NRC Group

12 Feb 2025

Q4 and Full Year 2024

Q4

From the CEO

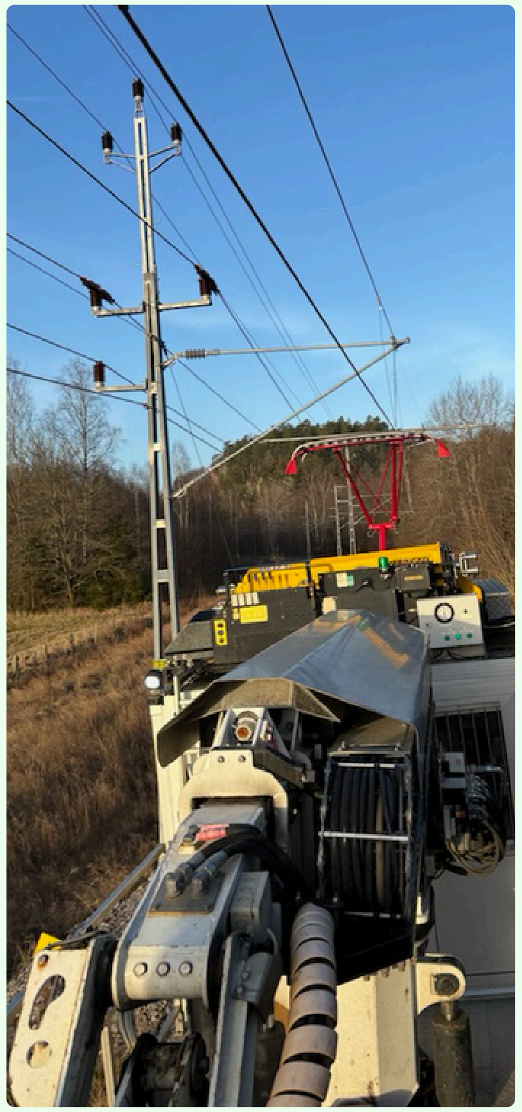
As we look back on 2024, it is clear that this has been a demanding year of transformation and restart for our company. The financial results for 2024 are, as previously communicated, disappointing. However, I remain fully convinced that we are on the right path toward profitable growth, with the goal of exceeding a margin above 5% and achieving more than NOK 10 billion in revenue in 2028.

We have taken decisive steps to strengthen our foundation and position the company for long-term, profitable success. Our new executive Group-leadership team is now fully in place, bringing in fresh perspectives and solid industry expertise. Additionally, we launched our new and ambitious strategy towards 2028, which will guide our efforts to improve operational efficiency and deliver shareholder value.

The share issue of NOK 250 million was a critical and decisive factor in strengthening our financial platform last year and a prerequisite for navigating the process with Bane NOR regarding the ETM project. The mediation, which resumed in February 2025, has not resulted in an agreement. NRC Group maintains that claims are well founded and will initiate legal proceedings.

During the year we made many significant changes internally. In all three operating countries, the management teams have been strengthened. The Nordic process for tender reviews was implemented, a strategy for effective utilisation of machines is in place with a separate division and we have a more conservative result recognition in early phases for new projects. During the year of transformation and restart, our revenue increased slightly and our order intake improved by NOK 1 billion compared to 2023. This is an important accomplishment for us.

We aim to be the most ambitious infrastructure builder in the Nordics.



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The ETM project impacted the results negatively in Norway where we made a provision of NOK 30 million in the quarter. Our performance in Sweden improved during the fourth quarter and the underlying business is better than last year. In Finland, the change program is starting to yield results and the market is strengthened, which resulted in improved margin to 2.7%. At the end of the quarter, we also secured a major tramway alliance contract in Tampere, where the first phase is valued at approximately EUR 81 million for NRC Group.

We remain committed to our guidance of achieving a margin of more than 2.0% in 2025 and we are confident that we will reach this goal. The negative impact on our 2024 results from the downward adjustments last year is now behind us and we are well-prepared to deliver improved profitability in line with our strategy in the years to come.

Looking ahead, our tender pipeline across all three countries is strong and shows great potential. While we are still in the early stages of establishing ourselves in the new civil market in Sweden and Finland, we see significant opportunities, partly influenced by the political situation. We are confident that, over time, we will establish a foothold within the energy, water, and defence sectors.

In summary, 2024 was a year of transformation and restart. We have laid a stronger foundation and implemented a strategic process which lays the foundation for the path forward. With our new strategy in place and a robust tender pipeline, we are optimistic about our ability to deliver on our commitments and create value for all our stakeholders.

Thank you for your continued trust and support.

Stay healthy and safe,

Anders Gustafsson,
CEO NRC Group

Group highlights

Fourth quarter

- Revenue of NOK 1,737 million (NOK 1,800 million), EBIT adj. of NOK -2 million (NOK 24 million) and operating profit margin (EBIT adj. margin) of -0.1% (1.4%)
- Operating cash flow of NOK 198 million (NOK 306 million), influenced by a decreased net working capital. Net interest-bearing debt decreased by NOK 375 million in the quarter to NOK 622 million.
- Order backlog of NOK 7,971 million (NOK 6,940 million) with a book-to-bill ratio of 1.0x in the quarter. Order intake of NOK 1,817 million (NOK 2,024 million), including NOK 958 million light-rail alliance contract in Finland.
- The restructuring program in Finland, Acceleration Lane, has progressed well and the new organisational structure was launched in Jan 2025
- After end of quarter (February 2025), mediation in the ETM project resumed. An acceptable solution could not be reached, legal proceedings will be initiated. A further downward adjustment of the project of NOK 30 million was made in Q4.

Full year

- Revenue of NOK 6,892 million (NOK 6,732 million), EBIT adj. of NOK -93 million (NOK 121 million) and order intake of NOK 6,606 million (NOK 5,632 million). Results significantly affected by downward adjustments of approx. NOK 160 million in Q2 and a further downward adjustment of the ETM project of NOK 30 million in Q4.
- Adjusting items of NOK 727 million, consisting of GW impairment charges of NOK 650 million (NOK 500/150 million in Finland/Norway), Kept restructuring costs of NOK 74 million, restructuring costs in Finland of NOK 7 million and income related to M&A of NOK 4 million. Corresponding EBIT of NOK -820 million (NOK 105 million).
- Operating cash flow of NOK 31 million (NOK 376 million) and net interest-bearing debt at NOK 622 million (NOK 761 million at year-end 2023)
- Financial platform significantly strengthened through a share issue of NOK 250 million and renegotiated covenants with bank and bondholders
- Comprehensive risk mapping process was completed in 2024. Combined with robust accounting practices and a strengthened financial platform, NRC Group has significantly enhanced its risk resilience.

ORDER BACKLOG Q4 2024

7,971 MNOK

Q4 2023: 6,940 MNOK

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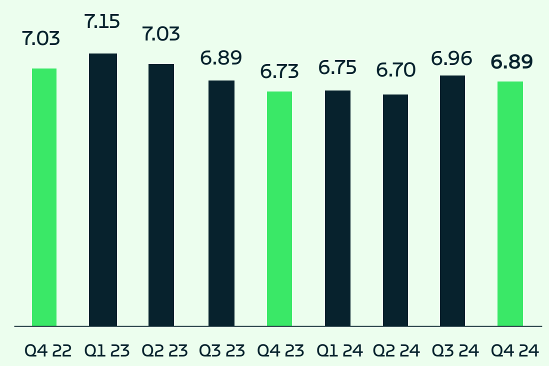
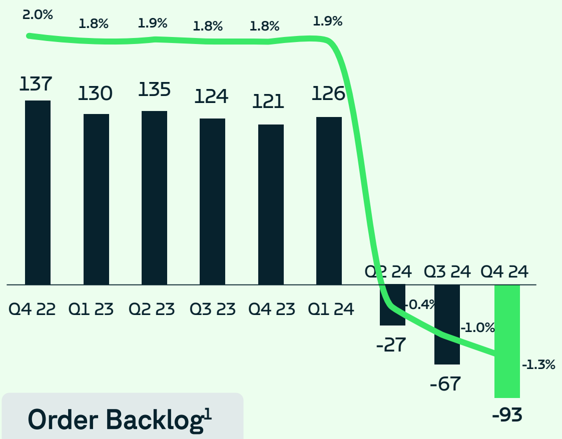
Group Revenue LTM

