | | | 38 | 38 | -1 | 37 |
| Other comprehensive income | | | | -17 | 98 | 0 | 81 | | 81 |
| Employee share program | | | 3 | | | | 3 | | 3 |
| Share-based payments | | | 0 | | | | 0 | | 0 |
| Acquisition of treasury shares | | 0 | -3 | | | | -3 | | -3 |
| Total changes in equity | 0 | 0 | 0 | -17 | 98 | 38 | 119 | -1 | 118 |
| Equity at 31 December 2023 | 73 | 0 | 2 323 | -6 | 146 | -107 | 2 429 | 0 | 2 430 |

Notes to the interim condensed consolidated statement

1.1 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.

NRC Group is listed at Oslo Stock exchange under the ticker "NRC" and with ISIN NO0003679102.

1.2 Accounting policies and basis for preparation

The condensed consolidated financial statements as per 31 December 2023 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 2022.

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 2022. 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 fourth quarter financial report for 2022, and the audited financial report for the full year of 2022.

1.3 Significant estimates and judgement

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.

1.3.1 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, the value of any project modifications being recognised and the impact of any disputes or contractual disagreements.

1.3.2 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 operation in Sweden and Finland with book value of goodwill of SEK 270 million and EUR 125 as of 31 December 2023, respectively. The current headroom of approximately SEK 120 million and EUR 8 are most sensitive to the discount rate and the estimated future margins. The pre-tax discount rate applied is 10.0% in Sweden and 10.5% in Finland. Changes that may lead to an impairment in Sweden are an increase in the discount rate with more than 1.5 percentage points or reduced terminal EBIT margin of 0.7 percentage points. The assumption for terminal growth in Sweden is 2.00%. A terminal growth of zero will not lead to impairment. Changes that may lead to an impairment in Finland are an increase in the discount rate with more than 0.4 percentage points or reduced terminal EBIT margin of 0.4 percentage points. The assumption for terminal growth in Finland is 2.00%. A terminal growth of less than 1.4% would lead to impairment.

1.3.3 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 requires the 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 rates.

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 requires 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.

1.3.4 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 482 million and in Sweden of NOK 740 million corresponding to gross deferred tax assets of NOK 106 million in Norway and NOK 152 million in Sweden that can be used to reduce future tax payments. In Norway there are no non-recognized deferred tax assets related to unused tax losses. In Sweden, total non-recognized deferred tax assets related to unused tax losses amount to NOK 130 million. Net of deferred tax liabilities and non-recognized assets, deferred tax assets of NOK 79 million in Norway and NOK 22 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. In addition, a net deferred tax asset of NOK 3 million has been recognised in Finland.

2. Segments

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| Q4 2023 | | | | | |
| External | 578 | 471 | 751 | 0 | 1 800 |
| Inter-segment | -55 | 67 | 0 | -12 | 0 |
| Total revenue | 524 | 538 | 751 | -12 | 1 800 |
| Operating expenses | -484 | -535 | -722 | 3 | -1 738 |
| Other income and expenses | 0 | 0 | 8 | 0 | 8 |
| Depreciation | -26 | -8 | -14 | 0 | -49 |
| EBITA | 13 | -5 | 22 | -9 | 21 |
| Amortisation and impairment | 0 | -1 | -2 | 0 | -4 |
| EBIT | 13 | -7 | 20 | -9 | 17 |
| Adjusting items | 2 | 11 | -6 | 0 | 7 |
| EBIT adj. | 16 | 4 | 14 | -9 | 24 |
| Order backlog | 1 537 | 2 933 | 2 470 | | 6 940 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|-----------|--------------|
| Q4 2022 | | | | | |
| External | 729 | 549 | 677 | 0 | 1 954 |
| Inter-segment | -94 | 97 | 0 | -3 | 0 |
| Total revenue | 635 | 646 | 677 | -3 | 1 954 |
| Operating expenses | -576 | -666 | -631 | 0 | -1 874 |
| Other income and expenses | 0 | 0 | 0 | -1 | -1 |
| Depreciation | -28 | -10 | -12 | 0 | -50 |
| EBITA | 31 | -30 | 33 | -4 | 30 |
| Amortisation and impairment | 0 | -353 | -9 | 0 | -361 |
| EBIT | 31 | -383 | 25 | -4 | -332 |
| Adjusting items | 0 | 352 | 6 | 1 | 359 |
| EBIT adj. | 31 | -31 | 31 | -3 | 28 |
| Order backlog | 2 013 | 3 160 | 2 622 | | 7 795 |

