

# Report for 1st Quarter 2016



# Highlights and Key Figures First Quarter 2016

## Highlights

- Strong organic growth – revenues improved by 106 per cent compared to Q1 2015
- Record high order backlog of NOK 1,863 million (NOK 761 million)
- First ISO certified railway construction company in Norway
- Divest of Blom Nordic and acquisition of Railcap to focus on rail infrastructure

## Key Figures Q1 2016

- Revenues of NOK 356.1 million (NOK 172.5 million)
- EBITDA of NOK 5.1 million (NOK -5.0 million)
- EBITA of NOK 0.1 million (NOK 8.9 million)
- EBIT of NOK -3.7 million (NOK -12.4 million)

## Major contract awards

- SEK 159 million contract appointed by Trafikverket for track renewal
- SEK 117 million contract appointed by Trafikverket for track and switch renewal
- SEK 73 million contract by Trafikverket for changing rails
- SEK 115 million contract by Trafikverket for ground work, track, electro and signal work
- NOK 65 million contract by Sporveien for ground work, track, electro and signal work
- NOK 40 million contract by Jernbaneverket for preparatory ballast cleaning

Unless otherwise stated, all comments made to the interim financial information for NRC Group in this report relate to pro forma figures for 2015. Figures presented in brackets are figures for the corresponding periods in 2015. All figures are unaudited unless otherwise stated.

## Key Figures (pro forma)

(Amounts in NOK 1 000)	Q1 2016	Q1 2015	FY 2015
Revenue	356 117	172 485	1 290 046
EBITDA	5 098	-4 971	95 235
EBITA	-123	-8 855	78 355
EBIT	-3 714	-12 417	64 684
EBT	-6 484	-14 955	56 644
EBITDA (%)	1.4 %	-2.9 %	7.4 %
EBIT (%)	-1.0 %	-7.2 %	5.0 %
Employees	608	582	661
Investments	6 548	5 935	49 424
Order back log (NOK million)	1 863	761	1 443

Includes pro forma figures for 2015, adjusted for transaction costs of NOK 22 million and one-offs of NOK 12 million.

## Key Figures (actual reported)

The table below sets out the actual reported figures for NRC Group for the periods indicated. Revenue in the first quarter 2016 amounted to NOK 356.1 million (NOK 18.9 million). Net profit for the first quarter 2016 was NOK -9.7 million (NOK -17.3 million). Net profit for the fiscal year 2015 includes negative one-offs of NOK 12 million, transaction costs of NOK 22 million and recognition of deferred tax assets of NOK 58 million. Figures for NRC Rail Norge and SJT are included from June 2015, Litz and Elektrobyggnad from November 2015 and Segermo from December 2015. The income statement for Q1 2015 and total year 2015 has been re-presented to reflect the divestment of the Nordic Geo business.

(Amounts in NOK 1 000)	Q1 2016	Q1 2015 (Re-presented)	FY 2015 (Re-presented)
Revenue	356 117	18 923	769 330
Operating profit/loss (EBIT)	-3 714	-6 947	22 115
Net profit/loss	-9 656	-17 327	47 597

# Comments on First Quarter 2016 Results

NRC Group delivered strong revenue and order book growth in the first quarter of 2016. The integration of the Swedish companies acquired in the second half of 2015 have so far been successful. The group has signed several large contracts and the organisational climate is positive and enthusiastic. To further optimise synergies and secure an efficient project organisation a new joint office has been set up in Gothenburg in Sweden.

To increase our market share we will continue to build on our good entrepreneurial culture and strength as a full service rail specialist.

After the end of the first quarter, we signed the acquisition of Norwegian company Railcap. The acquisition will significantly strengthen our signalling resources, and will enable us to undertake larger projects going forward. Railcap will be a key resource for NRC Group in Norway as part of the extensive European Rail Traffic Management System (ERTMS) roll-out, which is expected to be completed within 2030.

In order to meet further growth we have recruited several new key resources and responded with a series of initiatives. During the quarter, we have set up internal training programmes and increased the use of apprenticeship contracts. Moreover, we will

continue to explore cooperation with international players to expand, further strengthen our capabilities and be a competitive provider for large projects.