NOK billion



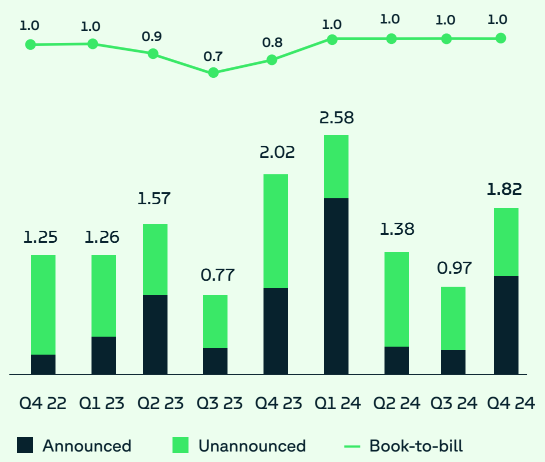
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



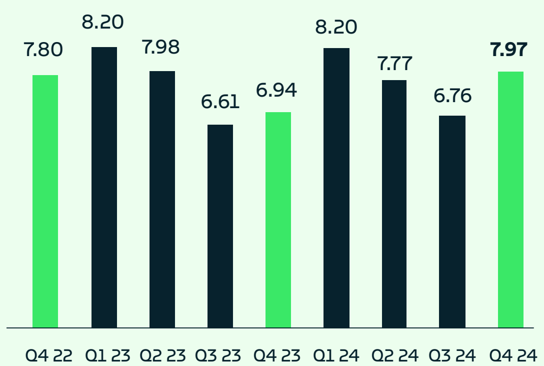
Order Intake & Book-to-bill LTM

NOK billion



Order Backlog[1]

NOK billion



(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	**1 737**	**1 800**	**6 892**	**6 732**
EBITDA	33	70	25	316
EBIT	-19	17	-820	105
EBIT adj.	**-2**	**24**	**-93**	**121**
EBIT adj. (%)	**-0.1 %**	**1.4 %**	**-1.3 %**	**1.8 %**
Order intake	1 817	2 024	6 606	5 632
Order backlog	7 971	6 940	7 971	6 940
Cash flow from operating activities	198	306	31	376
Net interest-bearing debt	622	761	622	761
Equity ratio	37 %	47 %	37 %	47 %
LTI	3.3	5.0	4.7	5.6
Sickness absence (%)	4.3 %	4.2 %	3.7 %	3.8 %

[1]From Q4 2024, order backlog includes a conservative estimate of expected revenue from the Materials division in Finland and Maintenance division in Sweden (based on frame agreements), which amounts to NOK 1,159 million of the order backlog. The amount is not included in the order intake.

Norway

Fourth quarter
Revenue in Norway amounted to NOK 510 million (NOK 524 million), reflecting a 3% decrease in the quarter. EBIT adj. was NOK -20 million (NOK 16 million), with a corresponding margin of -3.9% (3.0%). The revenue and EBIT declines were primarily due to a provision in the ETM project of NOK 30 million in the quarter.

NRC Group has thoroughly documented changes in scope relating to ground conditions, tunnel conditions, access to tracks, lack of signal design and incorrect cable mapping, among others, and submitted claims to Bane NOR regarding the ETM project. The mediation resumed in February 2025, where an acceptable agreement could not be reached. NRC Group will initiate legal proceedings.

Full year
Revenue amounted to NOK 2,016 million (NOK 2,136 million), reflecting a 6% decline primarily driven by lower revenue in the Rail division and NRC Kept. This was partially offset by increased activity in both the Civil division and Gunnar Knutsen. EBIT adj. was NOK -50 million (NOK 81 million), which resulted in an EBIT adj. margin of -2.5% (3.8%). The result is negatively affected by NOK 62.5 million write-down of the ETM project in Q2 and a further provisioning of NOK 30 million in Q4. Furthermore, an impairment charge related to goodwill of NOK 150 million (not part of EBIT adj.) was made in Q2 2024, as described further in disclosure "1.3.2 Goodwill and other intangible assets".

A restructuring cost of NOK 74 million (not included in EBIT adj.) was recognised in NRC Kept in 2024, following a complete restructuring process in Q1 due to challenging market segments. The two largest projects in NRC Kept are though well performing.

Ingvild Storås started as Managing Director for NRC Group Norway the 1 January 2025.

Order backlog, order intake and tender pipeline
The order backlog was NOK 1.5 billion at quarter-end, NOK 1.7 billion at the end of last quarter and NOK 1.5 billion in the same quarter last year. The order intake was NOK 317 million (NOK 714 million), giving a book-to-bill ratio of 0.6 in the quarter and 1.0x measured over the last 12 months. The tender pipeline in Norway remains attractive at NOK 7.8 billion, a 0.8 billion decrease from last quarter and a NOK 2.8 billion decrease from the same period last year.

ORDER BACKLOG Q4 2024

1,462 MNOK

Q4 2023: 1,537 MNOK

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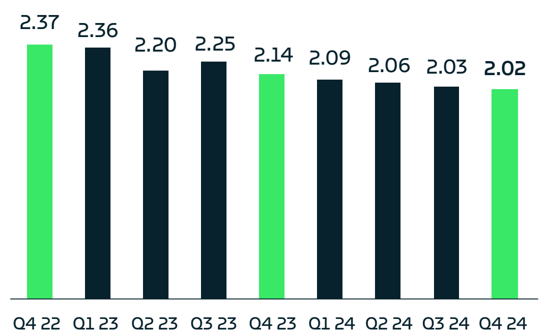
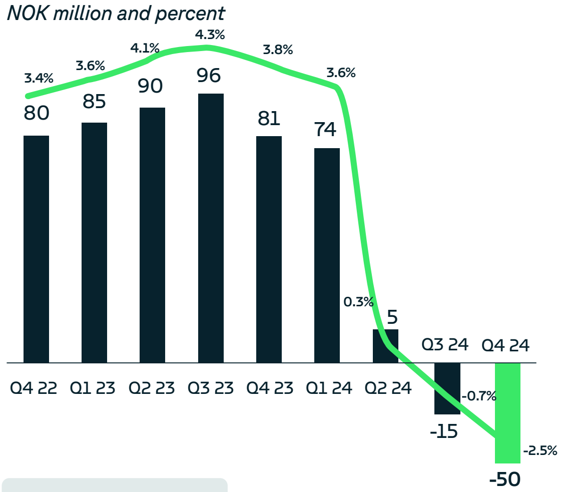
Revenue LTM

NOK billion



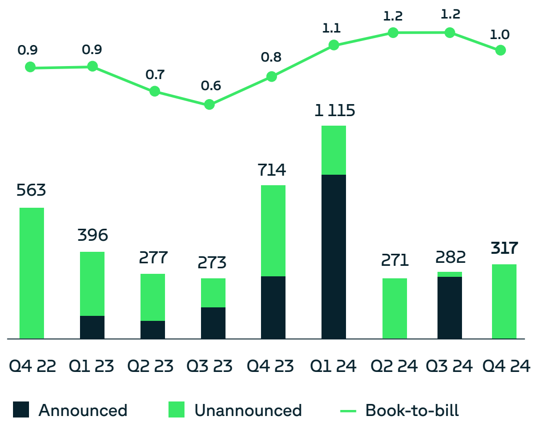
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



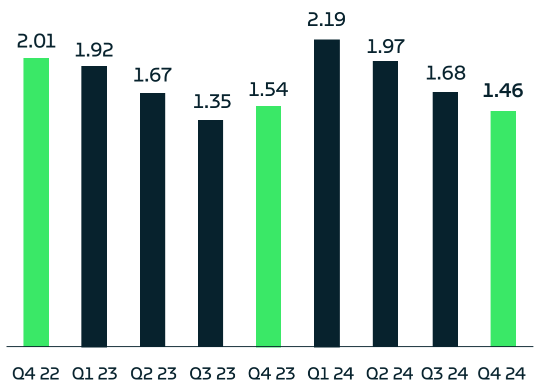
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK billion



(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	**510**	**524**	**2 016**	**2 136**
EBITDA	-8	40	-189	220
EBIT adj.	**-20**	**16**	**-50**	**81**
EBIT adj. (%)	**-3.9 %**	**3.0 %**	**-2.5 %**	**3.8 %**
Order intake	317	714	1 985	1 659
Order backlog	1 462	1 537	1 462	1 537

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Sweden

Fourth quarter
Revenue in Sweden amounted to NOK 546 million (NOK 538 million). The 2% increase in revenue was driven by strong activity in the Maintenance and Machine divisions, partially offset by weaker performance in the Rail division. EBIT adj. was NOK 16 million (NOK 4 million), with an EBIT adj. margin of 3.0% (0.8%).

