



ANNUAL REPORT 2015





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KEY FIGURES – PRO FORMA

(Amounts in NOK '000)

	2015	2014
Key figures NRC Group:		
Revenue	1,431,958	1,253,011
EBITDA	93,181	139,121
EBITA	67,874	121,062
EBIT	54,201	107,783
EBT	45,616	98,648
EBITDA margin	7 %	11 %
EBIT margin	4 %	9 %
Employees	661	677
Investments	49,424	26,249
Order back log	1,443,000	378,000
Segments:		
Revenue		
Rail	1,198,961	1,007,045
Geo	232,997	245,966
Total	1,431,958	1,253,011
EBITDA		
Rail	100,090	125,412
Geo	5,983	28,252
Other	-12,892	-14,543
Total EBITDA	93,181	139,121
EBITDA margin		
Rail	8 %	13 %
Geo	3 %	12 %
EBIT		
Rail	72,912	102,281
Geo	-5,638	20,062
Other	-13,074	-14,560
Total EBIT	54,201	107,783

The table above includes pro forma figures for NRC Rail Norge, Svensk Järnvägsteknik, Litz, Elektrobyggnad and Segermo, adjusted for transaction costs of NOK 22 million related to the completion of the acquisitions and one-offs of NOK 12 million related to restructuring costs.

REPORT BY THE CEO

2015 has been an eventful and exciting year for the NRC Group. The company made a significant transition to address the rapidly growing infrastructure market in Norway and Sweden. This transition required new thinking in terms of how we do business, and a different way of building and securing the specialised key competencies needed for a rail construction company.

In April 2015, we agreed to combine our business with the Norwegian rail contractor NRC Rail Norge AS (former Team Bane AS). Shortly after, in May 2015, the company acquired Swedish rail contractor Svensk Järnvägsteknik AB (SJT).

The parent company changed its name from Blom Group ASA to NRC Group ASA. In addition, the company was organised into two divisions, Rail and Geo.

Two new issues of shares were successfully completed during the year, providing NRC Group with financial resources to further strengthen the focus on the Rail segment. Interest in the issue was strong from both existing shareholders and new, high-quality institutional investors. We view their interest as evidence of high confidence in the company and the infrastructure market in general.

In November 2015, NRC Group closed the acquisition of the Swedish Litz Entreprenad AB, a certified specialist in all railway-related electric services. At the same time, the company closed the acquisition of Swedish Elektrobyggnad AB, one of Sweden's largest specialised businesses within rail contact lines. The two companies have a strong market position in the eastern and western parts of Sweden, and complement the company's newly acquired company, SJT. The acquisitions transformed the NRC Group into a leading infrastructure player in both Norway and Sweden.

Continuing to focus on securing expertise and competencies within the company's new core target area, the NRC Group acquired the Swedish rail groundwork contractor Segermo Entreprenad AB in December 2015. With these acquisitions, NRC Group is now a fully integrated supplier of services for rail infrastructure, covering the Norwegian and Swedish markets, and with the capacity to deliver full-scale projects based on in-house competencies in both countries.

After winning several major rail contracts in both Norway and Sweden, the year ended with a record high order book. During the second half of the year, operational activity was high in all the NRC Groups' markets and companies. At the same time, the companies showed good progress in developing cooperation and support across divisions and markets. The company has managed to establish itself as a significant player in the Nordic rail industry.

The political agendas and government budgets continue to signal that there will be strong growth in infrastructure projects, and we expect to be a very active contractor within a broad range of railway infrastructure projects in the time to come.

The group, represented by all its employees, has displayed ability to change. This, combined with the strong growth in the market, gives us confidence that the years to come will be very exciting for the company, its employees and the shareholders.

Finally, I would like to take this opportunity to thank all my colleagues for their excellent performance at work over the past year.

**Kind regards,
Øivind Horpestad**



**NRC
GROUP**

NRC GROUP

NRC Group operates within two business segments, Rail and Geo. NRC Group's strategy is to capitalise on the strong market growth within the rail industry in the Nordic countries. Strong growth in railway investments in both Sweden and Norway has resulted in a long-term positive macro outlook in the Nordic rail industry. The company is uniquely positioned to take on complex infrastructure projects due to its capabilities covering the entire value chain.

Within the rail segment, the company shall develop and supply products and services covering the entire value chain within construction, maintenance and ground work for the rail industry, both within the public and private market. The Rail division's primary markets are in the Nordic countries.

The Geo division provides products and services based on geographic information for the public and private markets in Northern Europe.

The company's goal is to have a good reputation among its clients, partners, competitors and financial markets. This shall be assured through sound business conduct. The company shall have a strong and clear environmental profile.

Knowledge, skills and experience are some of NRC Group's most important competitive advantages. NRC Group shall emphasise the development of skills in new and exciting projects, and consequently seeks to offer its employees attractive and challenging work tasks.

RAIL DIVISION

INTRODUCTION

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

Rail infrastructure includes stations and terminals, rail tracks and other related constructions such as tunnels, bridges and crossings. Work on stations and terminals includes the construction of new railroad stations with buildings, platforms and platform extensions to be

compatible with new train sets, terminal areas for goods transportation and related infrastructure, information systems etc. Rail tracks include the construction of the actual tracks with ballast, sleepers and tracks as well as catenary, signalling, fibre and electrical systems and monitoring.

Railroad construction can be divided into three stages:

- Planning, design and engineering
- Groundwork
- Railroad construction

Railroad construction can be divided into two main categories:

- Formation (related to groundwork)
- Permanent way with track, switches, cabling, signalling and power supply

The ability to offer full scope and execution capacity is an important factor in a tender process within the rail industry. NRC Group has capabilities across the entire spectre of rail services.

SERVICES

NRC Group offers the following services within rail infrastructure:

Project Management

The services include planning, management and reporting of production, quality, health, safety and environment progress.

Surveying

NRC Group performs work within the fields of e.g. buildings and plants, tunnels, measurements and land profiling.

Security and Safety

Security and safety are required for all work in the proximity of the catenary. NRC Group has the capacity to assume responsibility for security and safety during any groundwork or construction project, and is approved as a supervisor for electrical safety. The services include inspections, planning and execution of electrical safety plans, security installations and integration.

Groundwork

NRC Group delivers products and services covering the entire spectre of groundwork specialised towards the railroad industry. Work includes e.g. excavation, concrete works and carpentry related to railroads and rail projects. The company provides ground workers with approval

to act as main supervisors for security and safety, and electrical safety.

Signal/Telecom

The company offer services within maintenance, modifications and building of complete interlocking systems for the rail industry. This includes services for switches, track circuits and interlocking systems.

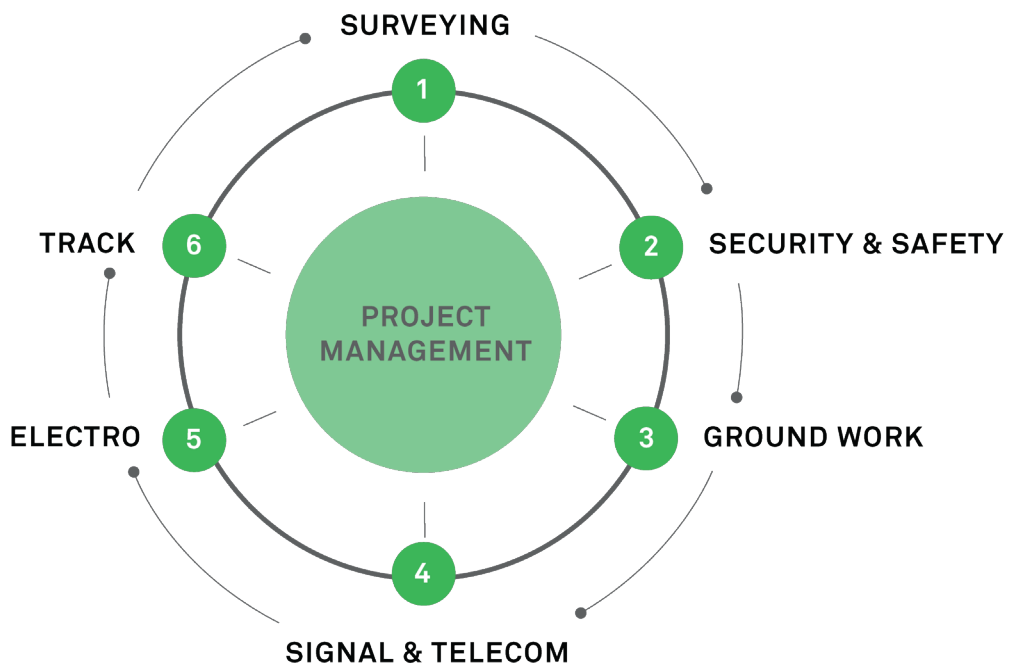
Electro

NRC Group is approved for engineering, building and maintenance of complete technical installations by the Norwegian Directorate for Civil Protection (DSB).

Track

The company possesses all required approvals and safety expertise needed for building or maintenance of railroad tracks. The company provides track workers and signal men, in addition to the machines and equipment required for completion of projects within track works.

The group has a number of modern machines primarily custom designed for infrastructure-related work. The machines are used for both own and third party projects.



GEO DIVISION

INTRODUCTION

NRC Group's Geo division operates within acquisition, processing and modelling of geographic information, primarily based on aerial photography and laser scanning. The company also holds the rights to several European databases with collections of maps, images and models. With a particular focus on online services, the company provides data and solutions to customers in government, enterprise and consumer markets and enables partners to create applications using the company's databases and location based services and navigation solution. The company supplies a wide range of mapping and geographic services that satisfy local, regional and international standards and specifications. In addition, the company delivers customised solutions for specific purposes.

The company targets markets and segments that require management, analysis, production or exploitation of geographic information. These markets continuously evolve due to on-going digitalisation combined with an increasing use of new technology. Geo data are short-lived in urban areas due to continuous development and contractions, and therefore require regular updates.

The company's engineers and technical experts produce a wide range of geographical models for use in local and central government administration, public works, environmental monitoring and earth observations. Modern use of geographic information supports customers in their management of continuous change, dynamic planning and the development of cities, landscape and coastal zones.

In the consumer market, new technologies and products will provide the market with free advanced geo information through global players, such as Google, Apple, TomTom and others. The company's position in this market is as a provider of geo services and products to these global players.

The professional market demands high quality, usually tailor-made and unique, data and solutions frequently integrated in advanced GIS solutions. Clients apply these systems to enhance geo services in order to improve efficiency and work faster and/or smarter. Typical customers are yellow pages, municipalities for urban planning, Police emergency units, powerline companies, railway companies and road authorities. NRC Group has the ability and technology to develop, implement and maintain unique solutions directly to the end users.

PRODUCTS & SERVICES

NRC Group's Geo division delivers the following products and services:

- Aerial survey; laser scanning, orthophoto, oblique imaging
- Ground and mobile survey, including street imagery
- Mapping and modelling, including 3D modelling
- Online mapping services – BlomURBEX™
- Environmental consultancy
- Forestry analysis
- GIS services



BOARD OF DIRECTORS' REPORT

BOARD OF DIRECTORS' REPORT

In 2015, NRC Group reorganised its business by establishing a separate division to address the rapidly growing infrastructure market in Norway and Sweden. As part of this reorganisation, the parent company changed its name from Blom ASA to NRC Group ASA. As at the end of 2015, the Rail division had grown to constitute approximately 85 per cent of the company's total pro forma revenues.

The acquisition of NRC Rail Norge (former Team Bane), a Norwegian gazette railway construction company, was the first important building block within the rail segment. Through this acquisition, NRC Group became one of the leading players within the rail infrastructure market in Norway. NRC Rail Norge is a total supplier within railway construction services. In order to succeed as a total supplier, a wide range of competencies and capacities is needed; skilled project management, surveying, security and safety, groundwork, signal/telecom, electro and track. Many of these require specific education and certificates for each country.

Following on from this initial acquisition, a number of other companies were acquired in order to form a group with similar qualities for the Swedish market. Starting with Svensk Järnvägsteknik, a company specialising in project management, surveying, safety/security and track, the company Litz was added to provide expertise within signal/telecom and electro. Further competencies within electro were gained with the acquisition of Elektrobyggnad. Lastly, groundwork competencies and capacity were procured through the acquisition of Segermo.

The demand for services within railway construction is expected 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. There is political consensus in Norway and Sweden to continue the expansion and modernisation of the railways. Budgets and investments are at historically high levels and are expected to increase even more in the coming years. The company's ability to win new orders and deliver projects within cost and time make the company well positioned to take its share of this growing market. The different competencies within the subsidiaries and the way they cooperate enable the company to take on major railway projects. Going forward, this is a solid platform for further organic growth and expansion.

The Geo division is one of the leading suppliers of geographic information in Europe. Geo supplies a wide range of map and geographic services. In addition, it supplies customised systems to customers, and online map services. The division has independent operations in a total of five countries in Europe, as well as own production units in Indonesia and Romania. The Geo division is managed from the group's headquarters in Oslo.