In March, the group entered into an agreement to divest its Geo business in Norway, Sweden and Finland to Terratec AS.

The group's Rail division became the first ISO certificated railway constructor in Norway. All policies, practices and procedures were reviewed as part of this process. This further ensures consistent quality and secures reliability, availability, safety and efficiency in the services we provide. The ISO certification reflects our focus on HS and commitment to provide quality services to all clients. To maintain our certification, audits will be performed to ensure compliance.

We have a positive outlook for 2016. Based on the momentum achieved in the first quarter, expected market growth and strong order book, we are confident we are well positioned for 2016 and the future.



## Operations per Business Segment

NRC operates within two business segments, Rail and Geo

### Rail

The Rail division is a fully integrated rail infrastructure contractor covering the Norwegian and Swedish markets. The Rail division is a full-range supplier for the construction of all types of rails including train, tram and subway. Main service offerings include groundwork, specialized track work, power supply and signalling work. The Rail division has all the necessary approvals to work within the train, tram and subway segments.

### Geo

The Geo division operates within acquisition, processing and modelling of geographic information. The Geo division supplies a wide range of mapping and geographic services that satisfy various standards and specifications, in addition to customized client solution.

# Rail Business Segment

(Amounts in NOK 1 000)	Q1 2016	Q1 2015	FY 2015
Revenue	319 784	153 562	1 198 962
EBITDA	5 429	-3 585	100 090
EBITA	1 388	-6 708	86 585
EBIT	-2 202	-10 270	72 914
EBITDA (%)	1.7 %	-2.3 %	8.3 %
EBIT (%)	-0.7 %	-6.7 %	6.1 %
Employees	312	263	289
Investments	5 999	4 377	30 605
Assets	612 617	364 930	559 684
Order back log (NOK million)	1 764	708	1 255

*Includes pro forma figures for 2015, adjusted for transaction costs.*

Revenue in the first quarter 2016 amounted to NOK 319.8 million (NOK 153.6 million), an increase of 108 per cent.

The increase in revenues is mainly explained by a normalized situation in the Swedish market compared to last year, where we had an extraordinary political situation which lead to postponed project funding. In addition, our companies in Sweden and Norway have won several contracts with start-up in the first months of the year.

EBITDA for the first quarter of 2016 was NOK 5.4 million (NOK -3.6 million), which is 9 million better than Q1 2015.

The increase in EBITDA compared to first quarter 2015 is due to the increase in revenues. First quarter is a period where many tenders

are prepared and it is lower activity in the market. Margins are at the lowest in this period.

The order backlog for the Rail division is NOK 1,764 million (NOK 708 million), an increase of 149 per cent.

The strong order book is supported by several new contracts being secured during the first quarter 2016. This proves integration and cooperation between the Swedish companies acquired 2nd half 2015 have been successful.

The market sentiment in Sweden and Norway is strong. Several significant contracts will be introduced to the market in the coming months. The company's strong position in these respective markets give the group a solid position for further growth.

# Geo Business Segment

(Amounts in NOK 1 000)	Q1 2016	Q1 2015	FY 2015
Revenue	36 332	18 923	91 084
EBITDA	4 164	1 558	8 127
EBITA	3 025	854	4 934
EBIT	3 025	854	4 934
EBITDA (%)	11.5 %	8.2 %	8.9 %
EBIT (%)	8.3 %	4.5 %	5.4 %
Employees	292	317	293
Investments	549	1 558	6 850
Assets	57 649	29 404	38 778
Order back log (NOK million)	99	53	132

*Includes reported figures for the remaining companies in Geo division. Blom Nordic is not part of the figures.*

The company entered into an agreement 4 March to divest its Geo business in Norway, Sweden and Finland ("Blom Nordic") to Terratec AS. The transaction included the companies Blom Geomatics AS, Blom Karta Oy and the majority of the assets in Blom Sweden AB. Closing of the transaction took place 30 March 2016 where the shares of the Norwegian company Blom Geomatics AS and the Finnish company Blom Kartta Oy were transferred to Terratec AS.