In December 2024, NRC Group Sweden announced a contract valued at approximately SEK 267 million for railwork in Västmanland and Södermanland. The contract was not signed during Q4 and is therefore not included in the order intake. It will be included in the order intake for Q1 2025.

Full year
Revenue amounted to NOK 2,122 million (NOK 1,877 million). The revenue increase is due to high volumes in the Piteå project and the Maintenance division, partly offset by the ETM write-down in Q2. EBIT adj. was NOK -33 million (NOK 0 million), negatively affected by the significant downward adjustments of the ETM project.

Order backlog, order intake and tender pipeline
The order backlog was NOK 2.9 billion[1], in comparison to 3.0 billion at the end of last quarter and NOK 2.9 billion in the same quarter last year. The order intake was NOK 168 million (NOK 748 million), yielding a book to-bill ratio of 0.3x in the quarter, and 0.8x measured over the last 12 months.

The tender pipeline is at a robust level of NOK 10.2 billion. The total tender pipeline has increased by NOK 0.7 billion compared to end of Q3 and decreased by 1.4 billion compared to Q4 2023.

EBIT ADJ. MARGIN Q4 2024

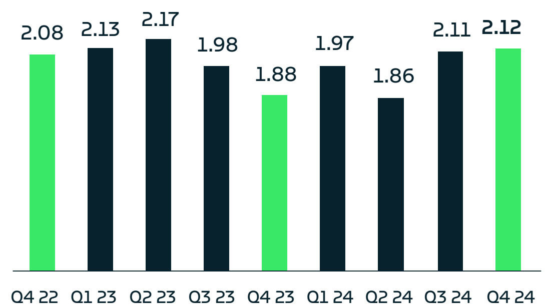
3.0 %

Q4 2023: 0.8 %

1. From Q4 2024, order backlog includes a revised conservative estimate of expected revenue from the Maintenance division in Sweden (based on frame agreements), which amounts to NOK 265 million of the order backlog in 2025. The amount is not included in the order intake.

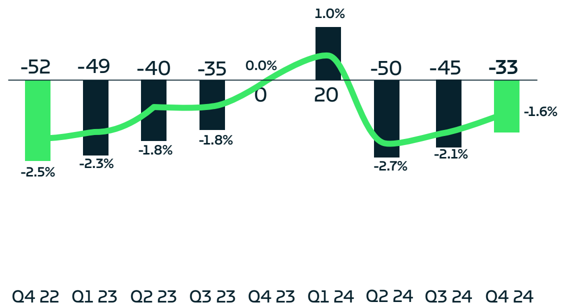
Revenue LTM

NOK billion



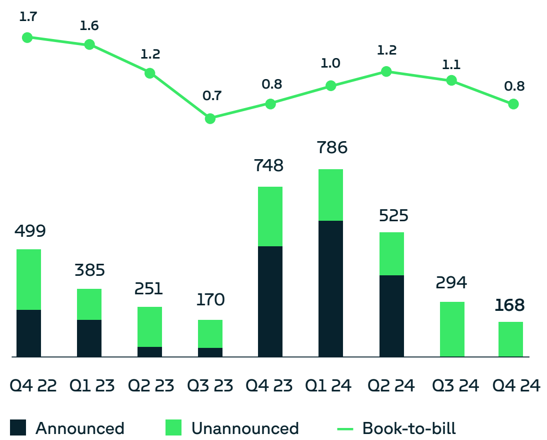
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



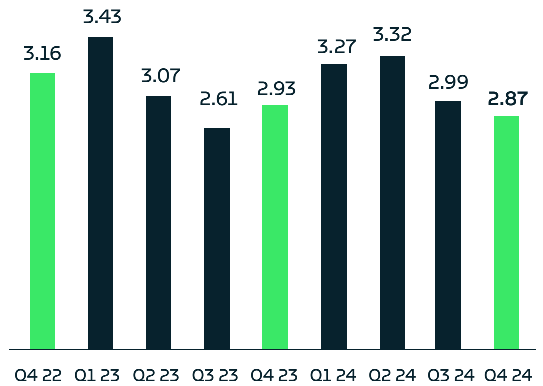
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK billion



(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	**546**	**538**	**2 122**	**1 877**
EBITDA	27	3	10	-13
EBIT adj.	**16**	**4**	**-33**	**0**
EBIT adj. (%)	**3.0 %**	**0.8 %**	**-1.6 %**	**0.0 %**
Order intake	168	748	1 773	1 553
Order backlog	2 873	2 933	2 873	2 933

Finland

Fourth quarter

Revenue in Finland amounted to NOK 691 million (NOK 751 million) for the quarter, reflecting an 8% decline. The revenue decrease is due to reduced activity across multiple divisions, partially offset by strong performance in the Materials division. The EBIT adj. was NOK 19 million (NOK 14 million), corresponding to an EBIT adj. margin of 2.7% (1.9%). The increase was due to improved margins in both the Rail and the Maintenance division.

The restructuring program in Finland, Acceleration Lane, has progressed well and the new organisational structure was launched in January 2025.

Finland was awarded a NOK 958 million light-rail alliance contract in October. Finland has per February 2024, Turku and Helsinki alliance projects in design phase and Crown Bridges and Tampere Light Rail III in construction phase.

Full year

Revenue amounted to NOK 2,782 million (NOK 2,753 million). The EBIT adj. was NOK 49 million (NOK 78 million), leading to an EBIT adj. margin of 1.8% (2.8%). The result is negatively affected by project write-downs of NOK 20 million in Q2 2024. Furthermore, an impairment charge related to goodwill of NOK 500 million (not part of EBIT adj.) was made in Q2 2024, as described further in disclosure "1.3.2 Goodwill and other intangible assets".

Order backlog, order intake and tender pipeline

The order backlog was NOK 3.6 billion[1] at quarter-end, compared to NOK 2.1 billion at the end of last quarter and NOK 2.5 billion in the same quarter last year. The order intake was NOK 1,332 million (NOK 563 million). The order intake corresponded to a book-to-bill ratio of 1.9x in the quarter and 1.0x measured over the last 12 months. The tender pipeline in Finland remains strong at approx. NOK 9.3 billion.

EBIT ADJ. MARGIN Q4 2024

2.7 %

Q4 2023: 1.9 %

Contracts over NOK 30 million in the quarter:

Client	Value (MNOK)	
Finnish Transport Infrastructure Agency (FTIA)	66	Repair and maintenance of relay groups for railway signalling systems
City of Tampere	958	First phase of the construction of the Pirkkala-Linnainmaa tramway
Total	1,024	

1 . From Q4 2024, order backlog includes a conservative estimate of expected revenue from the Materials division in Finland which amounts to NOK 894 million of the order backlog. The amount is not included in the order intake.