On 7 March 2016, NRC Group entered into an agreement to divest its Geo business in Norway, Sweden and Finland ("Blom Nordic") to Terratec AS for a purchase price of NOK 30 million plus a three-year earnout arrangement. After the divestment, the Rail business accounts for approximately 92 per cent of the pro forma revenues in the group.

DECLARATION REGARDING THE FINANCIAL STATEMENTS

The Board of Directors believes that the financial statements provide a true and fair picture of the group's result and position.

Operating revenues from the two segments as reported in profit and loss for 2015:

(Amounts in NOK million)

Operating revenue	2015	2014
Rail segment	678	0
Geo segment	233	246
Sum operating segments	911	246

The pro forma figures for NRC Group are presented in "Key figures NRC Group".

PROFIT/LOSS

The group's turnover from continuing operations amounted to NOK 911.2 million in 2015, compared with NOK 246.0 million in 2014. EBITDA for 2015 amounted to NOK 37.9 million with a margin of 4.2 per cent, compared with NOK 13.7 million and a margin of 5.6 per cent in 2014. Group operating profit (EBIT) totalled NOK 11.5 million in 2015, compared with NOK 5.5 million in 2014. Net profit for 2015 was NOK 47.6 million, compared with NOK 7.9 million in 2014.

CASH FLOW

Net cash flow from operating activities for continuing operations was NOK 33.8 million. Net cash flow from investing activities was NOK -249.0 million, including payments for acquisition of subsidiaries of NOK 248.0 million. Net cash flow from financing activities includes net proceeds from issues of shares of NOK 279.0 million. Net financial expenses totalled NOK - 5.9 million in 2015, compared with NOK 0.9 million in 2014. Investments in 2015 amounted to NOK 22.8 million.

FINANCING AND BALANCE SHEET

In order to finance acquisitions and to strengthen the balance sheet, the company has issued new shares and improved its bank financing. Two successful share issues were made during the year raising a net total of NOK 279.0 million. A bank arrangement was made with DnB Bank ASA regarding a SEK 180 million term facility and a revolving credit facility of NOK 40 million. Both facilities comprise standard market terms and covenants.

Total assets at the end of the year amounted to NOK 1,361.3 million, compared with NOK 147.9 million the year before. The equity ratio was 53.6 per cent as at 31 December 2015, compared with 50.5 per cent as at 31 December 2014. As of 31 December 2015, the company had net cash of NOK 8.3 million.

The group had NOK 258.2 million in liquid reserves at the end of 2015, compared with NOK 52.4 million at the end of the previous year. Restricted bank deposits totalled NOK 12.1 million and net available liquid reserves ended at NOK 246.1 million. The group's liquidity is satisfactory and is subject to continuous monitoring. The group's customers are primarily municipalities or government agencies, and the group considers the risk of potential future losses from this type of customer to be low. The group has no financial instruments on or outside the balance sheet for hedging, credit, currency or other type of financing.

Pursuant to Section 3-3 of the Accounting Act, it has been confirmed that the prerequisites for continued operations as a going concern have been met. This assumption has been made for the preparation of the accounts, forecast results for 2016 and the group's long-term strategic forecast for the coming years. The group has an economic and financial position to support continued operations for the next 12 months.

ENVIRONMENT AND EQUALITY**WORKING ENVIRONMENT**

NRC Group has employees with a high level of competencies. This provides good foundations for future growth.

As at 31 December 2015, NRC Group employed a total of 661 employees, of which 289 in the Rail division. During 2015, the NRC Group's Geo division adjusted its workforce, based on market demand for the group's products. As of 31 December 2015, the Geo division had a total of 372 employees, down from 419 at the end of 2014. 230 of the employees within the Geo division work in the production facilities in Indonesia and Romania, down from 267 employees in 2014.

Sickness absence reported by the group was 2.9 per cent in 2015 compared with 2.4 per cent in 2014. Nine occupational injuries were reported in 2015. The Board of Directors is of the opinion that the working environment is satisfactory, but the aim is to reduce the number of injuries. NRC Group continuously seeks to improve the working environment. This is followed up locally in the individual subsidiaries.

EQUAL OPPORTUNITIES

The percentage of female employees in the group was 22.6 per cent in 2015 compared with 35 per cent in 2014. Two of the five elected board members for the NRC Group are women. The employees are represented on the Board of Directors of the operating company in Norway.

The company's HR policy is deemed to be gender neutral in all areas, and equal status issues are fulfilled in a satisfactory manner. We are part of a male-dominated industry, which is reflected in the group's gender composition. The Board of Directors will continue its efforts to ensure that the group is in compliance with requirements involving equal opportunities at any given time.

EXTERNAL ENVIRONMENT

The company has operations that may affect the external environment in the form of emissions, noise, dust, vibration, fluid discharges and other environmental impact. Activities may also entail intrusion on and changes to landscape and nature. The company carries out its operations in a manner that ensures that the impact on resources and the environment is reduced to a level well within the requirements set by the authorities. The group's management systems and work methods are designed to safeguard the environment. The goal is to prevent and reduce undesirable environmental impact.

Each business unit must report incidents with an undesirable impact on the environment. The company follows up all unwanted events and facilitates action and control to prevent recurrence and to prevent damage to the external environment. Measurement of waste sorting has been introduced to improve the handling of waste from own operations. The company believes that recycling and the development of environmentally-friendly energy solutions yield a positive effect on the environment.

CORPORATE GOVERNANCE

The NRC Group aims to comply with the Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES) on 30 October 2014. The scope to which the company adheres to the Code of Practice is described in detail in this annual report.

The corporate social responsibility statement has been included as a separate section in the annual report.

FORWARD-LOOKING

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.

The Board of Directors acknowledges that there are operational and market risks, but is of the opinion that the company's financial position, competencies, systems and procedures constitute a solid platform for managing such risks. Given the market opportunities within the railway infrastructure sector, the Board of Directors is confident that the group is well positioned for further growth in the years to come.

APPLICATION OF PROFIT/LOSS FOR THE PARENT COMPANY

The Board of Directors proposes the following application of the annual profit/loss:

Proposed dividend	NOK 0
From other reserves	NOK - 46,226,049

Oslo, 31 March 2016

Helge Midttun
Chairman of the Board of Directors

Kristian G. Lundkvist
Board member

Kjersti Kanne
Board member

Harald Arnet
Board member

Brita Eilertsen
Board member

Øivind Horpestad
CEO



NRC GROUP ACCOUNTS

CONSOLIDATED INCOME STATEMENT – NRC GROUP

(Amounts in NOK 1,000)

	Note	2015	2014
Operating revenue	1/ 22	911,242	245,966
Cost of materials		557,927	95,752
Salaries and personnel costs	12	221,612	107,919
Ordinary depreciation, amortisation and write-downs	2 / 3	26,345	8,207
Other operating and administrative expenses	13	93,816	28,586
Operating expenses		899,699	240,464
Operating profit/loss		11,543	5,502
Net financial items	14/ 23	-5,880	-987
Profit/loss before tax		5,663	4,515
Tax expense		-41,934	-729
Profit/loss from continuing operations	9	47,597	3,786
Profit/loss from discontinued operations	25	0	4,140
Net profit/loss for the year		47,597	7,926
Profit/loss attributable to:			
Shareholders		47,597	7,926
Profit/loss for the year		47,597	7,926
Comprehensive profit/loss:			
Items that will not be reclassified to profit or loss:			
Recalculation of pension obligations	7	89	-853
Items that may be reclassified to profit or loss:			
Conversion differences	23	28,618	11,345
Total profit/loss for the year		76,304	18,418
Total comprehensive profit/loss attributable to:			
Shareholders		76,304	18,418
		76,304	18,418
Earnings per share:			
From continuing operations	18	2.46	0.39
From discontinued operations		0.00	0.43
From annual profit/loss		2.46	0.82
Diluted earnings per share:			
From continuing operations	18	2.46	0.39
From discontinued operations		0.00	0.43
From annual profit/loss		2.46	0.82

Notes 1 to 27 are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET – NRC GROUP

ASSETS

(Amounts in NOK 1,000)

	Note	2015	2014
Patents, licences and other intangible assets	3	37,861	482
Deferred tax asset	9	42,992	0
Goodwill	3	533,822	0
Total intangible assets		614,675	482
Plant, property and equipment	2	120,593	19,948
Financial assets	21	8,393	4,538
Total non-current assets		743,661	24,969
Work in progress	4/22	114,302	24,983
Trade receivables	5	203,794	26,139
Other current receivables	5	41,265	16,232
Total receivables		245,060	42,371
Cash and cash equivalents	6	258,229	51,400
Assets classified as held for sale	25	0	4,199
Total current assets		617,590	122,953
TOTAL ASSETS		1,361,251	147,922

Notes 1 to 27 are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET – NRC GROUP

EQUITY AND LIABILITIES

(Amounts in NOK 1,000)

	Note	2015	2014
Paid-in capital:			
Share capital	17	34,944	10,071
Own shares	17	-1,728	-1,978
Share premium reserves	17	650,623	97,703
Other equity:			
Conversion differences	23	4,615	-24,003
Retained earnings		40,549	-7,137
Total equity		729,003	74,656
Pension obligations	7	5,306	4,348
Interest-bearing non-current liabilities	8 / 15	162,088	977
Deferred tax	9	27,600	26
Other non-current liabilities		100	0
Total non-current liabilities		195,094	5,351
Overdraft facilities	8	9,104	648
Interest-bearing current liabilities	8 / 15	78,737	0
Interest-bearing current liabilities		87,841	648
Trade payables		134,477	19,526
Public fees payable		39,036	13,310
Tax payable	9	4,142	163
Other current liabilities	10	171,658	30,548
Total other current liabilities		349,312	63,547
Liabilities classified as held for sale	25	0	3,720
Total current liabilities		437,153	67,915
Total liabilities		632,247	73,266
TOTAL EQUITY AND LIABILITIES		1,361,251	147,922

Notes 1 to 27 are an integral part of the consolidated financial statements.

Oslo, 31 March 2016

Helge Midttun
Chairman of the Board of Directors

Kristian G. Lundkvist
Board member

Kjersti Kanne
Board member

Harald Arnet
Board member

Brita Eilertsen
Board member

Øivind Horpestad
CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – NRC GROUP

(Amounts in NOK 1,000)

	Note	Share capital	Treasury shares	Share premium reserves	Conversion differences	Retained earnings	Equity
Equity as at 1 January 2014	8	10,071	-1,977	97,720	-3,348	-14,210	56,256
Profit/loss for the year						7,926	7,926
Other comprehensive profit/loss:							
Conversion differences	23				11,345		11,345
Pension obligations	7					-853	-853
Comprehensive profit/loss for the year					11,345	-853	10,492
Repurchase of treasury shares	17		-1				-1
Costs recognised in equity				-17			-17
Total profit/loss for the year		0	-1	-17	11,345	7,073	18,400
Equity as at 31 December 2014		10,071	-1,978	97,703	-24,003	-7,137	74,656
Profit/loss for the year						47,597	47,597
Other comprehensive profit/loss:							
Conversion differences	23				28,618		28,618
Pension obligations	7					89	89
Comprehensive profit/loss for the year					28,618	89	28,707
Increase share capital	17	24,873					24,873
Increase share premium	17			558,633			558,633
Costs recognised in equity	17			-15,463			-15,463
Sale of treasury shares	17		250	9,750			10,000
Total profit/loss for the year		24,873	250	552,920	28,618	47,686	654,347
Equity as at 31 December 2015		34,944	-1,728	650,623	4,615	40,549	729,003

Notes 1 to 27 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW – NRC GROUP

INDIRECT MODEL

(Amounts in NOK 1,000)

	Note	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES			
		5,663	6,458
+	2/3	26,345	7,980
-	9	-6,588	-526
-		-5,804	-436
+/-		984	0
+/-		21,287	-4,709
+/-		-39,334	-1,337
+/-		13,396	4,220
+/-		17,808	-9,054
		33,757	2,595
	25	0	-5,791
A =		33,757	-3,196
CASH FLOW FROM INVESTING ACTIVITIES			
-	2/3	-11,659	-5,438
-	26	-248,029	0
+		10,702	23,968
		-248,985	18,530
	25	0	-19,995
B =		-248,985	-1,465
CASH FLOW FROM FINANCING ACTIVITIES			
+/-	17/26	279,000	0
+/-	17	10,000	0
+/-	8/26	179,491	0
+/-		-38,385	-4,916
+/-		-16,401	0
		413,705	-4,916
	25	0	0
C =		413,705	-4,916
		A+B+C Net change in cash and cash equivalents	198,476
+		Cash and cash equivalents as at 1 January	61,967
+		Effects of exchange rate changes on cash and cash equivalents	0
=	6/25	258,229	52,390
	6	258,229	51,400
	25	0	990

Notes 1 to 27 are an integral part of the consolidated financial statements.

NOTES TO THE ACCOUNTS NRC GROUP



NOTES TO THE ACCOUNTS NRC GROUP

GENERAL INFORMATION

NRC Group ASA is a company operating within two business segments, Rail division and Geo division.