After the divestment, the Geo division constitutes of operations in UK, Germany, Romania and Indonesia. As per first quarter 2016 the Geo business accounts for approximately 10 per cent of the total business in NRC Group.

Revenue for the remaining business in the Geo division in the first quarter 2016 amounted to NOK 36.3 million (NOK 18.9 million). The increase is mainly in Blom UK due to a British rail infrastructure project as well as a contract with TomTom.

EBITDA for the first quarter was NOK 4.2 million (NOK 1.6 million). The increase is mainly due to increased revenues in Blom UK.

The order reserve for the Geo division is NOK 99 million (NOK 53 million), an increase of 87 per cent. A large part of this is related to British rail infrastructure projects and a three-year contract with TomTom for production of 3D models worldwide. The order book confirms a positive outlook for the Geo Division in 2016.

## Financial Position

Due to normal seasonal fluctuations cash flow from operating activities for the first quarter 2016 was NOK -16 million (NOK -14 million). Net cash flow was NOK -32 million in the first quarter 2016 (NOK -16 million).

Cash position at 31 March was NOK 223 million.

## Corporate

In March 2016 the company signed an agreement to divest its Geo business in Norway, Sweden and Finland to Norwegian Terratec AS for a purchase price of NOK 30 million plus a three years earn-out arrangement. The transaction included the companies Blom Geomatics AS, Blom Kartta Oy and the majority of the assets in Blom Sweden AB. 30 March the transaction was closed for the sale of Blom Geomatics AS and Blom Kartta Oy.

In January, Trafikverket appointed Svensk Järnvägsteknik AB (SJT) as the turnkey contractor for track renewal of 70 kilometres railroad on the connection between Vislanda and Mosselund in Sweden. The contract is valued at approximately SEK 159 million. Scheduled completion of the project is December 2017.

In February 2016, Trafikverket appointed SJT to a contract of track and switch renewal at Hallsbergs Rangerbangård in Sweden. The contract is valued at approximately SEK 117 million. Scheduled completion of the project is February 2017.

Moreover, in February, Trafikverket appointed SJT to a contract of changing rails on the connection between Alingsås and Gøteborg in Sweden. The contract is valued at approximately SEK 73 million. The project is scheduled for completion in December 2016.

In March, Trafikverket appointed Segermo Entreprenad AB to a contract for renewal of the 7 kilometre railway connection between Vedeå and Lindsberg. The contract involves ground work, track, electro and signal work. The contract is valued at approximately SEK 115 million. In addition, the contract includes an

option for Trafikverket to include the connection from Lindsberg to Storå. The option must be exercised by Trafikverket within 31 October 2016, and will, if exercised, result in a total contract value of approximately SEK 230 million. The project is scheduled for completion in October 2017.

Additionally in March, Sporveien appointed NRC Rail Norge AS to a contract for renewal on the connection between Jomfrubråten and Holtet (Ekebergbanen). The project involves rail services such as ground work, track, electro and signal. The contract is valued at approximately NOK 65 million. The project is scheduled for completion in May 2017.

Furthermore in March, Jernbaneverket appointed NRC Rail Norge AS to a contract for preparatory ballast cleaning on the connection between Hønefoss and Gulsvik, in relation to the renewal of Bergensbanen. The project involves rail services such as groundwork, track, electro and signal and is valued at approximately NOK 40 million. The project is scheduled for completion in April 2018.

In March 2016 the group's Rail division became the first ISO certificated railway constructor in Norway.

## Employees

NRC Group employees have a high level of competence. This represents the foundation for the growth. As of 31 March 2016, there were a total of 604 employees in the operative companies, 312 in the Rail division and 292 in the Geo division. NRC Group ASA had 4 employees as of 31 March 2016.

Health, safety and environmental considerations are priority areas. NRC Group has adopted HSE policies and implemented guidelines to comply with applicable local regulations and to maintain and develop its HSE standards. NRC Group's HSE efforts are managed on both central and regional levels.