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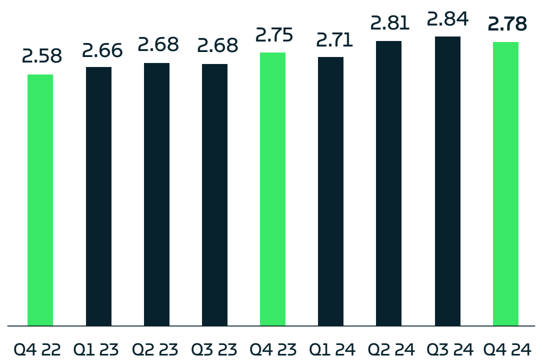
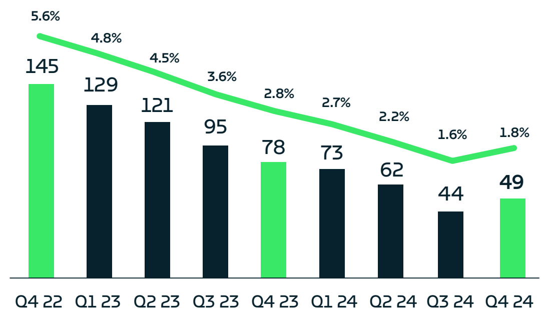
Revenue LTM

NOK billion



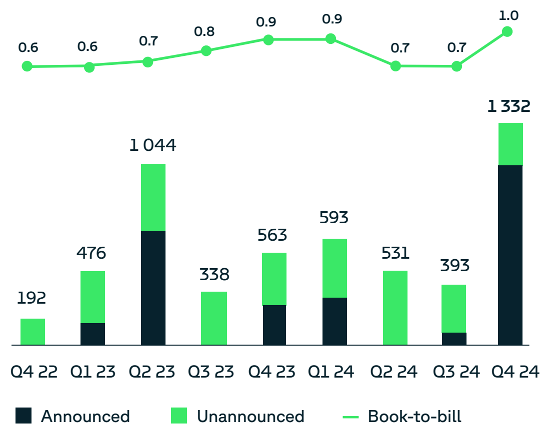
EBIT adj. LTM & EBIT adj. margin LTM

NOK million and percent



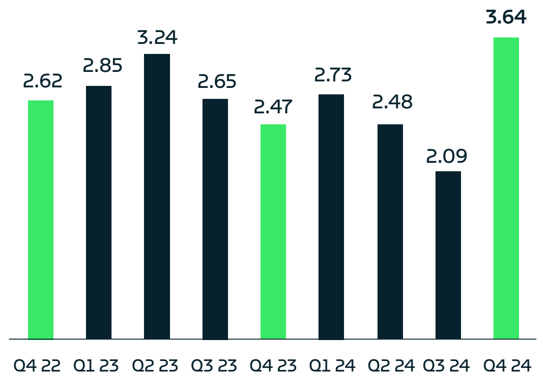
Order Intake & Book-to-bill LTM

NOK million



Order backlog

NOK billion



(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	**691**	**751**	**2 782**	**2 753**
EBITDA	31	36	-390	147
EBIT adj.	**19**	**14**	**49**	**78**
EBIT adj. (%)	**2.7 %**	**1.9 %**	**1.8 %**	**2.8 %**
Order intake	1 332	563	2 849	2 420
Order backlog	3 636	2 470	3 636	2 470

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Update on strategy, market and outlook

STRATEGY UPDATE AND MARKETS

Our ambition towards 2028 is to become the most ambitious infrastructure builder in the Nordics. The strategic roadmap for profitable growth and long-term value creation is reflected in the financial targets for 2028.

The updated strategy is founded on clearly defined success factors:

- Delivering operational excellence, ensuring top quality and added customer value
- Building a unified, digital and cost-effective Nordic structure
- Creating a winning culture across the Nordics

Since the presentation of NRC Group's revised strategy at the Capital Markets Day in May, we have made significant efforts toward our 2028 financial and operational goals.

Our financial position has been reinforced through a successful equity raise of NOK 250 million, which was a prerequisite for navigating the process with Bane NOR regarding the ETM project. Additionally, our bank and bond agreements were re-negotiated. This position us to execute on our long-term strategy.

We have secured key contracts in the Nordic rail and civil construction sectors, which not only enhances our project pipeline but also strengthens our competitiveness in high-demand areas. In line with our strategy to expand into adjacent markets, we are establishing ourselves in the civil segment in both Finland and Sweden, where we leverage on the existing competencies in ground- and electrical work. We see significant opportunities and are confident that, over time, we will establish a foothold within the energy, water, and defense sectors.

Our new executive Group leadership team is now fully in place, bringing in fresh perspectives and solid industry expertise. In all three countries leadership teams have been strengthened as well. The new Machine division is in place, where we aim to improve utilisation cross Nordic.

Our commitment to operational excellence has been underscored by the recent rollout of a cross-Nordic tendering process. Furthermore, we are focused on improving our project management. As a result, we will streamline the planning phase and execution of all major projects, improving both accuracy and efficiency. Additionally, we have implemented a Nordic-wide project portfolio risk model.

As we continue to invest in our workforce and leadership - enhancing capabilities in project management and implementing key actions to digitalise our operations - we will strengthen our Nordic-focused structure and execute complex projects with quality and precision. The adoption of "The NRC Way" is driving a cultural transformation across the Group, creating a unified and collaborative Nordic spirit that fosters innovation, quality, and a shared commitment to sustainability and customer value.

OUTLOOK

For 2025, the Group expects revenue of approximately NOK 7.0 billion and an EBIT margin above 2.0 %.

The Group's long-term target is generating more than NOK 10 billion of revenue with an EBIT margin above 5.0 % in 2028, and with stable growth in margin between 2025 and 2028.

NRC Group has launched its new strategy and aims to become the most ambitious infrastructure builder in the Nordics for the next four years.

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Financial information

CASH FLOW

Fourth quarter

Net cash flow from operating activities for the fourth quarter of 2024 was NOK 198 million, compared to NOK 306 million in the same quarter last year. The net working capital decreased by NOK 161 million in the quarter.

Net cash flow from investing activities was NOK -19 million, compared to NOK 18 million in the same period last year. This included net proceeds from sale of PPE with NOK 5 million, compared to NOK 10 million in the same period last year.

The net cash flows from financing activities amounted to NOK 157 million for the quarter, compared to NOK -295 million last year. The cash flows include proceeds from the share issue, ordinary bank instalments and interests for loans and lease liabilities (financial and operating). The net interest paid was NOK 19 million in the quarter, NOK 10 million lower than the same quarter last year. The Group has a NIBOR hedge linked to the outstanding bond. See further details in the Risks section.

The fourth quarter net change in cash, including currency impact, was NOK 349 million compared to NOK 24 million last year. Cash at the end of the period amounted to NOK 357 million. In addition, the Group had per fourth quarter an unused credit facility of NOK 400 million. There are however some covenants from the bank related to this facility, see note 6 to the interim financial statements section for details regarding this.

Full year

Net cash flow from operating activities was NOK 31 million, compared to NOK 376 million in the same period last year. The weakening is mainly caused by a significantly lower EBIT in 2024 and a continued building of working capital in the ETM project.

Net cash flow from investing activities was NOK 3 million, compared to NOK 89 million in the same period last year. This included net proceeds from sale of PPE with NOK 60 million, compared to NOK 30 million in the same period last year. In 2023 the sale of the Gravco business unit contributed positively with 97 million in investing cash flow.

The net cash flows from financing activities amounted to NOK -67 million for the full year, compared to NOK -553 million last year. The cash flows include interests for the bank debt, the bond and for lease liabilities, and instalments for the bank loan and leasing liabilities (financial and operating). 2024 includes net proceeds of NOK 236 million from share capital increases.

The net interest expense amounted to NOK 78 million, a decrease of NOK 4 million compared to the same period last year, Somewhat higher interest rates on lease liabilities and the credit facility during the year were mitigated by a reduction in debt levels. See further details in the Risks section.

The net change in cash for 2024, including currency impact, was NOK -13 million compared to NOK -103 million last year. Cash at the end of the period amounted to NOK 357 million. In addition, the Group had per fourth quarter an unused credit facility of NOK 400 million. See note 6 to the interim financial statements section for details regarding this.

FINANCIAL POSITION

Fourth quarter

Total receivables decreased by NOK 239 million to NOK 1,723 million during the quarter. Total assets were NOK 4,603 million, compared to NOK 4,591 million last quarter. The equity ratio was 37% on 31 December 2024.

Interest-bearing liabilities consisted per fourth quarter of a EUR 16 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 979 million at the end of December, including operating lease liabilities of NOK 230 million. Total lease liabilities decreased by NOK 12 million to NOK 404 million as the discounted value of the new lease agreements was higher than the lease payments and terminated agreements. The repayment of the EUR bank loan amounted to NOK 14 million in the quarter. The Group is not in breach of any loan covenants at 31 December 2024.