NRC Group is a fully integrated rail infrastructure contractor covering the Norwegian and Swedish markets. The group is a full-range supplier for the construction of all types of rails including train, tram and subway. Main service offerings include specialised track work, power supply and signalling work.

Within the Geo division, the group is one of Northern Europe's leading providers within the acquisition, processing and modelling of geographic information and high quality map data. The group also holds the rights to several European databases with collections of maps, images and models.

NRC Group ASA is a public limited company registered and domiciled in Norway. The registered business address is Drammensveien 165, NO-0277 Oslo, Norway. NRC Group is listed on the Oslo Stock Exchange (ticker NRC). The company has subsidiaries in nine countries.

The consolidated financial statements were approved by the company's Board of Directors on 31 March 2016.

SUMMARY OF THE MOST IMPORTANT ACCOUNTING PRINCIPLES

The most important accounting principles applied by the group in the preparation of the consolidated financial statements are described below. These principles have been applied identically to all the periods that are presented, unless otherwise stated in the description.

BASIC PRINCIPLES

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

These consolidated financial statements have been prepared on the basis of the historical cost principle, with the exception of financial instruments that are measured at market value. The preparation of financial statements in accordance with IFRS requires the use of estimates. In addition, the application of the company's accounting principles requires that the management exercise judgement. Areas that contain a large degree of such discretionary assessments, a high degree of complexity, or areas where the assumptions and estimates are of significance for the

consolidated financial statements are described in note 22.

STANDARDS, AMENDMENTS AND INTERPRETATIONS FOR EXISTING STANDARDS THAT HAVE NOT YET ENTERED INTO FORCE, AND FOR WHICH THE GROUP HAS NOT CHOSEN EARLY ADOPTION

A number of new standards, amendments to standards and interpretations are obligatory for future financial statements. The group has decided not to choose early adoption for a number of these standards, the most significant of which are described below.

IFRS 9 Financial Instruments involves classification, measurement and recognition of financial assets and liabilities, and hedge accounting. The complete version of IFRS 9 was published in July 2014. It replaces those sections of IAS 39 that involved similar problems. According to IFRS 9, financial assets shall be classified in three categories: fair value through other comprehensive income, fair value through profit or loss and amortised cost. The measurement category is determined by the initial recognition of the asset. Classification relies on the entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. Equity instruments shall in principle be measured at fair value through profit or loss.

The company can elect to present changes in fair value through other comprehensive income, but this decision is binding and any gain/loss on future sales cannot be reclassified as measured through profit or loss. With the amendment, impairment caused by credit risk shall be recognised on the basis of estimated loss instead of the current model, where the loss must have been incurred. In relation to financial liabilities, the standard is in principle a continuation of the requirements in IAS 39. The main amendment is that where the fair value option has been utilised for a financial liability, changes in fair value caused by changes in own credit risk shall be recognised in other comprehensive income. IFRS 9 provides a simplification of the requirements related to hedge accounting, in that hedge effectiveness is more closely linked to the management's risk management, and provides more leeway for evaluation. At the same time, hedge documentation remains a requirement. The amendment comes into effect for the financial year 2018, but early adoption is accepted. The group has not yet fully evaluated the impact of IFRS 9.

IFRS 15 Revenue from contracts with customers involves recognition of revenue. The standard requires contracts with customers to be divided into different performance obligations. A performance obligation may be a goods or a service. Revenue is recognised when control of the goods or service is passed over to the customer, and the customer thereby has the ability to direct the use of and obtain the benefits from the goods or service. The standard is a replacement for IAS 18 Revenue and IAS 11 Construction contracts with related interpretations. The standard comes into effect for the financial year 2018, but early adoption is accepted. The group is currently evaluating the impact of IFRS 15.

Beyond this, there are no other standards or interpretations that have not entered into force that are expected to have a significant impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

Subsidiaries are companies where the group has a controlling interest. A controlling interest is normally achieved when the group owns, directly or indirectly, more than 50 per cent of the voting shares in the company, and the group is able to exercise actual control over the company. Subsidiaries are consolidated from the point in time when control is transferred to the group, and eliminated from consolidation when such control ends. There are a total of 24 subsidiaries in the group, operating in nine countries. See note 24 for a complete list of subsidiaries in the group.

The acquisition method of accounting is used for the acquisition of subsidiaries. The acquisition cost is measured as 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, independent of any minority interests. Direct costs associated with the acquisition are expensed when they incur.

All internal transactions, outstanding accounts and unrealised gains between group companies are eliminated. Unrealised losses are also eliminated unless the transaction establishes an impairment for the transferred asset. The accounting principles in subsidiaries are amended as required to achieve compliance with the group's accounting principles.

Transactions with non-controlling owners of subsidiaries are treated as equity transactions. In the event of an acquisition of shares from non-controlling owners, the

difference between the consideration and the share's proportionate share of the carrying amount of the net assets in the subsidiary is recognised through the equity of the parent company's owners. Gains or losses from the sale of non-controlling owners are recognised correspondingly through equity.

SEGMENT REPORTING

Segments are reported in the same manner as internal reporting to the group's highest decision-maker. The group's highest decision-maker, who is responsible for the allocation of resources to and the assessment of earnings in the operating segments, is defined as the corporate management.

FOREIGN CURRENCY TRANSLATION

a) Functional currency and presentation currency

The accounts of the individual entities in the group are measured in the currency that is used primarily in the economic area where the entity operates (functional currency). The functional currencies used are NOK, SEK, GBP, EUR, RON and IDR. The consolidated accounts are presented in Norwegian krone (NOK), which is both the functional and presentation currency for the parent company.

b) Transactions and balance sheet items

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

c) Group companies

In consolidation of the accounts of foreign subsidiaries, the income statement is translated into the presentation currency according to average exchange rates for the year. Balance sheet items are translated at the exchange rate in effect on the balance sheet date. Currency translation gains or losses resulting from differences in the exchange rates in effect on the balance sheet date compared with the rates in effect at the previous year-end are recognised directly in equity and specified separately.

In consolidation of differences from the translation of net investments in foreign business operations, these differences are recognised directly against equity. When

portions of a foreign operation are sold, the associated translation difference that was recognised directly in equity is recognised in the income statement as part of the gain or loss on the sale.

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

REVENUE RECOGNITION

Sales are recognised in the income statement when the revenue can be measured reliably, it is probable that the financial benefits attributable to the transaction will pass to the group and special criteria related to various forms of sale have been met. Reliable measurement of sales is not deemed possible until all the conditions linked to the sale have been fulfilled. The group bases its accounting estimates on historical data, an assessment of the type of customer and transaction, as well as any circumstances related to the individual transaction.

Rail

Rail projects vary from shorter projects of less than a month, to longer projects ranging over multiple years. All projects are accounted for as construction contracts.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer, and that are capable of being reliably measured.

The stage of completion is determined by measuring the construction provided to date in relation to the total agreed volume of construction in the project. In most instances, the degree of completion is based on measurable criteria, such as confirmations and/or milestones.

Geo

The sale of services is recognised in the income statement in the period in which the service was performed, based on the degree of completion of the transaction

in question. The degree of completion is determined by measuring the services provided in relation to the total agreed volume of services to be provided. During the period where a negative result is identified for a project, the estimated loss on the contract will be charged in whole. Work in progress represents the value of services performed in long-term projects, and the change in the work in progress is included under operating income.

The sale of licences is recognised in the income statement when the licences have been made available to the customer, and the risk related to the delivery has been transferred to the customer. In addition, the customer must have accepted the delivery as part of the contract, and the period for submitting complaints must have expired or documentation must exist that all the criteria related to the delivery have been met.

On the balance sheet, the group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at acquisition cost less accumulated depreciation and write-downs. Acquisition cost includes costs that are directly attributable to the acquisition of the assets. Subsequent expenditure is added to the carried amount for the value of the asset or carried separately on the balance sheet, when it is probable that the future economic benefits related to the expenditure will pass to the group, and that the expenditure can be reliably measured. Other repair and maintenance costs are recognised in the income statement in the period when the expenses are incurred.

Depreciation is calculated based on the straight-line method so that the cost price of the non-current asset, or the revalued or written-down value of the asset, is depreciated to the residual value over the expected life of the asset.

The economic life of the non-current assets and the scrap value are reviewed on the date of each balance sheet and adjusted as required. When the book value of the non-current asset is higher than the estimated recoverable amount, the value is written down to the recoverable amount. Gains and losses on disposals are presented as part of the operating profit/loss and calculated by comparing the sales price with the book value.

INTANGIBLE ASSETS

Goodwill is the difference between the cost of the

acquisition of a business and the fair value of the group's share of the net identifiable assets in the business at the time of the acquisition. Goodwill from the acquisition of subsidiaries is treated as an intangible asset. Goodwill is tested annually for impairment, and is recognised at acquisition cost less accumulated write-downs.

In order to evaluate whether there is a need to write down goodwill, goodwill is allocated to separate cash-generating units (CGU). Goodwill is allocated to the cash-generating units or groups of cash-generating units that may be expected to benefit from the acquisition.

The customer contracts were acquired as part of a business combination (see note 26 for details). They are recognised at their fair value at the date of acquisition and are subsequently amortised according to the straight-line method and on the basis of the timing of projected cash flows from the contracts over their estimated useful lives.

Patents and licences have a limited economic life and are carried at historical acquisition cost less amortisation. Patents and licences are amortised according to the straight-line method over their expected life (3-10 years).

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been delivered by suppliers in the ordinary course of business. Trade payables are classified as current if payment is due within one year or less. If this is not the case, then they are classified as non-current. Trade payables are measured at fair value when first carried. For subsequent measurement, the trade payables are recognised at amortised cost using the effective interest rate method.

GOVERNMENT GRANTS

Grants from the government are recognised at fair value when it is reasonably certain that the grant will be received and the group will satisfy all the conditions attached to the grant. Government grants relating to future costs are carried and recognised during the period that best matches the costs for which they are meant to compensate. Government grants relating to the purchase of property, plant and equipment are carried as deferred government grants under non-current liabilities and recognised in the income statement on a straight-line basis over the expected lives of the related assets.

LOANS

Loans are recognised at their fair value when they are disbursed, less any transaction costs. In subsequent periods, loans are recognised at their amortised cost, as calculated by means of the effective interest rate method. The difference between the loan amount disbursed (less

transaction costs) and the redemption value is recognised in the income statement over the term of the loan.

Loans are classified as current liabilities unless there is an unconditional right to defer payment of the debt by more than 12 months from the date of the balance sheet.

TRADE RECEIVABLES

Trade receivables are recognised at fair value. For subsequent measurement, trade receivables are assessed at their amortised cost by means of the effective interest rate method, less provisions for losses that have been incurred. Provisions for losses on trade receivables are recognised when there are objective indicators that the group will not receive settlement in accordance with the original terms. The amount of the write-down will be recognised in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank deposits and other short-term and readily negotiable investments with a maximum original maturity of three months. Overdraft facilities utilised are included under current liabilities on the balance sheet.

SHARE CAPITAL AND PREMIUMS

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

Payments for the purchase of treasury shares are recognised as a reduction in equity. A loss or gain is not recognised in the income statement for any purchase, sale, issue or cancellation.

TAX

The tax expense in the income statement encompasses the tax payable for the period and the change in deferred tax. Tax is usually recognised in the income statement, except when it is related to items that are recognised in other comprehensive income or directly in equity. Tax related to items recognised in other comprehensive income is also recognised in other comprehensive income, while tax related to equity transactions is recognised in equity.

The tax expense is calculated in accordance with the tax laws and regulations that have, or have essentially, been adopted by the tax authorities on the date of the balance sheet. It is the legislation in the countries where the group's subsidiaries or associates operate and generate taxable income that determine how the taxable income is calculated. The management evaluates the group's tax positions for each period with regard to situations

where the current tax laws are subject to interpretation. Provisions are made for projected tax payments based on the management's evaluations.

Deferred tax is calculated for all the provisional differences between the tax-related values and consolidated accounting values of assets and liabilities. If deferred tax arises upon the initial carrying of a liability or asset in a transaction that is not part of a business combination and does not affect either the reported or taxable profit/loss on the transaction date, it will not be carried on the balance sheet. Deferred tax is determined by means of the tax rates and tax laws that have been adopted or essentially adopted on the balance sheet date, which are assumed to apply when the deferred tax asset is realised or when the deferred tax is settled.

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

Deferred tax assets also include tax reduction claims which arise from the expected future utilisation of existing tax losses carried forward and which are likely to be realised. The recoverability of the tax reduction claims is assessed on the basis of each entity's estimated earnings which are derived from the group projections and take any tax adjustments into account.

PROVISIONS

The group recognises provisions in the accounts when there is a legal or self-imposed obligation to do so as a result of earlier events, there is a preponderance of evidence that the obligation will be settled by a transfer of economic resources, and the size of the obligation can be estimated with an adequate degree of reliability. Provisions are not made for future operating losses.