In order to face the shortage of human resources in the industry, the group has initiated a number of processes to meet these challenges. Initiatives include internal training programs and increasing the use of apprenticeship contracts.

## Risks

NRC Group is exposed to both operational and financial risks. Operational risks include risk assessment and contingency appraisal in project tendering, change management in project execution and resource optimization following fluctuations in seasonal demand in the business of NRC Group.

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 in the tendering phase to ensure appropriate pricing and risk management. NRC Group also seeks to minimize the exposure to risk that cannot be managed, such as the weather conditions for aerial data capture which entail considerable risk.

Financial risks include market risk, credit risk and liquidity risk. Market risk includes currency risk and interest rate risk. The exposure to currency risk is limited, but by having operational units in different operational currencies, NRC Group is to some extent exposed to currency risks. NRC Group has not utilized any hedging instruments to limit the risks associated with foreign exchange.

Work in progress and trade receivables are set out contractually, and this means that the amount of capital committed is determined by the credit terms of the contracts. A major part of the business is with state owned companies like Jernbaneverket and Trafikverket. NRC Group's liquidity reserves will normally be at its lowest in the spring and summer due to the seasonally

relatively high amount of working capital committed. Liquidity risk is overall considered low.

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 losses from this type of customer to be low.

## Outlook

The demand for services within railway construction is expected to continue to grow significantly over the coming years. In Norway and Sweden, large parts of the railways are utilised to full capacity and need to be upgraded in order to meet increased demand. Political signals and government spending in Norway and Sweden indicate a clear ambition to upgrade the railway network in a relatively short period of time. In addition, the authorities aim to expand the network and services in and around the urban areas of both countries.

Given the market opportunities and the company's market position in the railway infrastructure sector, the company is well positioned for further growth in the years to come.

The Rail division will continue exploring strategic initiatives to strengthen its competitive position in the Nordic market.

*Oslo, 19 May 2016*

The Board of Directors of NRC Group ASA

**Helge Midttun**

Chairman of the Board of Directors

**Brita Eilertsen**

Board member

**Harald Arnet**

Board member

**Kristian G. Lundkvist**

Board member

**Kjersti Kanne**

Board member

**Øivind Horpestad**

CEO

# Condensed Consolidated Statement of Income

## Reported Figures

(Amounts in NOK 1 000)	Q1 2016	Q1 2015 (Re-presented)	FY 2015 (Re-presented)
Revenue	356 117	18 923	769 330
Operating expenses	351 019	25 108	729 299
<b>Operating profit/loss before depr. and amort. (EBITDA)</b>	<b>5 098</b>	<b>-6 185</b>	<b>40 032</b>
Depreciation	5 222	762	11 189
<b>Operating profit/loss before amortisation (EBITA)</b>	<b>-123</b>	<b>-6 947</b>	<b>28 842</b>
Amortisation	3 591	0	6 727
<b>Operating profit/loss (EBIT)</b>	<b>-3 714</b>	<b>-6 947</b>	<b>22 115</b>
Net financial items	-2 770	-766	-5 574
<b>Profit/loss before tax (EBT)</b>	<b>-6 484</b>	<b>-7 713</b>	<b>16 541</b>
Taxes	815	-148	41 934
<b>Profit/loss from continuing operations</b>	<b>-5 669</b>	<b>-7 861</b>	<b>58 475</b>
Profit/loss from discontinued operations	-3 988	-9 466	-10 878
<b>Net profit/loss</b>	<b>-9 656</b>	<b>-17 327</b>	<b>47 597</b>
<b>Profit/loss attributable to:</b>			
Shareholders	-9 656	-17 327	47 597
<b>Net profit / loss</b>	<b>-9 656</b>	<b>-17 327</b>	<b>47 597</b>
<b>Comprehensive profit/loss:</b>			
Recalculation of pension obligations	-50	-66	89
Currency translation differences	-15 334	301	28 618
<b>Total comprehensive profit/loss</b>	<b>-25 040</b>	<b>-17 092</b>	<b>76 304</b>
<b>Total comprehensive profit/loss attributable to:</b>			
Shareholders	-25 040	-17 092	76 304
<b>Total comprehensive profit/loss</b>	<b>-25 040</b>	<b>-17 092</b>	<b>76 304</b>
<b>Earnings per share:</b>			
From continuing operations	-0.17	-0.81	3.02
From discontinued operations	-0.11	-0.98	-0.56
<b>From total net profit/loss</b>	<b>-0.28</b>	<b>-1.79</b>	<b>2.46</b>