2. Segments (continued)

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| FY 2023 | | | | | |
| External | 2 401 | 1 578 | 2 753 | 0 | 6 732 |
| Inter-segment | -265 | 299 | 0 | -33 | 0 |
| Total revenue | 2 136 | 1 877 | 2 753 | -33 | 6 732 |
| Operating expenses | -1 957 | -1 890 | -2 613 | -4 | -6 464 |
| Other income and expenses | 41 | 1 | 7 | -1 | 48 |
| Depreciation | -103 | -39 | -54 | -1 | -197 |
| EBITA | 116 | -51 | 93 | -39 | 119 |
| Amortisation and impairment | 0 | -4 | -10 | 0 | -15 |
| EBIT | 116 | -56 | 83 | -39 | 105 |
| Adjustments | -36 | 56 | -5 | 1 | 16 |
| EBIT adj. | 81 | 0 | 78 | -38 | 121 |
| Order backlog | 1 537 | 2 933 | 2 470 | | 6 940 |

| <i>(Amounts in NOK million)</i> | Norway | Sweden | Finland | Other | Consolidated |
|---------------------------------|--------------|--------------|--------------|------------|--------------|
| FY 2022 | | | | | |
| External | 2 571 | 1 877 | 2 582 | 0 | 7 030 |
| Inter-segment | -198 | 203 | 0 | -5 | 0 |
| Total revenue | 2 373 | 2 080 | 2 582 | -5 | 7 030 |
| Operating expenses | -2 200 | -2 088 | -2 378 | -29 | -6 695 |
| Other income and expenses | 0 | 0 | -1 | -1 | -2 |
| Depreciation | -93 | -42 | -48 | -1 | -185 |
| EBITA | 80 | -49 | 154 | -36 | 149 |
| Amortisation and impairment | 0 | -355 | -34 | 0 | -389 |
| EBIT | 80 | -404 | 120 | -36 | -240 |
| Adjustments | 0 | 352 | 25 | 1 | 378 |
| EBIT adj. | 80 | -52 | 145 | -36 | 137 |
| Order backlog | 2 013 | 3 160 | 2 622 | | 7 795 |

3. Interests in associated companies

The Group has a 20% interest sharing risks and rewards of two larger projects (E04 Station Haga, and E03 Kvarnberget) with Webuild (40%) and Gülermak (40%) in connection with Station Haga in Gothenburg, through the associated company AGN Haga AB. The projects commenced during 2018/2019 and were previously scheduled to be completed by 2026. The projects are complex with substantial risk. The Group is not operationally involved in any of the projects.

In 2022, NRC Group made capital contributions of SEK 15 million to AGN Haga AB, representing NRC Group's pro-rata share of the total capital contributions, to support working capital in AGN Haga AB. Due to substantial uncertainty in the projects, net income from AGN Haga AB has not been recognised in NRC Group accounts, and all capital contributions of SEK 15.5 million was impaired in 2022.

On January 24 2023, AGN Haga received a termination notice from Trafikverket in relation to Station Haga in Gothenburg (E04). The contract in relation to Kvarnberget (E03) was not part of the termination notice. During the first half of 2023, AGN Haga filed an application for reconstruction to the District Court, which was approved on the 22nd of May 2023. In December, the District Court approved to extend the reconstruction period until 19 March 2024.

The book value of AGN Haga AB in the Group's Q4 2023 accounts is NOK 0 million. Note 27 to the Group accounts in the annual report for 2022 provides further disclosures regarding the associated company.

4. Transactions between related parties

NRC Group ASA had no significant related party transactions other than ordinary cause of business in the fourth quarter of 2023. Note 28 to the Group accounts in the annual report for 2022 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 0.2 million.

5. Events after the end of the period

The Swedish Transport Administration has appointed NRC Group Sweden to a contract for catenary work on the railway connection between Alingsås and Olskroken. The contract is valued at approximately SEK 456 million, and will involve rail services such as electro and groundwork. The work will commence in March 2025 and is scheduled for completion in November 2027.

The Finnish Transport Infrastructure Agency has appointed NRC Group Finland and YIT Finland as construction parties for Area 2 at Espoo City Rail. The contract is valued at approximately EUR 36 million, and NRC's share is 50% valued at approximately EUR 18 million. The contract will involve services such as rail construction, groundworks, foundation, bridges and platforms. The work will commence in February 2024 and is scheduled for completion in June 2028.

Forsvarsbygg has appointed NRC Group Norway to a contract for ground, foundation and construction work in connection with a new quay at Haakonsværn Naval Base. The contract is valued at approximately NOK 625 million and is the largest civil contract to date for NRC Norge. The work will commence in February 2024 and is scheduled for completion in June 2027.