PENSION PLANS

The group companies have different pension plans. The pension plans are financed in general by payments to insurance companies or pension funds, as determined by periodic actuarial calculations. The group has both defined contribution and defined benefit plans. A defined contribution plan is a pension plan in which the group pays fixed contributions to a separate legal entity. The group does not have any legal or other obligation to pay additional contributions if this entity does not have sufficient funds to pay all employees benefits relating to their service in current and prior periods. The contributions are recognised as an employee benefit expense on a straight-line basis for the period in question. Contributions paid in

advance are recognised as an asset to the extent that the contribution can be refunded or reduce future payments.

A defined benefit plan is a pension plan that defines the pension payment an employee will receive when he/she retires. Pension payments are normally dependent on one or more factors such as age, years of service and salary level. The carried liability related to the defined contribution plans is the current value of the defined contributions at balance sheet date minus the fair value of the pension plan assets. The pension liability is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined contributions is determined by discounting the estimated future payments at the interest rate for a bond issued by a company with high creditworthiness in the same currency as that used for payment of contributions, with a term that is approximately the same as the term of the associated pension liability.

Gains or losses that arise from recalculation of the liability as a result of empirical deviations or changes in the actuarial assumptions are recognised in equity through other comprehensive income during the period when they arise.

The effect of changes to the plans' contributions is recognised immediately in other comprehensive income.

LEASES

Leases where a significant part of the risk does not lie with the lessee are classified as operating leases. Disbursements for operating leases (less any financial subsidies/contributions from the lessor) are recognised on a straight-line basis over the term of the lease.

Leases for property, plant and equipment where the group has the significant risk and control are classified as financial leases. Financial leases are carried on the balance sheet at the start of the lease at the lower of the fair value of the leased asset and the present value of the total minimum rent. Each rent payment consists of an interest element and a principal element. The interest element is recognised as a financial expense and the principal element reduces the liability. The interest expense is recognised in the income statement under financial items and is distributed over the lease period so that the interest rate on the residual liability is constant for each period. The leasing liability in question, less the interest expense, is classified under other non-current liabilities. Property, plant and equipment acquired through financial leases are depreciated over the shorter of the projected life of the asset or term of the leasing agreement.

NOTE 1: SEGMENT REPORTING

From 2015, the NRC Group's business operations are reported in two segments: Rail and Geo. Refer to note 26 for information on changes in the NRC Group's structure.

Activities in the different segments are carried out primarily through independent companies, and the distribution of revenues, expenses, assets and investments is based on the accounts of the individual companies.

The profit/loss per operating segment for 2015 is as follows:

(Amounts in NOK 1,000)

	Rail	Geo	Other / non-allocated	Total
Operating revenue	678,246	232,997	0	911,242
EBITDA	71,236	5,983	-39,332	37,887
Depreciation, amortisation & write-downs	14,542	11,621	182	26,345
Operating profit/loss	56,694	-5,638	-39,514	11,543
Net financial items	0	0	-5,880	-5,880
Profit/loss before tax	56,694	-5,638	-45,394	5,662
Taxes	0	0	41,934	41,934
Profit/loss from continuing operations	56,694	-5,638	-3,459	47,597
Profit/loss from discontinued operations	0	0	0	0
Profit/loss	56,694	-5,638	-3,459	47,597
Assets	1,093,506	118,762	148,983	1,361,251
Investments	532,153	18,819	0	550,972

The profit/loss per operating segment for 2014 is as follows:

(Amounts in NOK 1,000)

	Geo	Other / non-allocated	Total
Operating revenue	245,966	0	245,966
EBITDA	28,252	-14,543	13,709
Depreciation, amortisation & write-downs	-8,190	-17	-8,207
Operating profit/loss	20,062	-14,560	5,502
Net financial items	0	-987	-987
Profit/loss before tax	20,062	-15,547	4,515
Taxes	0	-729	-729
Profit/loss from continuing operations	20,062	-16,276	3,786
Profit/loss from discontinued operations	0	4,140	4,140
Profit/loss	20,062	-12,136	7,926
Assets	71,083	76,839	147,922
Investments	5,697	525	6,222

Assets allocated to segments consist primarily of property, plant and equipment, intangible assets including goodwill, work in progress and trade receivables. Other and non-allocated assets consist primarily of deferred tax assets and assets in the parent company. The parent company's operating expenses (primarily salaries and costs related to the head office) are not allocated to segments. Assets classified as held for sale and operations to be discontinued are not allocated to segments. Investments consist of the addition of goodwill and other intangible assets and property, plant and equipment. Non-allocated investments include investments in sold operations and operations under discontinuation or disposal.

Operating revenue, assets and investments per geographic segment:

(Amounts in NOK 1,000)

Operating revenue:	2015	2014
Norway	418,507	40,410
Sweden	362,987	33,745
Finland	38,663	31,707
UK	67,834	53,060
Other countries	23,252	87,044
Total operating revenue	911,242	245,966

(Amounts in NOK 1,000)

Assets:	2015	2014
Norway	315,336	27,608
Other Nordic countries	845,007	20,758
UK	31,222	17,861
Other countries	20,703	4,856
Total allocated assets	1,212,268	71,083
Assets classified as held for sale	0	4,199
Unallocated assets	148,983	72,640
Total assets	1,361,251	147,922

(Amounts in NOK 1,000)

Investments:	2015	2014
Norway	76,108	2,821
Other Nordic countries	468,000	1,472
UK	6,053	514
Other countries	810	890
Total allocated investments	550,972	5,697
Unallocated investments	0	525
Total investments	550,972	6,222

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

(Amounts in NOK 1,000)

	Buildings	Machinery, fixtures, etc.	Total
2015 financial year			
Book value as at 01.01.2015	39	19,909	19,948
Conversion differences	600	9,127	9,727
Acquisitions	38,470	68,441	106,911
Additions	6	22,349	22,355
Disposals/other movements	-19,875	925	-18,950
Assets held for sale	0	0	0
Depreciation for the year	-274	-19,124	-19,398
Book value as at 31.12.2015	18,965	101,628	120,593
As at 31 December 2015			
Acquisition cost	19,461	594,461	613,923
Accumulated depreciation	-496	-301,415	-301,911
Accumulated write-downs	0	-191,419	-191,419
Book value as at 31.12.2015	18,965	101,628	120,593

(Amounts in NOK 1,000)

	Buildings	Machinery, fixtures, etc.	Total
2014 financial year			
Book value as at 01.01.2014	52	20,584	20,636
Conversion differences	-30	2,113	2,083
Additions	30	5,614	5,644
Disposals/other movements	0	-473	-473
Assets held for sale	0	-198	-198
Depreciation for the year	-13	-7,731	-7,744
Book value as at 31.12.2014	39	19,909	19,948
As at 31 December 2014			
Acquisition cost	261	493,619	493,880
Accumulated depreciation	-222	-282,291	-282,513
Accumulated write-downs	0	-191,419	-191,419
Book value as at 31.12.2014	39	19,909	19,948

NOTE 3: INTANGIBLE ASSETS

(Amounts in NOK 1,000)

	Goodwill	Patents licences and similar rights	Total
2015 financial year			
Book value as at 01.01.2015	0	482	482
Conversion differences	40,920	2,799	43,720
Acquisitions	492,902	41,093	533,995
Additions	0	433	6,064
Disposals / other movements	0	0	0
Assets held for sale	0	0	0
Amortisation for the year	0	-6,946	-6,946
Book value as at 31.12.2015	533,822	37,861	571,683
As at 31 December 2015			
Acquisition cost	835,729	101,228	936,957
Accumulated amortisation	0	-33,970	-33,970
Accumulated write-downs	-301,907	-29,397	-331,304
Book value as at 31.12.2015	533,822	37,861	571,683

(Amounts in NOK 1,000)

	Goodwill	Patents licences and similar rights	Total
2014 financial year			
Book value as at 01.01.2014	0	684	684
Conversion differences	0	-297	-297
Additions	0	577	577
Disposals / other movements	0	-221	-221
Assets held for sale	0	-25	-25
Amortisation for the year	0	-236	-236
Book value as at 31.12.2014	0	482	482
As at 31 December 2014			
Acquisition cost	301,907	56,660	358,567
Accumulated amortisation	0	-26,781	-26,781
Accumulated write-downs	-301,907	-29,397	-331,304
Book value as at 31.12.2014	0	482	482

Write-down test for goodwill and other intangible assets, and property, plant and equipment

As a result of the acquisition of NRC Rail Norge AS and Svensk Järnvägsteknik AB in the second quarter of 2015, and the acquisitions of Elektrobyggnad Sverige AB, Litz Entreprenad AB and Segermo AB in the fourth quarter of 2015, intangible assets of NOK 487 million related to acquisitions were recognised. The opening balances for the companies included goodwill of NOK 6 million.

Goodwill originating from acquisitions made from 2004 to 2007 was written down to zero in 2011. The write-downs were necessary due to general weak macroeconomic conditions in the markets of the NRC Group's Geo division which negatively impacted projected cash flows.

The write-down tests are further discussed in note 22.

NOTE 4: WORK IN PROGRESS

Work in progress includes accrued, non-invoiced work on long-term projects of NOK 114.3 million in 2015 and NOK 25 million in 2014.

NOTE 5: TRADE RECEIVABLES AND OTHER RECEIVABLES

(Amounts in NOK 1,000)

	2015	2014
Trade receivables	204,419	26,214
Provisions for expected losses	-625	-75
Net trade receivables	203,794	26,139
Prepayments	12,302	8,433
Other current receivables	28,964	7,799
Total other current receivables	41,266	16,232
Total current receivables	245,060	42,371

Movement in provisions for expected losses on trade receivables:

(Amounts in NOK 1,000)

	2015	2014
As at 1 January	75	2,600
Discontinued operations	0	-2,525
Change in provisions for expected losses	550	42
Realised losses for the year	0	-42
Reversal of unused amounts	0	0
As at 31 December	625	75

As at 31 December 2015, the provisions for expected losses on trade receivables were NOK 625,000 (2014: NOK 75,000).

Other current receivables include prepaid government fees and taxes.

Age distribution of the NRC Group's trade receivables:

(Amounts in NOK 1,000)

	2015	2014
Trade receivables not due for payment	159,495	22,104
Up to 30 days	31,244	2,532
Between 30 and 90 days	5,344	796
Over 90 days	7,712	707
Total receivables due for payment	44,300	4,035
Total trade receivables	203,794	26,139

Recognised value of the NRC Group's trade receivables and other receivables by currency:

(Amounts in NOK 1,000)

	2015	2014
NOK	77,193	17,513
SEK	129,916	5,718
GBP	8,644	10,781
EUR	17,322	5,070
Other currencies	11,986	3,289
Total current receivables	245,060	42,371

NOTE 6: CASH AND CASH EQUIVALENTS

(Amounts in NOK 1,000)

	2015	2014
Cash	246,115	47,910
Restricted cash	12,114	3,490
Total cash and cash equivalents	258,229	51,400

Restricted cash includes the employees' tax withholdings and cash deposits for portions of the company's bank guarantees.

Cash and cash equivalents per currency:

	2015	2014
NOK	121,010	31,380
SEK	118,795	5,266
GBP	5,437	5,840
EUR	8,041	4,710
Other currencies	4,945	4,204
Cash and cash equivalents	258,229	51,400

NOTE 7: PENSIONS

The pension obligations recognised apply to the employees (in total 74) in the subsidiary Nusantara in Indonesia. The defined benefit pension plan for the former CEO in NRC Group ASA was settled at the beginning of 2015, when he resigned from his position. The other pension plans are defined contribution pension plans and premium payments are expensed as incurred.

(Amounts in NOK 1,000)

	2015	2014
Book value of obligation:		
Pension benefits	5,306	4,348
	5,306	4,348
Cost charged to the income statement (note 12):		
Defined benefit pension plans	1,711	104
Defined contribution pension plans	6,169	2,161
Pension expense	7,880	2,265
Impact of recalculation of obligation charged to other comprehensive income:		
Defined benefit pension plans	-89	-853
Pension benefits:		
The amounts recognised in the balance sheet are as follows:		
Present value of accrued pension obligations for defined benefit plans in fund-based schemes	0	7,451
Fair value of pension assets	0	-7,491
	0	-40
Present value of obligation for non-fund-based schemes	5,306	4,388
Net pension obligations on the balance sheet	5,306	4,348

Changes in the defined benefit pension obligations during the year:

(Amounts in NOK 1,000)

	Present value of the obligation	Fair value of pension assets	Total
1 January 2014	14,515	-11,282	3,233
Value of pension benefits for the year	1,019	0	1,019
Interest expenses/(income)	748	-291	457
	1,767	-291	1,476
Effect of recalculation	917	-64	853
Conversion differences	600	0	600
Discontinuation / settlement	-5,517	4,415	-1,372
Paid to the pension plans	0	0	0
Paid from the pension plans	-442	0	-442
31 December 2014	11,840	-7,492	4,348

(Amounts in NOK 1,000)

	Present value of the obligation	Fair value of pension assets	Total
1 January 2015	11,840	-7,492	4,348
Value of pension benefits for the year	375	0	375
Interest expenses/(income)	359	0	359
	734	0	734
Effect of recalculation	89	0	89
Conversion differences	177	0	177
Discontinuation / settlement	-7,452	0	40
Paid to the pension plans	0	0	0
Paid from the pension plans	-82	0	-82
31 December 2015	5,306	0	5,306

Economic assumptions:	2015	2014
Discount rate	8.75 %	2.30 - 8.50 %
Annual salary inflation	10.00 %	2.75 - 10.0 %
Annual pension regulation		2.50 - 3.00 %

For Blom Nusantara (Indonesia), assumptions that are in accordance with local circumstances are applied, as indicated in the table above.