*Reported figures 2015: Include reported figures for NRC Rail Norge and SJT from June 2015, Litz and Elektrobyggnad from November 2015 and Segermo from December 2015, transaction costs of NOK 22 million related to the completion of the acquisitions and one-offs of NOK 12 million related to restructuring costs. The financial information for 2015 has been re-stated to reflect the divestment of the Nordic Geo business. The interim financial information has not been audited.*

# Condensed Consolidated Statement of Income

## Pro Forma Figures

(Amounts in NOK 1 000)	Q1 2016	Q1 2015	FY 2015
Revenue	356 117	172 485	1 290 046
Operating expenses	351 019	177 456	1 194 811
<b>Operating result before depr. and amort. (EBITDA)</b>	<b>5 098</b>	<b>-4 971</b>	<b>95 235</b>
Depreciation	5 222	3 884	16 879
<b>Operating result before amortisation (EBITA)</b>	<b>-123</b>	<b>-8 855</b>	<b>78 355</b>
Amortisation	3 591	3 562	13 672
<b>Operating profit/loss (EBIT)</b>	<b>-3 714</b>	<b>-12 417</b>	<b>64 684</b>
<b>Profit/loss before tax (EBT)</b>	<b>-6 484</b>	<b>-14 955</b>	<b>56 644</b>
<b>Key Figures:</b>			
EBITDA (%)	1.4 %	-2.9 %	7.4 %
EBIT (%)	-1.0 %	-7.2 %	5.0 %
EBT (%)	-1.8 %	-8.7 %	4.4 %
Employees	608	582	661
Investments	6 548	5 935	49 424
Order back log (NOK million)	1 863	761	1 443

The table above includes pro forma figures for 2015, adjusted for transaction costs of NOK 22 million related to the completion of the acquisitions in 2015 and one-offs of NOK 12 million related to restructuring costs.

The table below shows a reconciliation of revenue and EBIT for the periods indicated. The table shows the reported figures and pro forma figures for NRC Group, including reported figures for NRC Rail Norge and SJT from June 2015, Litz and Elektrobyggnad from November 2015 and Segermo from December 2015 only. The income statement for first quarter 2015 and total year 2015 has been re-presented to reflect the divestment of the Nordic Geo business. The actual reported figures for FY 2015 have been audited.

(Amounts in NOK 1 000)	Q1 2016	Q1 2015 (Re-presented)	FY 2015 (Re-presented)
<b>Revenue:</b>			
NRC Group (reported)	356 117	18 923	769 330
NRC Rail Group (pro forma)	0	153 562	520 716
<b>NRC Group</b>	<b>356 117</b>	<b>172 485</b>	<b>1 290 046</b>
<b>EBIT:</b>			
NRC Group (reported)	-3 714	-6 947	22 115
NRC Rail Group (pro forma)	0	-10 270	8 771
Transaction costs / one-offs	0	4 800	34 175
<b>NRC Group</b>	<b>-3 714</b>	<b>-12 417</b>	<b>65 061</b>

# Consolidated Balance Sheet

(Amounts in NOK 1 000)

<b>ASSETS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.12.2015</b>
Patents, licenses and other intangible assets	33 055	449	37 861
Deferred tax assets	42 992	0	42 992
Goodwill	521 739	0	533 822
<b>Intangible non-current assets</b>	<b>597 786</b>	<b>449</b>	<b>614 675</b>
Tangible non-current assets	95 741	30 501	120 593
Total non-current asset investments	32 158	4 371	8 393
<b>Total non-current assets</b>	<b>725 686</b>	<b>35 321</b>	<b>743 661</b>
Total inventories	117 836	21 973	114 302
Total receivables	259 751	39 728	245 060
Cash and cash equivalents	223 136	35 697	258 229
Assets classified as held for sale	0	2 511	0
<b>Total current assets</b>	<b>600 724</b>	<b>99 909</b>	<b>617 590</b>
<b>Total assets</b>	<b>1 326 409</b>	<b>135 230</b>	<b>1 361 251</b>