Net interest-bearing debt decreased by NOK 375 million during the quarter to NOK 622 million. Net interest-bearing debt excluding lease liabilities decreased by NOK 363 million during the quarter to NOK 219 million.

Full year
The Group strengthened its financial position by executing a share issue of 250 MNOK in the second half of the year. Intangible assets have decreased by NOK 671 million year-to-date mainly due to goodwill impairment charges of NOK 650 million partly offset by an increase of NOK 57 million due to changes in currency rates and a reduction of deferred tax assets of NOK 67 million. Right-of-use assets have decreased by NOK 115 million partly due to 85 million being reclassified as assets held for sale following the restructuring of NRC Kept in Q1 2024. Total receivables have increased by NOK 254 million to NOK 1,723 million during the year due to seasonal effects and the ETM project. Total assets were NOK 4,603 million compared to NOK 5,142 million at year-end 2023. The equity ratio was 37% on 31 December 2024.

Total interest-bearing liabilities amounted to NOK 979 million at the end of December, including operating lease liabilities of NOK 230 million. Total lease liabilities decreased by NOK 99 million to NOK 404 million partly due to NOK 80 million being reclassified to liabilities associated with assets held for sale following the restructuring of NRC Kept in Q1 2024. The repayment of the EUR bank loan amounted to NOK 57 million for the full year. Net interest-bearing debt decreased by NOK 139 million for the full year to NOK 622 million. Net interest-bearing debt excluding lease liabilities decreased by NOK 39 million in 2024 date to NOK 219 million.

Information concerning financial covenants per Q4 2024 is found under note 6 to the interim financial statements section.

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.

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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. The processes are uniform across the businesses and countries, in order to build a common and transparent perspective. This includes an 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 risks that cannot be managed.

Financial risks include financial market risk, credit risk and liquidity risk. For the Group, the most relevant financial market risks 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.

The Group had total current assets of NOK 2,141 million at the end of the quarter, NOK 30 million higher than the short-term liabilities. Total cash amounted per quarter-end to NOK 357 million, in addition to an undrawn multi-currency credit facility of NOK 400 million. See note 6 to the interim financial statements section for details regarding this.

Group Finance monitors the Group's liquid resources and credit facilities through revolving forecasts based on expected short- and long-term cash flows. The overall cash flow is impacted by seasonal fluctuations, intramonth volatility, working capital volatility in specific projects, underlying profitability, investment activity and financial cash flows.

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 late spring, summer and early autumn 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. However, change orders and payment profile of the contracts may cause increases in working capital and funding requirements.

Market risks relate to the future activity level and competitiveness in the Nordic infrastructure market. The ongoing wars in Ukraine and Middle East, high inflation and high interest rates have led to volatility in the financial market and uncertainty in the global economic outlook. In addition, there is heightened political risk and expected uncertainty related global trading.

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.

Building a low carbon future

We continue monitoring our climate-related impacts, risks and opportunities and will disclosed these in our Annual Integrated report for 2024.

In 2024, we revised our EU Taxonomy reporting. Our assessment from 2023 did not meet the required level of details in the updated Taxonomy guidelines and legislation that came into force in January 2023, which impacted our results for the full year. We have focused our 2024 taxonomy reporting on our six largest rail projects. Consequently, our alignment will be lower compared to 2023. Nevertheless, we remain well above our industry peers. Looking ahead, with a new reporting structure set to be implemented, we expect to achieve a more accurate and improved alignment rate from 2025 onwards.

Double Materiality Analysis
NRC Group has undertaken a double materiality assessment (DMA) with a third-party vendor. The defined material sustainability matters – from both a financial and impact perspective, create a solid foundation for reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) and enable NRC Group to create more value from sustainability going forward. The DMA is key to determine European Sustainability Reporting Standard (ESRS) disclosure requirements and data points we will report in the Annual Integrated Report for 2024.

We have undertaken a double materiality assessment (DMA) with a third party vendor.

Safe workplace

Health and safety
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 with a health and safety system that is certified to the ISO 45001 standard and is independently audited annually. Health and safety training starts at introduction 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 harm. Our approach includes supporting proactive health measures for our employees and building a single, strong health and safety culture throughout the organisation.

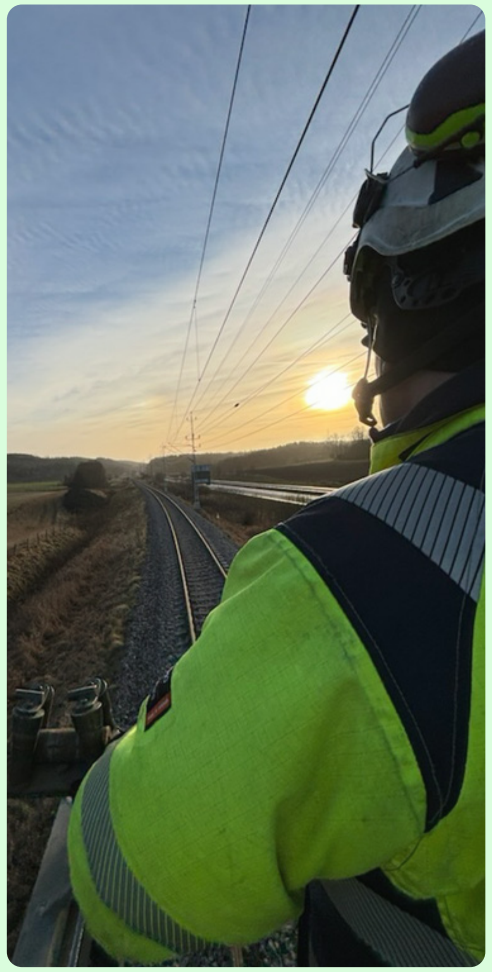
Our Lost Time Injury (LTI) frequency for the last twelve months was 4.7 in Q4 2024, which is a decrease from the frequency of 5.6 last year (LTM). Subcontractors are included in these figures. We had 2 serious injuries in Finland during fourth quarter in 2024. The sickness absence rate decreased slightly to 3.7 % for the full year 2024, compared to 3.8 % in 2023.

Health and safety are core for our operations and critical priorities for NRC Group, and we are unwavering in our focus in making our workplaces safer and reducing our injury rates every year. We believe health and safety is a core function of responsible leadership and we have elevated this principle so that it is reflected in all aspects of our leadership development.

LTI FREQUENCY RATE LTM Q4 2024:

4.7

LTM Q4 2023: 5.6



How we do it matters to us

Five year with zero injuries

The Material Division in Finland has achieved an impressive milestone: over five years without any injuries. The division includes the impregnation plant in Haapamäki and the material services team, which operates a large warehouse in Tampere.

I believe the key driver behind this achievement is the proactive approach of our teams at the impregnation plant and the warehouse. They actively engage in preventive safety measures and consistently highlight potential risks. Additionally, we have several employees with long careers, which means they have a deep understanding of their work and the associated risks. I am incredibly proud of the entire team - this is truly an exceptional accomplishment.

Katariina Nilsson
VP Materials Division &
Head of NRC Group Machines

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New standards towards more effective rail work

By integrating drone technology into railway maintenance, NRC Group and Trafikverket are setting a new standard for sustainable infrastructure management. This innovative approach reduces train traffic disruptions, minimizes environmental impact, and enhances resource efficiency, all while improving workplace safety for our maintenance teams. By leveraging advanced data collection and machine learning, we are not just maintaining Sweden's railways in an effective way we do it with commitment to environmental, social, and governance (ESG) principles.

Jennifer Rosengren
Project Coordinator
NRC Group Sweden

A new way of working

For the Bergen Line project, we've introduced a 'closed-system' solution for grouting foundations. This approach eliminates the need for 1,500 big bags, 1,500 pallets, and 3,000 plastic shrink-wrap covers, which significantly reduce plastic waste and emissions from transport. By utilising bulk trucks, grout will be delivered into a large silo on the site and separated there into smaller silos on the train. The solution will be implemented in spring 2025, but a trial version has already been used in the Trønder- and Meråker line.