The mortality assumptions are based on published statistics and experience in each individual country.

Average life expectancy in Norway (number of years) on the date of the balance sheet for a person who retires when he/she reaches the age of 65 in 2014 was 23 years for women and 20 years for men.

The capital in the fund-based pension plan in Norway was – up until the discontinuation / settlement – managed by a company that invested the capital within the regulations that apply to life insurance companies. The actual return on the pension assets was NOK 291,000 in 2014.

NOTE 8: LOANS AND OTHER NON-CURRENT LIABILITIES

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

(Amounts in NOK 1,000)

	2015	2014
Non-current liabilities:		
Financial leasing	17,432	678
Other non-current liabilities	144,655	299
Total non-current liabilities	162,088	977
Current interest-bearing liabilities:		
Financial leasing	14,117	490
Other financing	73,724	158
Other current interest-bearing liabilities	87,841	648

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

The effective interest rate on the balance sheet date was as follows:

2015	NOK	SEK
Financial leasing	3.0 % - 7.10 %	2.7 % - 8.7 %
Other interest-bearing liabilities	3 month NIBOR + 2.50 % - 2.75 %	2.5 % - 5.0 %

2014	NOK	SEK
Financial leasing	5.5 %	3.6 %
Other interest-bearing liabilities	4.8 %	

Book value of non-current liabilities and current interest-bearing liabilities:

(Amounts in NOK 1,000)

	2015	2014
NOK	57,674	1,029
SEK	192,254	0
Other currency	0	596
Total non-current liabilities and current interest-bearing liabilities	249,928	1,625

The maturity structure of the NRC Group's current and non-current interest-bearing liabilities is as follows:

(Amounts in NOK 1,000)

	2016	2017	2018	2019	2020	2021->
Financial leasing	14,117	5,908	4,110	2,926	2,096	2,393
Other liabilities	73,724	57,867	62,643	21,003	1,175	1,967
Total	87,841	63,776	66,753	23,929	3,271	4,360

The company's term facility and revolving facility with DnB Bank ASA comprise standard market terms and covenants, including restrictions on payments on dividends, investments above a certain basket amount and covenants relating to leverage ratio and interest coverage.

NOTE 9: TAX

Deferred tax is reported net if the group has a legal right to offset deferred tax assets against deferred tax on the balance sheet and if the deferred tax is owed to the same tax authority. The following amounts have been recognised net:

(Amounts in NOK 1,000)

	2015	2014
Deferred tax assets:		
Deferred tax assets that reverse after more than 12 months	-42,992	0
Deferred tax assets that reverse within 12 months	0	0
Deferred tax assets as at 31 December	-42,992	0
Deferred tax:		
Deferred tax that reverse after more than 12 months	27,600	26
Deferred tax that falls due for payment within 12 months	0	0
Deferred tax as at 31 December	27,600	26
Net deferred tax	-15,392	26
Change in deferred tax:		
Book value as at 1 January	26	899
Foreign currency translation	1,732	-169
Acquisitions	25,413	0
Recognised in the income statement during the period	15,437	73
Not previously recognised deferred tax asset	-58,000	0
Assets held for sale	0	-777
Book value as at 31 December	-15,392	26

Change in deferred tax asset and deferred tax (without net recognition within same tax regime):

(Amounts in NOK 1,000)

	Operating assets	Projects	Intangible assets	Total
Deferred tax:				
1 January 2014	0	899	0	899
Assets held for sale	0	-777	0	-777
Recognised during the period	0	73	0	73
Foreign currency differences	0	-169	0	-169
31 December 2014	0	26	0	26
Assets held for sale	0	0	0	0
Acquisitions	2,963	11,327	10,656	32,091
Recognised during the period	1,244	4,012	-2,144	15,437
Foreign currency differences	610	0	0	2,021
31 December 2015	4,817	15,365	8,512	49,575

(Amounts in NOK 1,000)

	Tax losses carried forward	Operating assets	Total
Deferred tax asset:			
1 January 2014	0	0	0
Recognised during the period	0	0	0
31 December 2014	0	0	0
Acquisitions	-6,678	0	-6,678
Recognised during the period	-58,000	0	-58,000
Foreign currency differences	-289	0	-289
31 December 2015	-64,967	0	-64,967

The deferred tax assets related to tax losses carried forward are recognised when it is probable that the group can apply this against future taxable income, primarily related to the companies in the Rail division. The table below shows that most of the tax losses carried forward expire after 2020 (or that there is no expiry date linked to the right to carry forward). The deferred tax assets related to tax losses carried forward that are not recognised on the balance sheet totalled NOK 81 million as at 31 December 2015 and NOK 106 million as at 31 December 2014. Deferred tax assets that are not recognised relate primarily to tax losses carried forward in NRC Group ASA (NOK 61.4 million), Blom Geomatics (NOK 7 million) and the British subsidiary (NOK 7.4 million) (all Geo division). Reference is also made to note 22.

(Amounts in NOK 1,000)

	Amount
Expiry dates for tax losses carried forward:	
2016	0
2017	0
2018	0
2019	0
2020	3,386
Later than 2020	1,780
No restrictions	584,882
Total tax losses carried forward	590,048

(Amounts in NOK 1,000)

	2015	2014
Tax expense:		
Tax payable	629	656
Change in deferred tax	-42,563	73
	-41,934	729

The tax expense deviates from the amount that would have been reported if the nominal tax rates in the different countries were applied. The difference can be explained as follows:

(Amounts in NOK 1,000)

	2015	2014
Result before tax	5,663	6,458
Tax calculated at the tax rate of the various countries	1,359	1,850
Non-tax-deductible expenses / non-taxable income	-422	-500
Tax losses recognised as an expense, or not on the balance sheet	15,129	2,366
Utilisation of previously unrecognised tax losses carried forward	-58,000	-2,987
Tax expense	-41,934	729

The weighted average tax rate was -740 per cent in 2015 (2014: 11.3 per cent).

The following tax rates apply in the various countries in 2015:

Norway 27 per cent, Sweden 22 per cent, Finland 20 per cent, UK 22 per cent and Romania 16 per cent.

NOTE 10: OTHER CURRENT LIABILITIES

(Amounts in NOK 1,000)

	2015	2014
Prepayments	66,029	8,336
Holiday pay etc. for employees	31,984	10,626
Project costs	55,172	1,561
Other current liabilities	18,473	10,025
	171,658	30,548

NOTE 11: PLEDGED ASSETS AND SECURITY

Bank guarantees totalling NOK 44.3 million have been facilitated in connection with projects in the Rail division, and NOK 1.6 million has been facilitated by the company in connection with property lease guarantees. In connection with the sale of property in Tønsberg in 2007, NRC Group ASA together with Scanrope Holding AS have guaranteed that Scan Subsea ASA will pay its rent up to 21 August 2025. Scan Subsea ASA was acquired in 2007 by the NYSE listed company Parker Hannifin Corporation.

NOTE 12: SALARIES AND PERSONNEL COSTS

(Amounts in NOK 1,000)

	2015	2014
Salaries	174,639	83,958
Employer's contribution	30,161	16,961
Pension costs	8,405	2,265
Other personnel costs	8,407	4,735
	221,612	107,919

Pension costs include both defined benefit and defined contribution pension plans. As of 31 December 2015, NRC Group had a total of 661 employees, compared to 419 employees as of 31 December 2014.

NOTE 13: OTHER OPERATING AND ADMINISTRATIVE EXPENSES

(Amounts in NOK 1,000)

	2015	2014
Travel expenses	3,552	2,220
Rent and other office expenses	14,892	9,891
External services	31,462	5,424
Other operating and administrative expenses	43,911	11,051
Total	93,816	28,586

External services and other operating and administrative expenses in 2015 include NOK 22 million in transaction costs related to the acquisitions of NRC Rail Norge, Svensk Järnvägsteknik, Litz, Elektrobyggnad and Segermo and non-recurring items of NOK 12 million.

NOTE 14: FINANCIAL INCOME AND EXPENSES

(Amounts in NOK 1,000)

	2015	2014
Interest and other financial income	868	241
Interest and other financial expenses	-6,253	-1,916
Net foreign currency gains/(losses)	-196	688
Net financial items	-5,880	-987

NOTE 15

Property, plant and equipment acquired through financial leases include the following:

(Amounts in NOK 1,000)

	2015	2014
Acquisition cost	63,076	21,702
Accumulated depreciation	-26,730	-20,534
Book value as at 31 December	36,346	1,168

The present value of obligations related to financial leases slightly deviates from the carried amount. Financial leases encompass the leasing of sensors and IT-related equipment. The duration of the agreements is from three to seven years. The leasing agreements have a floating interest rate.

The company entered into a 48-month leasing agreement in January 2015 for a laser sensor. The facility required a cash contribution from the company and has been granted on market terms, and is subject to an interest rate consisting of the standard interest rate benchmark for the currency and a margin.

NOTE 16: OPERATING LEASES AND CAPITAL COMMITMENTS

Minimum future leasing payments related to operating leases are as follows:

(Amounts in NOK 1,000)

	2015	2014
Maturity within 1 year	10,018	7,086
Maturity between 1 and 5 years	8,421	4,961
Maturity after more than 5 years	0	0
	18,439	12,047

The operating leases encompass the leasing of vehicles, offices, sensors and IT-related equipment. The duration of the agreements is from three to five years, and most are renewable at the market rate when they expire.

In December 2015, Svensk Järnvägsteknik AB signed a contract for a levelling, lifting, lining and tamping machine for delivery in 2017. The total amount is EUR 6.2 million. The payments will be divided into three equal instalments as follows; 3 January 2016, 30 June 2016 and upon delivery.

NOTE 17: SHARE CAPITAL AND SHAREHOLDER INFORMATION

NRC Group ASA has one class of shares, and there were 34,944,483 shares each issued with a nominal value of NOK 1.00 at the end of 2015. Share capital as of 31 December 2015 totalled NOK 34,944,483.

At the company's general meeting on 28 May 2015 the Board of Directors was granted an authorisation to acquire shares in NRC Group ASA for up to NOK 2,263,598.50. At the same meeting and in connection with the completion of the acquisition of NRC Rail Norge AS, the general meeting resolved to increase the share capital of the company by NOK 9,674,197, through the issue of 9,674,197 new shares. Furthermore, at the same meeting, it was resolved to increase the company's share capital by NOK 2,891,139 through the issue of 2,891,139 new shares to the existing shareholders of Svensk Järnvägsteknik AB.

At the company's extraordinary general meeting on 10 August 2015, it was resolved to increase the share capital through a private placement by issuing 3,111,111 new shares each with a nominal value of NOK 1. It was also decided to authorise the Board of Directors to increase the share capital of the company by up to NOK 370,370, through the issue of up to 370,370 new shares in a subsequent offering. Moreover, it was resolved to issue shares to the sellers of Litz Entreprenad AB and Elektrobyggnad AB by increasing the company's share capital by up to NOK 1.8 million, through the issue of up to 1,800,000 new shares. Lastly, the Board of Directors was authorised to increase the share capital by a maximum of NOK 2.8 million.

At the company's extraordinary general meeting on 2 December 2015, it was resolved to increase the share capital increase through a private placement by issuing 1,605,000 new shares, and to authorise the Board of Directors to issue up to 375,000 new shares in a subsequent offering. The Board of Directors was also authorised to increase the share capital of the company by up to NOK 2.8 million through the issue of up to 2,800,000 new shares to acquire the company Segermo Entreprenad AB. The general meeting also granted a new, general authorisation for the Board of Directors to issue shares to increase the share capital by a maximum of NOK 7 million.

TREASURY SHARES

At the end of the year, the company owned 146,452 shares corresponding to 0.42 per cent of the total number of outstanding shares. The Board of Directors has a mandate to acquire treasury shares.

OWNERSHIP STRUCTURE

The number of shareholders as of 31 December 2015 was 2,050 compared with 1,754 as of 31 December 2014. The percentage of issued shares held by foreign shareholders was 32.3 per cent compared with 0.41 per cent at year-end 2014.