(Amounts in NOK 1 000)

<b>EQUITY AND LIABILITIES</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.12.2015</b>
<b>Paid-in-capital:</b>			
Share capital	34 945	10 071	34 945
Treasury shares	-1 893	-1 978	-1 728
Share premium	654 511	97 703	650 623
<b>Other equity:</b>			
Currency translation differences	-5 855	-23 703	4 615
Retained earnings	26 227	-24 529	40 549
<b>Total equity</b>	<b>707 936</b>	<b>57 564</b>	<b>729 004</b>
Pension obligations	5 487	4 813	5 306
Non-current interest-bearing liabilities	145 019	5 720	162 088
Deferred taxes	26 424	0	27 600
Other non-current liabilities	4 985	0	100
<b>Total non-current liabilities</b>	<b>181 915</b>	<b>10 533</b>	<b>195 094</b>
Total interest-bearing current liabilities	93 183	2 448	87 841
Total other current liabilities	343 375	61 895	349 312
Liabilities classified as held for sale	0	2 790	0
<b>Total current liabilities</b>	<b>436 559</b>	<b>67 133</b>	<b>437 153</b>
<b>Total equity and liabilities</b>	<b>1 326 409</b>	<b>135 230</b>	<b>1 361 251</b>

# Statement of Changes in Equity

(Amounts in NOK 1 000)	Share capital	Treasury shares	Share premium	Currency translation differences	Retained earnings	Total equity
<b>Equity at 1 January 2015</b>	10 071	-1 978	97 703	-24 003	-7 137	74 656
Profit for the period					-17 327	-17 327
Other comprehensive income for the period				300	-65	235
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>-17 392</b>	<b>235</b>
<b>Equity at 31 March 2015</b>	<b>10 071</b>	<b>-1 978</b>	<b>97 703</b>	<b>-23 703</b>	<b>-24 529</b>	<b>57 564</b>
<b>Equity at 1 January 2016</b>	<b>34 944</b>	<b>-1 728</b>	<b>650 623</b>	<b>4 615</b>	<b>40 549</b>	<b>729 003</b>
Profit for the period					-9 656	-9 656
Other comprehensive income for the period				-15 334	-50	-15 384
Sale of own shares		85	3 888			3 973
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>85</b>	<b>3 888</b>	<b>-15 334</b>	<b>-9 706</b>	<b>-21 067</b>
<b>Equity at 31 March 2016</b>	<b>34 944</b>	<b>-1 643</b>	<b>654 511</b>	<b>-10 719</b>	<b>30 843</b>	<b>707 936</b>

# Consolidated Cash Flow Statement

	(Amounts in NOK 1 000)	Q1 2016	Q1 2015 (Re-presented)
	Profit/loss before tax	-6 484	-7 714
	Net cash flow from operating activities - continuing operations	-15 759	-6 424
	Net cash flow from operating activities - discontinued operations	0	-7 796
<b>A =</b>	<b>Net cash flow from operating activities</b>	<b>-15 759</b>	<b>-14 220</b>
	Net cash flow from investing activities - continuing operations	-19 984	-576
	Net cash flow from investing activities - discontinued operations	303	-776
<b>B =</b>	<b>Net cash flow from investing activities</b>	<b>-19 681</b>	<b>-1 352</b>
	Net cash flow from financing activities - continuing operations	3 324	-20
	Net cash flow from financing activities - discontinued operations	0	-287
<b>C =</b>	<b>Net cash flow from financing activities</b>	<b>3 324</b>	<b>-307</b>
	<b>A+B+C Net change in cash and cash equivalents</b>	<b>-32 115</b>	<b>-15 879</b>
<b>+</b>	<b>Cash and cash equivalents at the start of the period 1)</b>	<b>258 229</b>	<b>52 390</b>
	Currency translation differences	-2 978	0
<b>=</b>	<b>Cash and cash equivalents at the end of the period 1)</b>	<b>223 136</b>	<b>36 511</b>
	Cash and cash equivalents - continuing operations	223 136	18 181
	Cash and cash equivalents - discontinued operations	0	18 330

1) The cash flow statement for 2015 has been re-presented to reflect the divestment of the company's Nordic Geo business. Cash and cash equivalents at the start of 2015 include cash balance of NOK 18,330 in the Nordic Geo business.