Not only does this solution minimize environmental impact, but it also creates a safer work environment by removing workers' exposure to harmful cement dust and reducing the use of heavy machinery for material handling.

The modernization of the Bergen Line's power system is another step forward in enhancing the railway's efficiency and sustainability.

Martin Dovland
Site Manager
NRC Group Norway at the Bergen line.

Interim condensed consolidated financial statement

Interim condensed consolidated statement of profit or loss

(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	1 737	1 800	6 892	6 732
Operating expenses	-1 686	-1 723	-6 790	-6 400
EBITDA before other income and expenses	**51**	**77**	**102**	**332**
Other income and expenses	-18	-7	-77	-16
EBITDA	**33**	**70**	**25**	**316**
Depreciation	-49	-49	-181	-197
EBITA	**-16**	**21**	**-156**	**119**
Amortisation and impairment	-3	-4	-664	-15
Operating profit/loss (EBIT)	**-19**	**17**	**-820**	**105**
Net financial items	-19	-9	-81	-59
Share of profit from associates and joint ventures	0	-2	-18	-2
Profit/loss before tax (EBT)	**-38**	**6**	**-919**	**45**
Taxes	-75	-12	-81	-8
Net profit/loss	**-113**	**-6**	**-1 000**	**37**
Profit/loss attributable to:				
Shareholders of the parent	-113	-6	-1 000	38
Non-controlling interests	0	0	0	-1
Net profit / loss	**-113**	**-6**	**-1 000**	**37**
Earnings per share in NOK (ordinary)	-0.70	-0.08	-10.54	0.52
Earnings per share in NOK (diluted)	-0.70	-0.08	-10.54	0.51

Interim condensed consolidated statement of comprehensive income

(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Net profit / loss	-113	-6	-1 000	37
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):				
Translation differences	9	8	38	98
Net gain/loss on hedging instruments	4	-19	8	-17
Total comprehensive profit/loss	**-100**	**-17**	**-954**	**118**
Total comprehensive profit/loss attributable to:				
Shareholders of the parent	-100	-17	-954	119
Non-controlling interests	0	0	0	-1
Total comprehensive profit/loss	**-100**	**-17**	**-954**	**118**

Interim condensed consolidated statement of financial position

(Amounts in NOK million)	Note	31.12.2024	31.12.2023
ASSETS			
Deferred tax assets	1	37	104
Goodwill	1	1 829	2 422
Customer contracts and other intangible assets		21	31
Intangible assets		**1 886**	**2 557**
Tangible assets		146	170
Right-of-use assets		427	542
Other non-current assets		3	1
Total non-current assets		**2 462**	**3 270**
Total inventories		25	35
Total receivables		1 723	1 468
Cash and cash equivalents		357	369
Assets classified as held for sale	5	36	0
Total current assets		**2 141**	**1 873**
Total assets		**4 603**	**5 142**
(Amounts in NOK million)			
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital		2 429	2 396
Other equity		-719	34
Total equity		**1 710**	**2 430**
Liabilities			
Pension obligations		6	9
Long-term leasing liabilities		259	341
Other non-current interest-bearing liabilities	6	518	572
Other non-current liabilities		0	7
Total non-current liabilities		**783**	**929**
Short-term leasing liabilities		145	162
Other interest-bearing current liabilities	6	58	55
Other current liabilities		1 873	1 566
Liabilities directly associated with assets held for sale	5	34	0
Total current liabilities		**2 110**	**1 784**
Total equity and liabilities		**4 603**	**5 142**

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Interim condensed consolidated statement of cash flows

(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Profit/loss before tax	-38	6	-919	45
Depreciation, amortisation and impairment	52	53	844	211
Taxes paid	0	4	-8	3
Net financial items	18	9	81	59
Gain from sale of property, plant and equipment	-5	-8	-16	-21
Gain from disposal of subsidiary	0	0	0	-40
Share of profit from associates and joint ventures	0	2	18	2
Change in working capital and other accruals	170	240	30	117
Net cash flow from operating activities	**198**	**306**	**31**	**376**
Purchase of property, plant and equipment	-10	-7	-49	-35
Acquisition of companies, net of cash acquired	0	0	4	-17
Investments in associates and joint ventures	0	-2	0	-2
Net proceeds from sale of property, plant and equipment	5	10	60	30
Disposal of companies, net of cash disposed	0	0	0	97
Proceeds from sale of shares and other investments	0	17	0	17
Proceeds from subsidiaries and AC	-13	0	-13	0
Net cash flow from investing activities	**-19**	**18**	**3**	**89**
Net proceeds from issue of shares	236	0	236	-1
Net proceeds from borrowings	0	395	0	395
Repayment/repurchase of borrowings	-15	-614	-57	-681
Payments of lease liabilities	-40	-46	-164	-184
Interest paid	-19	-29	-78	-82
Net proceeds from acquisition/sale of treasury shares	-4	1	-3	-1
Net cash flow from financing activities	**157**	**-295**	**-67**	**-553**
Net change in cash and cash equivalents	**336**	**30**	**-33**	**-88**
Cash and cash equivalents at the start of the period	8	346	369	472
Translation differences	13	-6	21	-15
Cash and cash equivalents at the end of the period	**357**	**369**	**357**	**369**
Hereof presented as:				
Free cash	357	369	357	369
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 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**	**2 430**	**0**	**2 430**
Equity at 1 January 2024	**73**	**0**	**2 323**	**-6**	**146**	**-107**	**2 430**	**0**	**2 430**
Profit/loss for the period			-201			-799	-1 000	0	**-1 000**
Other comprehensive income				8	38		46		**46**
Increase share capital	100		150				250		**250**
Costs related to capital increase			-14				-14		**-14**
Share-based payments			3				3		**3**
Acquisition of treasury shares		-1	-4				-5		**-5**
Total changes in equity	**100**	**-1**	**-66**	**8**	**38**	**-799**	**-720**	**0**	**-720**
Equity at 31 December 2024	**173**	**-1**	**2 257**	**2**	**185**	**-906**	**1 710**	**0**	**1 710**

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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 of 31 December 2024 are prepared in accordance with IFRS® Accounting Standards 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 2023.

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 2023. 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 2023, and the audited financial report for the full year of 2023.

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 fulfill 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.

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 was accrued for ETM, a joint Norwegian-Swedish rail project, in Q2 2024 further increased in Q4. The total ETM project loss for YTD 2024 is NOK 155 million.

1.3.2 Goodwill and other intangible assets

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).

In Q2 2024, an impairment charge of EUR 44 million (NOK 500 million) was recognised in the Finland segment. The adjustment was a consequence of recent periods negative profitability development in the segment and lower current hit rate due to an increasingly competitive market, in addition to IFRS requirements. Goodwill related to the Finnish operations per 31 December 2024 is EUR 83 million (NOK 974 million). Restoring profitability in Finland is one of the main priorities for the Group. Measures to improve performance have been identified with ongoing implementation, including optimising the machine fleet, reducing costs, improving resource planning, enhancing project management and risk evaluation processes and restructuring two of the divisions.

The assumptions applied for the Q2 impairment testing of goodwill in Finland was a pre-tax discount rate of 10.6%, an EBIT margin of 3.2% in the terminal year, and a terminal growth of 2.0%. 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 EUR 12 million, while a terminal growth of zero would lead to an impairment of EUR 5 million. A decrease in the project margin or EBIT margin of 0.5 percentage points in the terminal year would lead to an additional impairment loss of EUR 12 million.

In Q2 2024, an impairment charge of NOK 150 million was recognised in the Norway segment. The adjustment reflects short-term negative profitability development, reduced activity in the demolition and recycling business (NRC Kept), in addition to IFRS requirements. Remaining goodwill related to the Norwegian operations per 31 December 2024 is NOK 577 million.

The assumptions applied for Q2 impairment testing of goodwill in Norway was a pre-tax discount rate of 11.6%, an EBIT margin of 3.2% in the terminal year, and a terminal growth of 2.0%. 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 NOK 111 million, while a terminal growth of zero would lead to an impairment of NOK 32 million. A decrease in the project margin or the EBIT margin of 0.5 percentage points in the terminal year would lead to an additional impairment loss of NOK 96 million.