NRC Group's 20 largest shareholders as at 31 December 2015:

Shareholder	No. of shares	%
1 DATUM AS	5,100,000	14.6 %
2 URBEX INVEST AS	4,846,828	13.9 %
3 SWEDBANK AB (PUBL)	4,053,030	11.6 %
4 DANSKE BANK A/S	2,861,208	8.2 %
5 NORDEA BANK AB (PUBL)	1,961,318	5.6 %
6 CHARLOTTE HOLDING AS	1,928,008	5.5 %
7 DNB NOR MARKETS, AKSJEHAND/ANALYSE	1,850,001	5.3 %
8 SOGN INVEST AS	1,286,046	3.7 %
9 ARCTIC FUNDS PLC	701,187	2.0 %
10 GRANSHAGEN INVEST AS	601,007	1.7 %
11 HOLMEN SPESIALFOND	540,000	1.5 %
12 VERDIPAPIRFONDET ALFRED BERG GAMBA	512,568	1.5 %
13 KRAG INVEST AS	400,000	1.1 %
14 SORA AS	385,000	1.1 %
15 MEITNER AS	354,358	1.0 %
16 MP PENSJON PK	325,365	0.9 %
17 J.P. MORGAN CHASE BANK N.A. LONDON	300,000	0.9 %
18 BUSTEIN AS	300,000	0.9 %
19 AAMOT	281,173	0.8 %
20 THE BANK OF NEW YORK MELLON	274,765	0.8 %
Total 20 largest shareholders	28,861,862	82.6 %
Others	6,082,621	17.4 %
Total shareholders	34,944,483	100.0 %

Shares held by members of the Board of Directors and CEO:

	No. of shares as at 31.12.2015
Helge Midttun Chairman of the Board of Directors	0
Brita Eilertsen Board member	0
Kjersti Kanne Board member	1,500
Kristian Lundkvist Board member	0
Harald Arnet Board member	0
Øivind Horpestad CEO	0

Datum AS, related party to Harald Arnet	5,100,000 shares
Charlotte Holding AS, related party to Øivind Horpestad	1,928,008 shares
Urbex Invest AS, related party to Kristian Lundkvist	4,846,828 shares
Visento AS, related party to Helge Midttun	100,000 shares
Haadem Invest AS, related party to Brita Eilertsen	35,000 shares

NOTE 18: EARNINGS AND DILUTED EARNINGS PER SHARE:

The diluted earnings per share in 2015 are calculated by dividing the disposable profit/loss for the year by the weighted average of ordinary shares issued throughout the year, less the company's treasury shares. For information on the development of the company's share capital, see the section titled "Information on shares in NRC Group".

	2015	2014
Earnings per share:		
From continuing operations	2.46	0.39
From discontinued operations	0.00	0.43
From annual profit/loss	2.46	0.82
Diluted earnings per share:		
From continuing operations	2.46	0.39
From discontinued operations	0.00	0.43
From annual profit/loss	2.46	0.82
Profit/loss for the year from continuing operations (in NOK '000)	47,597	3,786
Profit/loss for the year from discontinued operations (in NOK '000)	0	4,140
Profit/loss for the year (in NOK '000)	47,597	7,926
Weighted average of number of shares issued	19,354,289	9,675,252
Diluted shares	0	0
Number conversion shares excluded from diluted EPS	0	0

NOTE 19: EXECUTIVE PERSONNEL

Pursuant to Section 6-16a of the Public Limited Companies Act, the Board of Directors' shall prepare a separate statement concerning the adoption of salaries and other remuneration of the CEO and executive personnel. Pursuant to Section 5-6 of the Public Limited Companies Act, the general meeting shall hold a consultative vote on the Board of Directors' guidelines for salary stipulation for the next financial year. If the guidelines include share-based payment schemes, then such schemes also require the approval of the general meeting. The Board of Directors recommended the following guidelines, which were subject to a consultative vote at the general meeting in 2015:

DECLARATION REGARDING STIPULATION OF SALARY AND OTHER REMUNERATION OF EXECUTIVE PERSONNEL

Guidelines for 2015

The company's executive personnel are paid a fixed salary that reflects the employee's education, experience and professional qualifications. It is important that remuneration is at a level that allows the company to attract the best qualified persons to the company's key positions.

In addition to their base salary, some executive personnel may receive a variable bonus of up to 30 per cent of their gross annual salary. The size of the bonus paid to the individual employees will be dependent in part on the achievement of individual targets and in part on the performance of the company. The targets for the CEO are set by the Board of Directors. The CEO has established targets for executive personnel.

Executive personnel receive free telephone, mobile phone, Internet and newspapers as benefits in kind. Executive personnel are members of the company's defined contribution pension scheme in the same manner as other employees. NRC Group believes that the company's performance-based bonus agreements with executive personnel have a motivating effect and are in the best interests of the company and its shareholders.

The company does not currently have any agreements with executive personnel concerning the allocation of shares, subscription rights, options and other forms of remuneration linked to shares or the performance of the company's shares or shares in other companies within the group. The Board of Directors will, however, continuously consider incentive schemes that are appropriate to secure qualified management for the company, including the use of various share option schemes.

Executive remuneration policy implemented for 2015

The remuneration of executive personnel in 2015 has been in accordance with the declaration that was presented to the general meeting in 2015.

EXECUTIVE PERSONNEL

Salary and other remuneration of executive personnel in 2015:

(Amounts in NOK 1,000)

Navn	Position	Period	Basic salary	Accrued bonus	Deposit paid coll. pension	Agreed severance pay
Dirk Blaauw	CEO	01.01-26.03	787,500	0	36,330	18 months
Nils Karbø	CEO	27.03-19.06	300,000	0	10,829	
Lennart Flem	CEO	20.06-31.12	780,000	150,000	15,375	

NOK 1,122,000 was charged against income in 2015 for the early retirement pension scheme for former CEO Dirk Blaauw. Dirk Blaauw resigned from the company in March 2015 and received a payment of NOK 4,000,000 as part of the severance agreement. The early retirement pension scheme for Dirk Blaauw was accordingly terminated and settled.

Salary and other remuneration of executive personnel in 2014:

(Amounts in NOK 1,000)

Navn	Position	Basic salary	Accrued bonus	Other taxable assets	Deposit paid coll. pension	Agreed severance pay
Dirk Blaauw	CEO	3,150,000	0	181,843	65,185	18 months' salary

NOK 757,655 was charged against income in 2014 for the early retirement pension scheme for CEO Dirk Blaauw, and the gross pension obligation was NOK 7,451,957. Including the pension assets, the scheme is over-financed by NOK 40,000 as of 31 December 2014. The pension right applies from the age of 62.

The assumptions made for the pension obligations are a return of 3.20 per cent, discount rate of 2.30 per cent, projected National Insurance base amount (G) adjustment of 2.50 per cent and wage inflation of 2.75 per cent.

BOARD OF DIRECTORS

Remuneration of the Board of Directors is stipulated by the general meeting. Provisions totalling NOK 1,125,000 have been allocated in the accounts for 2014 for the remuneration of the Board of Directors for the period from 22 May 2014 to the annual general meeting in 2015. The remuneration breaks down into NOK 450,000 for the Chairman of the Board of Directors and NOK 225,000 for other board members.

At the annual general meeting of 28 May 2015, remuneration of the Chairman of the Board of Directors was adopted at a figure of NOK 500,000, and NOK 250,000 for other board members.

The following provisions have been made for remuneration of the Board of Directors for the period from 22 May 2014 until the annual general meeting in 2015:

(Amounts in NOK 1,000)

Trygve Bruland	450,000
Siv Staubo	225,000
Kristian Gjertsen Lundkvist	225,000
Birgitte Ellingsen	225,000
Total	1,125,000

The following provisions have been made for remuneration of the Board of Directors for the period from 28 May 2015 until 31 December 2015:

(Amounts in NOK 1,000)

Helge Midttun	75,000
Kristian Lundkvist	325,000
Brita Eilertsen	200,000
Harald Arnet	200,000
Kjersti Kanne	200,000
Total	1,000,000

NOTE 20: AUDITOR

Auditor fees amounted to NOK 1,323,000 for 2015 (2014: NOK 857,000). The company also paid fees for other certification services (including statements related to share capital increases and scheduled control procedures) of NOK 2,254,100 (2014: NOK 0). In addition, there were tax consulting fees (including technical assistance with tax papers and guidance concerning tax questions) totalling NOK 309,000 (2014: NOK 140,000) and other services totalled NOK 2,557,000 (2014: NOK 393,000). The amounts listed are exclusive of VAT.

NOTE 21: FAIR VALUE OF ASSETS AND LIABILITIES, AND FINANCIAL ASSETS PER CATEGORY

There are no differences between the fair value and book value of assets and liabilities.

Financial instruments per category:

(Amounts in NOK 1,000)

2015	Lending and receivables	Non-financial assets	Total
Assets			
Non-current financial assets	8,393	0	8,393
Trade receivables	203,794	0	203,794
Other current receivables	28,963	12,302	41,265
Cash and cash equivalents	258,229	0	258,229
Total	499,379	12,302	511,681

(Amounts in NOK 1,000)

2015	Financial liabilities at amortised cost	Non-financial liabilities	Total
Liabilities			
Non-current liabilities	195,094	0	195,094
Interest-bearing current liabilities	87,841	0	87,841
Trade payables	134,477	0	134,477
Other current liabilities	105,629	66,029	171,658
Total	523,041	66,029	589,070

(Amounts in NOK 1,000)

2014	Lending and receivables	Non-financial assets	Total
Assets			
Non-current financial assets	4,538	0	4,538
Trade receivables	26,139	0	26,139
Other current receivables	7,799	8,433	16,232
Cash and cash equivalents	51,400	0	51,400
Total	89,876	8,433	98,309

(Amounts in NOK 1,000)

2014	Financial liabilities at amortised cost	Non-financial liabilities	Total
Liabilities			
Interest-bearing current liabilities	648	0	648
Trade payables	19,526	0	19,526
Other current liabilities	22,212	8,336	30,548
Total	42,386	8,336	50,722

Non-financial assets and liabilities include shares in other companies and advance payments.

NOTE 22: IMPORTANT ACCOUNTING ESTIMATES AND DISCRETIONARY ASSESSMENTS

Estimates and discretionary assessments are evaluated continuously and based on historical experience and other factors, including expectations of future events that are regarded as probable under the current circumstances. The company prepares estimates and makes assumptions concerning the future. The accounting estimates that are made as a result of this will rarely coincide in full with the final outcome. The most important valuation items are discussed below.

ACCRUALS AND VALUE CREATION IN PROJECTS

The company's business consists largely of execution of projects. The company applies a continuous clearing method (percentage of completion) for its project assessments, based on an estimated outcome and completion. The reporting of recurring income entails uncertainty as this is based on estimates and judgments. For projects in progress, the uncertainty can be linked to the progress of ongoing work, disputes, warranties, end results, etc. For completed projects, there is uncertainty regarding hidden defects and malfunctions, as well as any disputes with the client. The estimates underlying the accounts are based on uniform principles and are subject to audit procedures to ensure reliable measurement of project results and progress. The complexity and scope of projects carry an inherent risk that the final results may differ from expected results.

RECOGNITION OF PROJECT INCOME

Project income is recognised in accordance with the continuous clearing method. This method requires that the company make discretionary assessments concerning the percentage of the total project delivered on the date of the balance sheet.

As of 31 December 2015, the company has carried NOK 114.3 million in work in progress. Work in progress has been recognised, but not invoiced to the customer as of 31 December 2015. If the percentage of services delivered on the balance sheet date in relation to the total services delivered were to deviate by 10 per cent from the management's estimate, the revenue for the year would change by NOK 5-15 million.

GOODWILL AND OTHER INTANGIBLE ASSETS

The company performs annual tests to assess the impairment of goodwill and intangible assets. In the impairment test, the book value measured against the recoverable amount from the CGU (cash-generating unit) asset is allocated. The recoverable amount from cash-generating units is determined by calculating its value in use. These calculations require the use of estimates. The present value of the cash flow from cash-generating units exceeds the book value of non-current assets and net working capital. Reference is also made to the list of non-current assets in note 2. The test makes use of cash flow prognoses before tax based on the 2016 budget that has been approved by the Board of Directors. Different growth assumptions have been used to reflect the projected market performance and a weighted average cost of capital (WACC) of 7.7 per cent before tax.

- If the WACC was to randomly be increased by 1 percentage point to 8.7 per cent, the testing of property, plant and equipment would not entail any write-down requirement for either of the two CGUs.
- If the growth in terminal value from 2016 and beyond were to be reduced from 0 to -1 per cent, the testing of property, plant and equipment would not entail any write-down requirement for either of the two CGUs.

Recognised goodwill in the company is described in notes 3 and 4. The book value of property, plant and equipment is deemed justifiable within various growth scenarios and with a satisfactory and rational change in the required rate of return.

DEFERRED TAX ASSET

The company is taxed for income in several different jurisdictions. The use of discretion is required to determine the income tax for all these countries and state this as one figure in the consolidated accounts. For many transactions and calculations, there will be uncertainty related to the ultimate tax liability. As a consequence of the company's positive development subsequent to the acquisition of companies within the Rail segment in Norway and Sweden in 2015, in addition to a major order reserve at 31 December 2015, new contracts in January to March 2016 and the opportunity to harmonise taxes in the group, an assessment has been performed where the conclusion is that it is reasonable to activate a deferred tax asset of NOK 58 million. The company retains further losses carried forward that have yet to be recognised. Any such potential impending recognition is aligned with estimates and assumptions concerning the future tax position of the company.