# Business Segments

## Pro forma figures

(Amounts in NOK 1 000)

Revenue	Q1 2016	Q1 2015	FY 2015
Rail	319 784	153 562	1 198 962
Geo	36 332	18 923	91 084
<b>Total</b>	<b>356 117</b>	<b>172 485</b>	<b>1 290 046</b>
EBITDA	Q1 2016	Q1 2015	FY 2015
Rail	5 429	-3 585	100 090
Geo	4 164	1 558	8 127
Other	-4 495	-2 943	-12 982
<b>Total</b>	<b>5 098</b>	<b>-4 971</b>	<b>95 235</b>
EBITA	Q1 2016	Q1 2015	FY 2015
Rail	1 388	-6 708	86 585
Geo	3 025	854	4 934
Other	-4 536	-3 001	-13 164
<b>Total</b>	<b>-123</b>	<b>-8 855</b>	<b>78 355</b>
EBIT	Q1 2016	Q1 2015	FY 2015
Rail	-2 202	-10 270	72 914
Geo	3 025	854	4 934
Other	-4 536	-3 001	-13 164
<b>Total</b>	<b>-3 714</b>	<b>-12 417</b>	<b>64 684</b>
Assets	Q1 2016	Q1 2015	FY 2015
Rail	612 617	364 930	559 684
Geo	57 649	29 404	38 778
Non allocated / Other	656 144	31 216	683 168
<b>Total</b>	<b>1 326 409</b>	<b>425 550</b>	<b>1 281 630</b>

*Pro forma figures: Revenue, EBITDA, EBITA, EBIT and assets for 2015 include pro forma figures, adjusted for transaction costs of NOK 22 million related to the completion of the acquisitions in 2015 and one-offs of NOK 12 million in 2015. The figures for 2015 are re-presented to reflect the divestment of the Nordic Geo business. Goodwill is included as other assets.*

# Geographical Information

## Pro forma figures

(Amounts in NOK 1 000)

<b>Revenue</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>FY 2015</b>
Norway	113 151	74 708	494 285
Sweden	206 633	78 854	704 675
Other countries	36 332	18 923	91 084
<b>Total</b>	<b>356 117</b>	<b>172 485</b>	<b>1 290 045</b>

  

<b>Assets</b>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>FY 2015</b>
Norway	209 558	158 795	249 937
Sweden	403 059	206 135	375 498
Other countries	57 649	29 404	52 648
Not allocated / Other	656 144	31 216	683 168
<b>Total</b>	<b>1 326 409</b>	<b>425 550</b>	<b>1 361 251</b>

*Pro forma figures: Revenue and assets for 2015 is pro forma figures. The figures for 2015 are re-presented to reflect the divestment of the Nordic Geo business. Goodwill is included as other assets.*

# Notes to the Financial Statement

## General information

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

The company is a Norwegian public limited liability company incorporated in Norway under the Norwegian Public Limited Liability Companies Act with registration number 910 686 909. The company has its registered address at Drammensveien 165, 0277 Oslo, Norway. As of 1 June the registered address will be Fornebuporten, Oksenøyveien 10, 1366 Lysaker.

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

## Accounting policies and basis for preparation

The condensed consolidated financial statements as per 31 March 2016 are prepared in accordance with IFRS and comprise NRC Group ASA and its subsidiaries. The interim financial report is presented in accordance with revised IAS 34, Interim Financial Reporting. The accounting principles applied in the interim report are the same as those described in the consolidated accounts for 2015.