The goodwill in the Sweden segment was impaired in 2022. There were no indications that the carrying value of NOK 281 million in this segment is impaired.

The annual impairment tests in the fourth quarter 2024 have been carried out without further impairment being identified.

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.

Total net deferred tax assets as of 31 December 2024 of NOK 37 million (2023: NOK 104 million) are split between NOK 0 million in Norway (2023: NOK 79 million), NOK 22 million in Sweden (2023: NOK 22 million) and NOK 15 million in Finland (2023: NOK 3 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.

Norway has suffered pre-tax losses recent years. Based on management's assessments net deferred tax assets of NOK 79 million have been written off in 2024, according to the principles set forth in IAS 12. Following this, Norway has deferred tax assets of NOK 125 million (2023: NOK 0 mill) which have not been recognised.

Based on management's assessment of future taxable profit and future tax optimisation, total deferred tax assets of NOK 145 million (2023: NOK 130 mill) in Sweden have not been recognised. No expenses related to non-recognised deferred tax asset for the Sweden segment have been recognised in 2023 or 2024.

At 31 December 2024 the Group has total tax losses carried forward of NOK 610 million in Norway (2023: NOK 482 million) and NOK 804 million in Sweden (2023: NOK 740 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.

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2. Segments

(Amounts in NOK million)	Norway	Sweden	Finland	Other	Consolidated
Q4 2024					
External	569	476	691	0	1 737
Inter-segment	-59	70	0	-11	0
Total revenue	**510**	**546**	**691**	**-11**	**1 737**
Operating expenses	-507	-520	-654	-6	-1 686
Other income and expenses	-11	0	-7	0	-18
Depreciation	-23	-10	-16	0	-49
EBITA	**-30**	**17**	**14**	**-17**	**-16**
Amortisation and impairment	0	-1	-2	0	-3
EBIT	**-31**	**16**	**12**	**-17**	**-19**
Adjusting items	11	0	7	0	18
EBIT adj.	**-20**	**16**	**19**	**-17**	**-2**
Order backlog	**1 462**	**2 873**	**2 742**		**7 077**

(Amounts in NOK million)

Q4 2023	**Norway**	**Sweden**	**Finland**	**Other**	**Consolidated**
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**

2. Segments (continued)

(Amounts in NOK million)	Norway	Sweden	Finland	Other	Consolidated
FY 2024					
External	2 230	1 879	2 782	0	6 892
Inter-segment	-214	242	0	-28	0
Total revenue	**2 016**	**2 122**	**2 782**	**-28**	**6 892**
Operating expenses	-1 981	-2 111	-2 665	-29	-6 787
Other income and expenses	-74	0	-7	0	-81
Depreciation	-85	-37	-58	-1	-181
EBITA	**-124**	**-26**	**52**	**-58**	**-156**
Amortisation and impairment	-150	-4	-510	0	-664
EBIT	**-274**	**-30**	**-458**	**-58**	**-820**
Adjustments	224	-4	507	0	727
EBIT adj.	**-50**	**-33**	**49**	**-58**	**-93**
Order backlog	**1 462**	**2 873**	**3 636**		**7 971**

(Amounts in NOK million)

FY 2023	**Norway**	**Sweden**	**Finland**	**Other**	**Consolidated**
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**
Adjusting items	-36	56	-5	1	16
EBIT adj.	**81**	**0**	**78**	**-38**	**121**
Order backlog	**1 537**	**2 933**	**2 470**		**6 940**

3. Interests in associated companies

The Group has, through the wholly owned subsidiary Nordic Railway Construction Sverige AB, 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 ("AGN"). 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.

Due to substantial uncertainty in the projects, net income from AGN has not been recognised in NRC Group accounts, and all previous capital contributions of SEK 15.5 million was impaired in 2022 and earlier.

On January 24, 2023, AGN 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 Group's subsidiary Nordic Railway Construction Sverige AB and the other owners have given surety to Trafikverket related to AGN's execution of project E03.

Trafikverkets termination of Station Haga (E04) affected AGN's liquidity negatively, leading to the company's application for reconstruction. Trafikverket has furthermore claimed AGN and the owners for a preliminary gross amount of SEK 247 million, while AGN and the owners have a counterclaim, related to E03. During the first half of 2023, AGN filed an application for reconstruction to the District Court, which was approved on the 22 May 2023. In December, the District Court approved to extend the reconstruction period until 19 March 2024, which was later further extended to 19 June 2024. The reconstruction period is now finished, a debt settlement agreement with the company's creditors has been made, and the company has during Q2 2024 in all material respect finished the work on Kvarnberget (E03). The Group's subsidiary Nordic Railway Construction Sverige AB and the other owners participated in a share issue in AGN, which after this paid its creditors in accordance with the debt settlement agreement. The Group's share was SEK 17.6 million and the capital contribution was considered to be impaired and was thus charged in Q3 2024 as share of result from associated companies.

Final settlement with Trafikverket is expected to commence during Q1 2025. Both AGN and Nordic Railway Construction Sverige AB are contesting the claim and are considering the situation together with their legal advisors. Should the situation not be resolved, Nordic Railway Construction Sverige AB could ultimately be subject to litigation from Trafikverket.

The book value of AGN Haga AB in the Group's Q4 2024 accounts is NOK 0 million. Note 27 to the Group accounts in the annual report for 2023 provides further disclosures regarding the associated company.

4. Transactions between related parties

Primary insiders participated in the private placement described in note 7 Share Capital. NRC Group ASA had no other significant related party transactions other than in ordinary course of business in the fourth quarter of 2024. Note 28 to the Group accounts in the annual report for 2023 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 in 2024 amount to SEK 0.1 million.

5. Assets held for sale

In Q1 2024, the Group made a strategic decision to restructure parts of the demolition and recycling operations in NRC Kept AS due to prevailing market conditions and negative results in 2023. The restructuring included the discontinuation of one department within this business as well as sale of all machinery and equipment.

The Group classifies disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the disposal group is available for immediate sale in its present condition. These criteria were met when the agreement to sell one of the divisions in NRC Kept was signed in Q1 2024, and the decision to sell machinery and equipment was made in Q1 2024.

The major classes of assets and liabilities of NRC Kept classified as held for sale as of 31 December 2024 were right of use assets of NOK 36 million and leasing liabilities of NOK 34 million.

6. Loans and other non-current liabilities

The Group was not in breach with any loan covenants as of 31 December 2024.

Due to significant downward project adjustments of NOK 160 million in Q2 2024 the Group was in technical breach of the interest cover ratio and leverage ratio covenants on the bank loan as of 30 June 2024. The Group obtained waivers from the bank for this non-compliance subsequent to 30 June 2024. During Q3 2024 new financial covenants were agreed for the bank and bond loans for periods from Q3 2024 up to and including Q3 2025.

The margin above 3-months interest rates for the Group's bank loan has increased to 3.25% and the credit facility to 2.35% from 1 September 2024 and is expected to remain at this level through 2025.

Financial covenants

The Group's term bank loan and credit facility with Danske Bank ASA and the NOK 400 million senior unsecured bond contain financial conditions based on the facility agreements that may not be directly related to reported IFRS numbers. Certain covenants have been added, suspended or amended for parts of 2024 and 2025 as described in the tables below:

- Interest cover ratio: 12 months rolling EBITDA (adjusted for acquisition costs and certain non-recurring items) divided by the 12 months rolling net financial expenses
- Leverage ratio: Net interest-bearing debt in relation to adjusted 12 months rolling EBITDA
- Equity ratio: Equity in relation to total assets
- New temporary covenant of minimum 12 months rolling EBITDA adjusted
- New temporary covenant of minimum liquidity
- Amended restriction on dividend distribution

Term loan and overdraft facility

Date	Leverage ratio	Interest coverage	Minimum 12 months rolling adjusted EBITDA	Minimum liquidity
31.12.2024	Suspended	Suspended	NOK 45 million	NOK 100 million
31.03.2025	Suspended	Suspended	NOK 70 million	NOK 100 million
30.06.2025	Suspended	Suspended	NOK 170 million	NOK 75 million
30.09.2025	Suspended	Suspended	NOK 210 million	NOK 75 million
31.12.2025	≤3.25	≥3.00	Covenant removed	Covenant removed

As a consequence of the minimum liquidity requirement available limit on the credit facility was NOK 656 million at 31 December 2024. Net credit facility limit reduces to NOK 300 million in and Q1 2025, increases to NOK 325 million from Q2 2025 and back to NOK 400 million from Q4 2025 onwards. The credit facility is unused as of 31 December 2024.