PROPERTY, PLANT AND EQUIPMENT

The company performs annual tests to assess the value of property, plant and equipment. Due to mutual cash flow dependency between the company's legal entities within each operating division, the company is regarded as having two cash-generating units (CGUs), and assets in the company are allocated to these CGUs. The recoverable amount from these CGUs is calculated on the basis of the value determined for the asset by computing its utility value. These calculations require the use of estimates. The company prepares estimates and makes assumptions concerning the future. Accounting estimates compiled will per definition seldom equal the final outcome. Estimates and assumptions that represent a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

PROVISIONS FOR RECEIVABLES

The provisions for receivables are based on the management's discretionary assessment of potential future losses on trade receivables. The company's customers are primarily municipalities or government agencies, or companies or institutions where municipalities or government agencies have a dominant influence. The company considers the risk of potential future losses from this type of customer to be very low.

As at 31 December 2015, the company has provisions of NOK 0.6 million for potential future losses on specific trade receivables. If, upon realisation, any losses were to deviate by 10 per cent from the management's estimate, the realised losses in relation to the provisions would change by approximately NOK 0.1 million.

NOTE 23: FINANCIAL RISK

The company's activities involve various types of financial risk: market risk (currency and interest rate), credit risk, liquidity risk and risk related to asset management. The company has a central finance department to carry out risk management, in close cooperation with the subsidiaries. The purpose of risk management is to minimise any potentially negative impact on the company's financial results.

MARKET RISK

a. Currency risk

The company is to a certain degree exposed to fluctuations in foreign exchange rates, since substantial revenues are in foreign currencies other than NOK, primarily SEK. The company has operative subsidiaries in four European countries, and both divisions of the company have subsidiaries which use SEK as functional currency, while the remaining subsidiaries use three different functional currencies.

The company focuses on reducing any foreign currency risk associated with cash flows, and on reducing the foreign currency risk associated with assets and liabilities. The subsidiaries in general have revenue and expenses in the same currency, and this substantially reduces the company's cash flow exposure to a single currency. The finance department carries out assessments of the need for any hedging of currency risk in cash flows. In 2015, the company did not find it necessary to hedge cash flows against currency risk.

Net foreign exchange gains totalled NOK 0.2 million in 2015 (2014: NOK 0.7 million).

The company has certain investments in foreign subsidiaries, whose net assets are exposed to foreign currency translation risk. The currency translation difference on equity as at 31 December 2015 totalled NOK 5 million (2014: NOK -24 million).

The SEK/NOK rate of exchange as at 31 December 2015 was 0.96, while the average of the monthly rates used to translate the income statement was 0.92.

If the SEK/NOK rate of exchange had been 8.75 per cent stronger as at 31 December 2015 and all other variables were constant, this would have given a profit after tax that was NOK 3.8 million higher. The change is attributed primarily to foreign exchange gains in connection with the translation of trade receivables, inventories and short-term interest-bearing debt.

If the EUR/GBP exchange rate had been 5.0 per cent stronger as at 31 December 2015 and all other variables were constant, this would have given a profit after tax that was NOK 0.8 million higher. The change is attributed primarily to a foreign exchange gain in connection with the translation of trade receivables and inventories.

b. Interest rate risk

The company's interest-bearing assets, which are cash and cash equivalents and the company's profit and cash flow from operating activities, are in general independent of changes in market interest rates.

The company has interest-bearing debt as described in note 8. In connection with the acquisitions of Svensk Järnvägsteknik AB in the second quarter of 2015, the company entered into an agreement with DnB Bank ASA regarding a SEK 180 million term facility. The agreement also provided for a revolving credit facility of NOK 40 million for the general corporate and working capital purposes of the company. The term loan facility shall be repaid in five equal semi-annual instalments of SEK 25 million and a final bullet repayment of the remaining SEK 55 million on maturity, being May 2018. The revolving credit facility shall be repaid on the expiry of each interest period, and the duration of each new period will be requested by the company in advance of each period. The term facility may be repaid, subject to certain conditions, prior to financial maturity at par value. Since the debt can be repaid at the time when the interest rate is regulated, the difference between the fair value and book value will be small and insignificant. The loans are also subject to certain mandatory prepayment conditions, including a change of control or disposal of material assets. Both the term facility and the revolving credit facility have been granted on market terms, and are subject to an interest rate consisting of the standard interest rate benchmark for the relevant currency and a margin. For the term loan

facility, the benchmark is STIBOR, while the revolving credit facility will depend on the currency in which the facility has been drawn. Both new facilities contain standard market terms and covenants, including certain restrictions on payment of dividends, investments above a certain basket amount and covenants relating to leverage ratio, and interest coverage. The group has complied with these covenants throughout the reporting period. The company's interest rate risk is also associated with financial leasing which is subject to floating interest rates. The company has not made use of interest rate swaps or other financial instruments. A change in interest rate of 1 per cent would result in a change in interest expense of approximately NOK 1.3 million, with an impact on the profit/loss after tax of NOK 0.9 million.

Credit risk

The company has not entered into any transactions that involve financial derivatives or other financial instruments. The counterpart risk in financial transactions is, therefore, non-existent.

The credit risk in connection with sales to customers is managed within the local subsidiaries, and at group level for major projects. Credit risk is monitored by the local subsidiaries and at group level. The company has guidelines for new contracts that focus on various elements, all of which shall contribute to the customer paying the company as quickly as possible.

The company's customers are primarily municipalities or government agencies, or companies or institutions where municipalities or government agencies have a dominant influence. The company considers the risk of potential future losses from this type of customer to be low. The company has not entered into any transactions that involve financial derivatives or other financial instruments to mitigate credit risk.

As at 31 December 2015, the company has provisions of NOK 0.6 million for potential future losses on specific trade receivables. The company has earmarked provisions for specific customers and evaluated the size of the potential loss.

The company is focusing on reducing outstanding trade receivables. The age distribution of the company's trade receivables is specified in note 5. The company's public sector customers are expected to have a higher percentage of trade receivables and work in progress compared with private customers due to the duration of the projects and the customers' delivery terms.

Trade receivables (invoiced to customers) and work in progress (not yet invoiced to customers) totalled NOK 318 million as at 31 December 2015, compared with NOK 51 million as at 31 December 2014.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price. The company's business requires liquidity. There is no assurance that such funding will be available throughout the year, thereby a liquidity risk. The company's management of liquidity risk entails maintenance of adequate liquid reserves and credit facilities. The central management team and the local managers of subsidiaries monitor the company's liquid resources and credit facilities through revolving forecasts based on expected cash flow. The company's operations are subject to seasonal fluctuations, since a large portion of the company's operations consist of rail road work, airborne data acquisition and the processing and modelling of the resultant map data. Rail road work and data acquisition is not normally performed or performed to a lesser extent in the winter when there is frost and when the surface of the earth is covered by snow. This requires that the company ties up working capital in the spring, at the start of the rail road work and airborne data acquisition. The Geo division does not normally receive payment for the subsequent processing of data until the summer months. The company has not entered into any financial instruments and consequently does not have any liquidity risk originating from financial instruments.

The company had NOK 258.2 million in liquid reserves at the end of the year, compared with NOK 51.4 million in liquid reserves at the end of the previous year. Restricted bank deposits totalled NOK 12.1 million and total available liquid reserves were NOK 246.1 million.

Based on the company's available liquid reserves of NOK 246.1 million at the end of the year, the spring will be the period of the year in which liquid reserves are lowest as this is the season when the highest amount of working capital is tied up. During this period, the company has a low level of liquid reserves for unforeseen events. The maturity structure for the company's non-current liabilities (excluding deferred tax liabilities) and current interest-bearing liabilities is specified in note 8.

Moreover, the company has other current liabilities, excluding obligations classified as held for sale as of 31 December 2015, totalling NOK 349.3 million, as indicated in note 10.

The company has current assets, excluding cash and cash equivalents, totalling NOK 245.1 million as at 31 December 2015.

The company has not made use of any financial instruments and therefore has no liquidity risk due to financial instruments.

Risk associated with asset management:

The purpose of the company's capital management is to ensure a predictable financial framework for operations and provide shareholders with a return that is better than comparable companies. The company manages its capital structure and makes changes based on an ongoing assessment of the economic conditions both present and for the short and medium term. The company monitors its capital structure based on equity ratio and according to key financial figures. Asset management is monitored based on the company's debt-to-equity ratio. The debt-to-equity ratio is calculated by dividing the net interest-bearing debt by the adjusted total assets. Net interest-bearing debt includes all liabilities on which interest accrues as recognised in the balance sheet. The adjusted total assets are the equity stated on the balance sheet plus interest-bearing debt.

The company aims to have a debt-to-equity ratio that can be serviced by underlying operations and that ensures an acceptable credit rating. The debt-to-equity ratio as at 31 December 2015 and 31 December 2014 is calculated as follows:

(Amounts in NOK 1,000)

	2015	2014
Equity ratio		
Current ratio (current assets/current liability)	1.41	1.81
Long-term interest-bearing debt	162,088	977
Other long-term interest-bearing debt	33,006	4,374
Net interest-bearing debt	-8,300	-49,775
Equity ratio	53.6 %	50.5 %

NOTE 24: SUBSIDIARIES

The following directly and indirectly owned subsidiaries are included in the consolidated accounts:

NRC Group ASA, Norway (100%)
NRC Group Nordic Holding AS, Norway (100%)
NRC Rail Group AS, Norway (100%)
NRC Rail Norge AS, Norway (100%)
Nordic Railway Construction AB, Sweden (100%)
Svensk Järnvägsteknik AB, Sweden (100%)
Elektrobyggnad Sverige AB, Sweden (100%)
Segermo Entreprenad AB, Sweden (100%)
Segermo Väst AB, Sweden (100%)
Svensk Maskinpool AB, Sweden (100%)
Litz Entreprenad AB, Sweden (100%)
Litz Installation AB, Sweden (100%)
Svensk Spårsvets Teknik AB, Sweden (70%)
Blom AS, Norway (100%)
Blom Geomatics AS, Norway (100%)
Blom Data AS, Norway (100%)
Blom Kartta Oy, Finland (100%)
Blom Kaart OU, Estonia (100%)
Blom Sweden AB, Sweden (100%)
Blom Nusantara PT, Indonesia (95%)
Blom Deutschland GmbH, Germany (100%)
Blom Aerofilms Ltd, England (100%)
Blom International Operations S.R.L, Romania (100%)
Blom Data Spain S.L.U, Spain (100%)

NOTE 25: ASSETS AND LIABILITIES FOR DISCONTINUED OPERATIONS

The Board of Director's decision in 2014 to classify the company's German subsidiary, Blom Deutschland GmbH, as held for sale, was reversed in the second quarter of 2015. This is reflected in the income statement and cash flow statement for 2014 and 2015.

Profit/loss from discontinued operations in the income statement for 2014 reflects the closure of the Spanish subsidiary, Blom Sistemas Geoespaciales S.L.U., and the sale of the Romanian subsidiary, Blom Romania S.R.L.

Assets and liabilities classified as held for sale as of 31 December 2015:

(Amounts in NOK 1,000)

Blom Deutschland GmbH:	2015	2014
Property, plant and equipment	0	223
Work in progress	0	699
Trade receivables	0	2,113
Other assets	0	1,164
Total assets	0	4,199
Trade payables	0	190
Other current liabilities	0	3,530
Total liabilities	0	3,720

Profit/loss for 2014 from discontinued operations:

(Amounts in NOK 1,000)

	Revenue	Expenses	Profit after tax
Blom Sistemas Geoespaciales S.L.U	9,628	10,896	-1,268
Blom Romania S.R.L	2,648	-2,760	5,408
Total			4,140

Cash flow for 2014 from discontinued operations:

(Amounts in NOK 1,000)

	Operating activities	Investing activities	Financing activities	Total cash flow	Cash and cash equivalents
Blom Sistemas Geo. S.L.U	-3,901	-708	0	-4,609	0
Blom Romania S.R.L.	0	-19,242	0	-19,242	0
Total				-23,851	0

NOTE 26: TRANSACTIONS AND CHANGES IN THE COMPANY'S STRUCTURE

On 23 April 2015, the company announced that it had entered into an agreement to combine its business with NRC Rail Norge. The settlement of the transaction was made in shares valued at NOK 93 million. The transaction was completed on 28 May 2015.

On 7 May 2015, it was announced that the company had entered into an agreement to acquire Svensk Järnvägsteknik AB (SJT). The settlement for the acquisition was made as a combination of new shares, cash payment and a vendor note valued at a total of SEK 261 million. The transaction was completed on 2 June 2015.

On 9 November 2015, it was announced that the company had completed the acquisitions of Litz Entreprenad AB and Elektrobyggnad AB. The settlement for the acquisitions was made as a combination of SEK 48 million in new shares and a cash payment of SEK 27 million.

On 9 November 2015, it was further announced that the company had entered into an agreement to acquire Swedish rail groundwork contractor Segermo Entreprenad AB for a total consideration of SEK 225 million. The settlement for the acquisition was made as a combination of SEK 100 million in new shares and a cash payment of SEK 125 million. The transaction was completed on 3 December 2015.