Bane Nor has appointed NRC Group Norway to a contract for rehabilitation and upgrading of the catenary infrastructure on the railway between Hønefoss and Nesbyen. The contract is appointed to a joint venture together with Nettpartner, and NRC's share is valued at approximately NOK 436 million. The contract will involve rail services such as electro, signal/telecom, track and groundwork. The work will commence in March 2024 and is scheduled for completion in autumn 2027.

Å Energi Vannkraft has appointed NRC Group Norway to a contract for the renovation of Dam Nespervatn. The contract is valued at approximately NOK 78 million, and the work will commence in May 2024 and is scheduled for completion in December 2025.

Fingrid Oy has appointed NRC Group Finland to a contract for the construction of 3 substations at Harjavalta. The contract is valued at approximately EUR 6.5 million, and the work will commence in March 2024, and is scheduled for completion in July 2026.

Bane Nor has appointed NRC Group Norway to a contract for track renewal on the railway connection between Lillestrøm and Gardermoen. The contract is valued at approximately NOK 1 16 million, and the work will commence in March 2024 and is scheduled for completion in December 2025.

Chief Financial Officer, Ole Gulsvik, has submitted his notice of resignation to accept a position as CFO in Entra ASA. NRC Group has started the process to recruit a successor. He will continue as Chief Financial Officer until a new successor is in place or by the latest 1 August 2024.

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 fourth quarter and full year of 2023.

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 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.

Lysaker, 26 February 2024

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

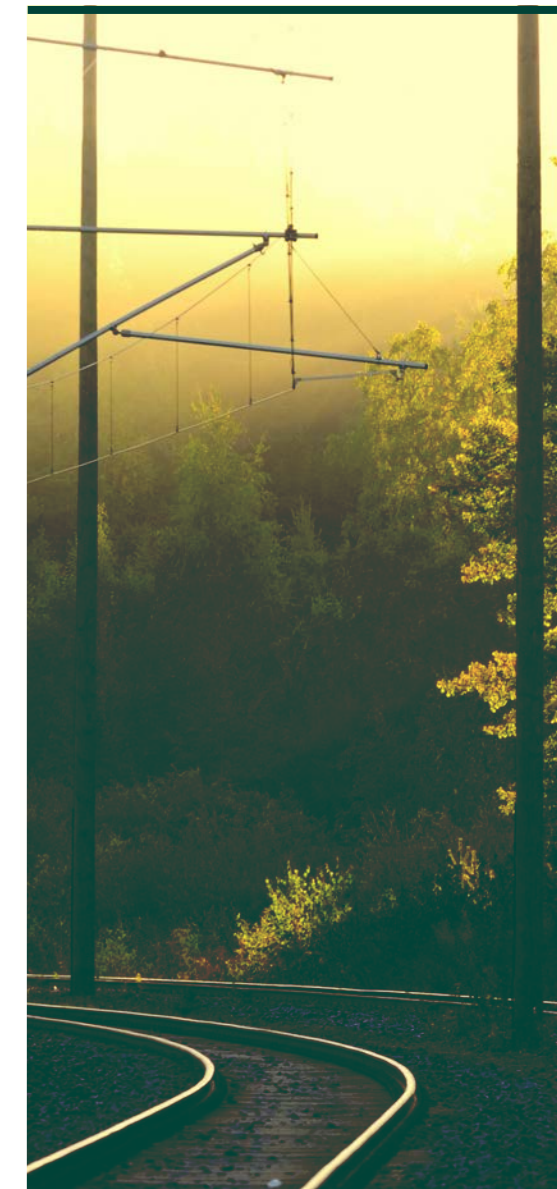
Anders Gustafsson
CEO NRC Group ASA

Alternative performance measures

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 Groups 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 EBIT adj. 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 M&A expenses and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, 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 EBIT adj, EBITA and EBITDA, and EBIT adj, EBITA and EBITDA margin differently, the Group's presentation of these APMs may not be comparable to similar titled measures used by other companies.