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 2015. The interim accounts have been prepared in accordance with the same principles that are used in the annual accounts for 2015. 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 financial reports for 2015 and audited financial report for the full year of 2015. The consolidated income statement and cash flow statement have been re-presented to reflect the company's divestment of the Nordic Geo business.

To increase understanding of the preceding year's comparative figures, adjusted pro forma statements have been prepared and are presented separately. All comments on the income statement in this report are based on pro forma figures unless otherwise stated.

The pro forma financial information for first quarter 2015 and full year for 2015 included in this report has not been audited.

## Use of estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the NRC's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2015.

## Changes in the group's structure

4 March 2016, the company entered into an agreement to divest its Geo business in Norway, Sweden and Finland to Norwegian Terratec AS for a purchase price of NOK 30 million plus a three years earn-out arrangement. The transaction includes the companies Blom Geomatics AS, Blom Karta Oy and the majority of the assets in Blom Sweden AB. The business divested constituted approximately 60 per cent of the Geo division's turnover and is mainly focused on air-surveying and data processing.

Following, 30 March the closing of the transaction took place and the shares of the Norwegian company Blom Geomatics AS and the Finnish company Blom Kartta Oy have been transferred to Terratec AS.

## Shareholder information

In January, the company announced that it had implemented a share programme for its employees in NRC Rail Group's subsidiaries in Norway and Sweden, whereby the employees have been offered the opportunity to purchase shares in the company at a 20 per cent discount. The offer period expired in December 2015. A total of 85,262 shares of the company's shares held in treasury were transferred to the employee programme.

As of 31 March, the company's issued share capital is 34,944,483 shares, each with a par value of NOK 1. The total number of shareholders as of 31 March 2016 was 2,266 and foreign shareholders accounted for approximately 30 per cent of the share capital. The company owns a total of 61,190 of the issued shares, which represents approximately 0.2 per cent of the total number of the issued shares.

## Events after the end of the quarter

NRC Group ASA held its Annual General Meeting Thursday 12 May 2016. All items were approved in accordance with the Notice to the General Meeting.

On 20 May 2016, it was announced that the company, through its wholly owned subsidiary in Norway, had acquired 100 per cent of the shares in Railcap AS for an enterprise value of

NOK 48 million. The acquisition is financed by payment in cash of approximately NOK 28.8 million and by the issuance of 366 789 new shares in NRC Group. The shares are subject to a lock-up period of 18 months.

## IR Policy

The company's objective is to serve the financial market precise and relevant information about the company to ensure that the share price reflects the underlying values and future prospects.

The company discloses price sensitive information relating to significant contracts and investments or other material changes or events in NRC Group to investors and other market players through the Oslo Stock Exchange - [www.newsweb.no](http://www.newsweb.no) - and the company's website - [www.nrcgroup.no](http://www.nrcgroup.no). In addition, the company intends to publicly disclose all tenders awarded having a contract value exceeding NOK 30 million. All tenders awarded are normally subject to a 10-days appeal period before the award is definitive. The company's policy is to not inform the market of expiry of any such appeal period unless an actual appeal has been filed and the company is informed by the customer that the appeal is being considered and that this may lead to a delay or cancellation of the contract. Information about other tenders awarded will be updated quarterly as part of the company's order backlog.

# NRC Group ASA

## Company Information

NRC Group ASA  
P.O. Box 34 Skøyen (until 1 June 2016)  
NO- 0212 Oslo  
Norway

1 June 2016 NRC Group ASA move into new offices:  
Fornebuporten  
Oksenøyveien 10  
1366 Lysaker  
Norway

Tel: +47 22 13 19 20  
Email: [contact@nrcgroup.no](mailto:contact@nrcgroup.no)

## Board of Directors:

Helge Midttun (Chairman of the Board of Directors)  
Kristian G. Lundkvist  
Brita Eilertsen  
Kjersti Kanne  
Harald Arnet

## Financial Calendar:

18 August 2016	2nd quarter 2016 Result report and presentation
17 November 2016	3rd quarter 2016 Result report and presentation