Bond loan

The interest cover ratio on the bond loan is suspended for financial quarters ending 31 December 2024 and 31 March 2025. For the quarters ending 30 June 2025 and 30 September 2025, the interest cover ratio shall exceed 1.50x and 2.00x respectively. Thereafter the ratio shall exceed 2.50x.

The NOK 400 million bond agreement includes requirements of an incurrence test with leverage ratio < 3.5 for certain transactions such as paying dividend and taking on new loan agreements. For dividend distributions this ratio has been reduced to <2.0 for periods after 31 December 2025. Dividend distribution in 2024 and 2025 is not permitted under the agreement.

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7. Share capital

On 10 September, a private placement of new shares in the Company was contemplated and successfully completed. The Company raised NOK 200 million in gross proceeds through the private placement of 80 million new shares, at a price per share of NOK 2.50. The Private Placement took place through an accelerated book building process after close of markets on 10 September 2024. The share capital increase was approved by an extraordinary general meeting on 2 October 2024 and the share capital increase was registered on 3 October 2024. The Company's share capital as at 30 September 2024 was NOK 72 954 549 divided into 72 954 549 shares. Following the share capital increase, the Company's share capital is NOK 152,954,549 divided into 152,954,549 shares, each with a par value of NOK 1.00.

On 6 November, a subsequent offering primarily targeting shareholders at 10 September 2024 that did not participate in the private placement was completed. The Company raised NOK 50 million in gross proceeds through the subsequent offering of 20 million new shares, at a price per share of NOK 2.50. The share capital was registered on 18 November 2024. Following this second share capital increase, the Company's share capital is NOK 172,954,549 divided into 172,954,549 shares, each with a par value of NOK 1.00.

Net cash proceeds from the two capital increases were NOK 236 million.

Primary insiders participated in the private placement as follows:
Anders Gustafsson, CEO, 400 000 shares
Åsgeir Nord, CFO, 150 000 shares
Rolf Jansson, Chairman of the board, 80 000 shares
Karin Bing Orgland, member of the board, 80 000 shares
Mats Williamson, member of the board, 80 000 shares
Tove Pettersen, member of the board, 40 000 shares
Outi Henriksson, member of the board, 40 000 shares
Heikki Allonen, member of the board, 40 000 shares
Eva Nygren, member of the board, 40 000 shares

8. Events after the end of the period

The mediation with Bane NOR regarding the ETM project, which resumed in February 2025, ended without the parties being able to reach an agreement. NRC Group maintains that claims are well founded and will initiate legal proceedings.

Tampere Tramway Oy has appointed NRC Group Finland Oy, a company wholly owned by NRC Group ASA, to a contract for Tampere Tramway maintenance in Tampere. The contract includes a two years maintenance period and NRC's share is approximately EUR 7.2 million, and will involve services such as tramway, track, power stations, catenary maintenance, tram rerailing and road maintenance tasks. The maintenance commences immediately and is scheduled for completion in December 2026.

Finnish Transport Infrastructure Agency has appointed NRC Group Finland, a company wholly owned by NRC Group ASA, to a contract for track construction in the city of Jyväskylä in Finland. The contract is valued at approximately EUR 13.2 million, and will involve rail services such as track construction, electro, signal and groundworks. The work will commence in February 2025 and is scheduled for completion in November 2025.

The Swedish Transport Administration has appointed NRC Group Sverige AB, a company wholly owned by NRC Group ASA, to a contract for rehabilitation and upgrading of the railway line between Borlänge and Falun. The contract is valued at approximately SEK 83 million, and will involve rail services such as track, electro, signal/telecom and groundwork. The work will commence in February 2025 and is scheduled for completion in July 2026.

In December 2024, NRC Group Sweden announced a contract valued at approximately SEK 267 million for railwork in Västmanland and Södermanland. The contract has not yet been signed, as one competitor appealed the award decision by the Swedish Transport Administration. After end of quarter The Administrative Court of Falun confirmed the appointment to NRC Group and the contract is expected to be signed shortly. The contract is not included in the order intake for Q4 2024.

Ingvild Storås started as Managing Director for NRC Group Norway the 1 January 2025.

The Statement of the Board of Directors and CEO

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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 2024.

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. To the best of our knowledge, the interim financial report gives a fair view of NRC Group's assets, liabilities, financial position and performance.

In addition, the report gives a fair overview of important events in the reporting period and their impact on the financial statements and describes the principal risks and uncertainties associated with the next reporting period.

Lysaker, 11 February 2025

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.

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Reconciliation of EBIT adj.

(Amounts in NOK million)	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit/loss (EBIT)	**-19**	**17**	**-820**	**105**
Adjusting items				
Gain from sale of Gravco	0	0	0	-40
M&A expenses	0	-8	-4	-7
Restructuring recycling and demolition business [1] (NRC Kept)	11	0	74	0
Restructuring items, other	7	12	7	21
Write-down operations to be discontinued (Civil Sweden)	0	3	0	43
Impairment of goodwill (Norway)	0	0	150	0
Impairment of goodwill (Finland)	0	0	500	0
Adjusting items, total	**18**	**7**	**727**	**16**
EBIT adj.	**-2**	**24**	**-93**	**121**
Depreciation	49	49	181	197
Amortisation of IT software investments	3	4	14	15
EBITDA adj.	**51**	**77**	**102**	**332**

[1] In Q1 2024, the Group made a strategic decision to restructure parts of the demolition and recycling operations in NRC Kept due to prevailing market conditions and negative results in 2023. The negative financial effects of the year 2024 was NOK 74 milllion from the restructuring. This includes losses in relation to disposal of one department within this unit, estimated and realised loss from sale of machinery and equipment, and other close-down costs related to the discontinued business.

Reconciliation of Net cash/ net interest-bearing debt position

(Amounts in NOK million)	31.12.2024	31.12.2023
Long-term leasing liabilities	259	341
Other non-current interest-bearing liabilities	518	572
Short-term leasing liabilities	145	162
Other interest-bearing current liabilities	58	55
Interest-bearing debt	**979**	**1 130**
Minus:		
Cash and cash equivalents	357	369
Net isterest-bearing debt	**622**	**761**
Minus:		
Total leasing liabilities	404	503
Net interest-bearing debt excl. leasing	**219**	**258**

Reconciliation of Net working capital (NWC)

(Amounts in NOK million)	31.12.2024	31.12.2023
Total inventories	25	35
Total receivables	1 723	1 468
Current assets (ex cash)	**1 748**	**1 504**
Minus:		
Other current liabilities	1 873	1 566
Net working capital	**-125**	**-62**

Definitions

Term	Description
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 %	EBITA 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.
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 sub-contractors.
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 (excluding interest-bearing liabilities held for sale) 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. In addition, a conservative estimate of expected variation orders on ongoing contracts within the maintenance area and frame agreement within the materials area.
Order intake	Total nominal value of orders received. In addition, a conservative estimate of expected variation orders on ongoing contracts within the maintenance area and frame agreement within the materials area.
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.
Serious injuries	Injury that results in prolonged disability.
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.

Executive Management

Anders Gustafsson
CEO

Åsgeir Nord
CFO

Harri Lukkarinen
EVP and MD NRC Group Finland

Lene Engebretsen
EVP and Head of Strategy, Sustainability and Communications

Marianne Ullsand Kellmer
EVP and Head of People, Culture and Digitalisation

Tomas Johansson
EVP & MD NRC Group Sweden

Ingvild Storås
EVP & MD NRC Group Norway

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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Financial calendar

1st quarter 2025: 16 May

2nd quarter 2025: 14 August

3rd quarter 2025: 4 November

NRC Group