Reconciliation of EBIT adj.

| <i>(Amounts in NOK million)</i> | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|--|-----------|-------------|------------|-------------|
| Operating profit/loss (EBIT) | 17 | -332 | 105 | -240 |
| Adjusting items | | | | |
| Gain from sale of Gravco business unit | 0 | 0 | -40 | 0 |
| M&A expenses | -8 | 1 | -7 | 2 |
| Amortisation and impairment from PPA* | 0 | 358 | 0 | 376 |
| Restructuring items | 12 | 0 | 21 | 0 |
| Write-down operations to be discontinued | 3 | 0 | 43 | 0 |
| Adjusting items, total | 7 | 359 | 16 | 378 |
| EBIT adj. | 24 | 28 | 121 | 137 |
| Depreciation | 49 | 50 | 197 | 185 |
| Amortisation of IT software investments | 4 | 3 | 15 | 13 |
| EBITDA adj. | 77 | 81 | 332 | 335 |

*PPA (purchase price allocation) refers to merger related fair value adjustments

Reconciliation of Net cash/ net interest-bearing debt position

| <i>(Amounts in NOK million)</i> | 31.12.2023 | 31.12.2022 |
|--|--------------|--------------|
| Long-term leasing liabilities | 341 | 353 |
| Other non-current interest-bearing liabilities | 572 | 741 |
| Short-term leasing liabilities | 162 | 175 |
| Other interest-bearing current liabilities | 55 | 153 |
| Interest-bearing debt | 1 130 | 1 423 |
| <i>Minus:</i> | | |
| Cash and cash equivalents | 369 | 472 |
| Net interest-bearing debt | 761 | 950 |
| <i>Minus:</i> | | |
| Total leasing liabilities | 503 | 528 |
| Net interest-bearing debt excl. leasing | 258 | 422 |

Reconciliation of Net working capital (NWC)

| <i>(Amounts in NOK million)</i> | 31.12.2023 | 31.12.2022 |
|---------------------------------|--------------|--------------|
| Total inventories | 35 | 29 |
| Total receivables | 1 468 | 1 425 |
| Current assets (ex cash) | 1 504 | 1 454 |
| <i>Minus:</i> | | |
| Other current liabilities | 1 566 | 1 445 |
| Net working capital | -62 | 9 |

Definitions

| <i>Term</i> | <i>Description</i> |
|------------------------------------|---|
| Adjusting items | Adjusting items are material items outside ordinary course of business such as impairment of goodwill, operating profit from businesses to be closed down, restructuring costs, gains or losses arising from the divestments of a business or part of a business, and impacts of the fair value adjustments from purchase price allocations, such as amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). |
| 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. |
| Contract value | The amount stated in the contract for contract work excluding VAT. |
| EBIT | Operating profit. Earnings before net financial items and share of profit from associates and joint ventures. |
| EBIT adj. | Operating profit excluding adjusting items. |
| EBIT adj. % | Operating profit excluding adjusting items in relation to operating revenues. |
| 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 and IT software investments. |
| EBITA* (ex M&A) | EBITA plus other income and expenses. |
| 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. |
| EBITDA adj. | EBITDA excluding adjusting items. |
| EBITDA adj. % | EBITDA adj. excluding adjusting items in relation to operating revenues. |
| EBT | Profit before tax. |
| Financial Lease Agreements | Lease agreements transferring the main risk and control of the assets to the lessee. |

| <i>Term</i> | <i>Description</i> |
|-----------------------------------|---|
| FTIA | Finnish Transport Infrastructure Agency. |
| Equity ratio | Total equity in relation to total assets. |
| LTI | Injuries resulting in absence at least one full day per million man-hours including subcontractors. |
| LTM | Last twelve months on a rolling basis. |
| 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 interest-bearing debt | Interest-bearing liabilities minus cash and cash equivalents. |
| Net working capital (NWC) | The net amount of inventories, receivables (including contract assets) and other current liabilities (including contract liabilities). |
| Operating lease agreements | Lease agreements that are not financial lease agreements, including real estate rent. |
| Order backlog | Total nominal value of orders received less revenue recognised on the same orders. |
| Order intake | Total nominal value of orders received. |
| 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 and excluding full year revenue effect (proforma) for any disposed business, calculated in local currency. |
| Other income and expenses | 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. |
| Sickness Absence | 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. |
| TRI | Frequency of injuries with and without absence for personnel (employees and rented workers) and subcontractors per million hours worked. |
| TRV | Trafikverket – Swedish Transport Administration. |

Executive Management

Anders Gustafsson
CEO

Ole Anton Gulsvik
CFO

Arild Ingar Moe
EVP and MD NRC Group Norway

Harri Lukkarinen
EVP and MD NRC Group Finland

Lene Engebretsen
EVP and Head of communications

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

NRC Group ASA

Visiting Address

Lysaker Torg 25
1366 Lysaker
Norway

Postal Address

P.O. Box 18
1324 Lysaker
Norway

Financial calendar

Annual General Meeting: 8 May

1st quarter 2024: 23 May

2nd quarter and 1st half year 2024: 29 August

3rd quarter 2024: 20 November