Presented below is the preliminary allocation of the purchase price for these acquisitions based on the opening balances. Allocation of the purchase price was prepared using the acquisition method as regulated in IFRS 3. The purchase price has been allocated at the fair value of the assets and liabilities of NRC Rail Norge, SJT, Litz, Elektrobyggnad and Segermo. The acquisitions resulted in goodwill of NOK 487 million.

(Amounts in NOK 1,000)

	NRC Rail Norge	SJT	Litz	Elektrobyggnad	Segermo	Total
Cash settlement	0	164,736	15,847	10,895	124,144	315,622
Value of issued shares in NRC ASA	93,000	60,000	23,771	23,771	99,554	300,096
Seller's credit	0	14,399	0	0	0	14,399
Cash in target	-10,814	-15,631	-15,507	1,382	-27,022	-67,593
Net settlement	82,186	223,504	24,111	36,047	196,676	562,523
Tangible and intangible assets	79,876	38,264	2,565	7,602	25,329	153,635
Other non-current assets	3,339	4,880	160	192	0	8,571
Current assets	95,217	20,512	10,111	14,807	106,568	247,215
Tax payable and deferred tax	-7,339	-9,517	-2,674	479	-15,605	-34,656
Interest-bearing debt	-66,815	-3,745	0	-7,818	-9	-78,386
Other current liabilities	-85,460	-26,620	-10,393	-5,990	-91,800	-220,262
Minority interest	0	-864	0	0	0	-864
Net identifiable assets and liabilities	18,818	22,910	-232	9,273	24,483	75,252
Goodwill	63,367	200,594	24,343	26,775	172,192	487,271

NOTE 27: EVENTS AFTER THE DATE OF THE BALANCE SHEET

On 19 January 2016, 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. The company holds 61,190 shares in treasury following the transaction.

On 7 March 2016, the company announced that it had entered into an agreement to divest its Geo business in Norway, Sweden and Finland to Terratec AS for a purchase price of NOK 30 million plus a three-year earnout arrangement. The transaction includes the companies Blom Geomatics AS, Blom Kartta Oy and the majority of the assets in Blom Sweden AB. The divested business constitutes approximately 60 per cent of the Geo division's turnover and is mainly focused on air-surveying and data processing.

Closing of the transaction took place 30 March 2016 and the shares of the Norwegian company Blom Geomatics AS and the Finnish company Blom Kartta Oy have been transferred to Terratec AS. Transfer of the assets sold from Blom Sweden AB will take place as soon as necessary formalities are in place, expected during April 2016.

NOK 20 million of the fixed purchase price of NOK 30 million was paid at closing date. The remaining amount of NOK 10 million will be paid over a period of 24 months. The earnout will be paid on the basis of the financial statements for 2016, 2017 and 2018 respectively. After settlement of the full purchase price and remaining debt between the sold entities and NRC Group, the transaction will provide a reduction in net debt for NRC Group of approximately NOK 30 million.

NRC GROUP ASA ACCOUNTS



INCOME STATEMENT – NRC GROUP ASA

(Amounts in NOK 1,000)

	Note	2015	2014
Operating revenue	1	4,088	6,188
Salaries and personnel costs	2 / 7	13,429	10,031
Ordinary depreciation	3	182	25
Other operating and administrative expenses	4 / 12	30,843	7,098
Operating expenses		44,454	17,154
Operating profit/loss		-40,366	-10,966
Financial income/expenses		-5,860	4,121
Net financial items		-5,860	4,121
Profit/loss before tax		-46,226	-6,845
Tax expense		0	0
Net profit/loss	9	-46,226	-6,845
Allocation of profit/loss:			
Transferred to/from other reserves		-46,226	-6,845
Total allocations		-46,226	-6,845

BALANCE SHEET – NRC GROUP ASA**ASSETS**

(Amounts in NOK 1,000)

	Note	2015	2014
Intangible assets	9	0	0
Plant, property and equipment	3	290	472
Shares in subsidiaries	13	369,762	55,642
Non-current receivables	5/7/14	215,602	4,558
Total financial assets		585,364	60,200
Total non-current assets		585,653	60,672
Current receivables	5/14	18,515	13,939
Cash and cash equivalents	6	39,260	14,127
Total current assets		57,776	28,066
TOTAL ASSETS		643,429	88,738

BALANCE SHEET – NRC GROUP ASA

EQUITY AND LIABILITIES

(Amounts in NOK 1,000)

	Note	2015	2014
Paid-in capital:			
Share capital		34,944	10,071
Own shares		-1,728	-1,978
Share premium reserves		550,845	43,949
Retained earnings:			
Other equity		0	0
Total equity	7/8	584,062	52,042
Pension obligations	7	0	0
Other non-current liabilities	10	21,441	299
Total non-current liabilities		21,441	299
Trade payables		3,960	451
Public fees payable		0	1,315
Other current liabilities	10/14	33,966	34,630
Total current liabilities		37,926	36,396
Total liabilities		59,367	36,695
TOTAL EQUITY AND LIABILITIES		643,429	88,738

Oslo, 31 March 2016

Helge Midttun
Chairman of the Board of Directors

Kristian G. Lundkvist
Board member

Kjersti Kanne
Board member

Harald Arnet
Board member

Brita Eilertsen
Board member

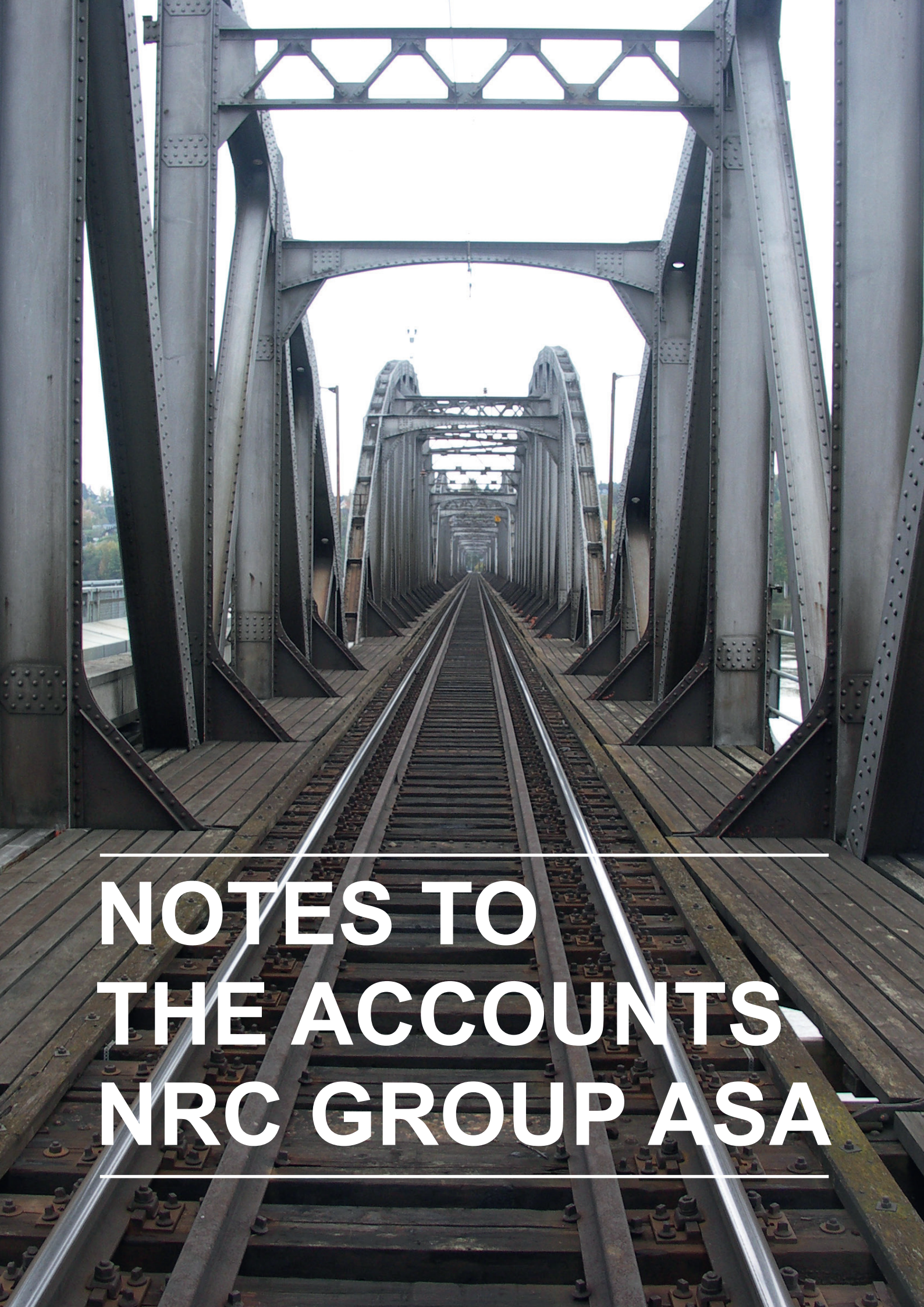
Øivind Horpestad
CEO

CASH FLOW STATEMENT – NRC GROUP ASA

INDIRECT MODEL

(Amounts in NOK 1,000)

	Note	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES			
		-46,226	-6,845
+	3/14/15	182	25
+/-		0	-4,291
+/-		-4,125	-9,092
+/-		-3,182	6,594
+/-		276	-3,802
A =		-53,075	-17,412
CASH FLOW FROM INVESTING ACTIVITIES			
+		0	23,968
B =		0	23,968
CASH FLOW FROM FINANCING ACTIVITIES			
+		279,000	0
+		10,000	0
-		-210,792	0
C =		78,208	0
		25,133	6,556
+		14,127	7,571
=		39,260	14,127



**NOTES TO
THE ACCOUNTS
NRC GROUP ASA**

NOTES TO THE ACCOUNTS NRC GROUP ASA

GENERAL INFORMATION

The accounts for NRC Group ASA have been prepared in accordance with the Accounting Act of 1998 and the generally accepted accounting principles in Norway (NGAAP). In cases where the notes for the parent company are significantly different from the notes for the group, these are provided below. Reference is made otherwise to the information in the notes for the group.

CURRENCY

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

SUBSIDIARIES

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

PROPERTY, PLANT AND EQUIPMENT

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

LOANS

Loans are recognised in the accounts at their fair value when they are disbursed, less any transaction costs. In subsequent periods, loans are recognised in the accounts at their amortised cost, as calculated by means of the effective interest rate method. The difference between the loan amount disbursed (less transaction costs) and the redemption value is recognised in the income statement over the term of the loan. Loans are classified as current liabilities unless there is an unconditional right to postpone payment of the debt by more than 12 months from the date of the balance sheet.

CASH AND CASH EQUIVALENTS

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

TAX

The tax expense in the income statement encompasses the tax payable for the period and the change in deferred tax. Deferred tax is calculated at a rate of 25 per cent based on temporary differences between the carrying amounts and their tax base (because of the change in the tax rate effective in 2015), in addition to any tax loss carry forward at the end of the financial year. Tax-adding or tax-deducting temporary differences that may reverse during the same period are offset. Deferred tax and tax assets that can be recognised on the balance sheet are recognised on a net basis on the balance sheet. Deferred tax assets are recognised on the balance sheet provided that future taxable income is probable and the temporary differences can be offset against this income.

PENSION PLANS

The company has both defined benefit and defined contribution pension plans. The contributions are recognised as salaries and personnel cost in the income statements as they are incurred. Contributions paid in advance are recognised as an asset in the accounts if the contribution can be refunded or reduce future payments. The carried liability related to the defined contribution pension plans is the current value of the defined contributions at balance sheet date minus the fair value of the pension assets. Pension payments an employee will receive on retirement are normally dependent on one or more factors such as age, years of service and salary level. The pension obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefits is determined by discounting the estimated future payments at the interest rate for a bond issued by a company with high creditworthiness in the same currency as the benefits will be paid, with a term that is approximately the same as the term of the associated pension obligation.

Gains or losses that arise from recalculation of the obligations as a result of empirical deviations or changes in the actuarial assumptions are recognised in equity through other comprehensive income during the period when they arise.

The effect of changes to the pension plan benefits are recognised immediately in the income statement.

NOTE 1: REVENUE

Operating revenue consists of fees for services the parent company performs for companies in the group.

Operating revenue per operating segment and geographic segment:

(Amounts in NOK 1,000)

	2015	2014
Operating segments:		
Rail	0	0
Geo	4,088	6,188
Total operating revenue	4,088	6,188
Geographic breakdown:		
Norway	1,300	2,000
Other Nordic countries	1,300	1,200
Other Europe	1,488	2,988
Total operating revenue	4,088	6,188

NOTE 2: SALARIES AND PERSONNEL COSTS

(Amounts in NOK 1,000)

	2015	2014
Salaries	9,511	7,366
Social security tax	1,379	2,245
Pension costs	1,294	102
Other personnel costs	1,246	318
Total salaries and personnel costs	13,429	10,031

Pension costs include both defined benefit and defined contribution pension plans. The average number of full-time employees in 2015 was three. Reference is made otherwise to the notes to the consolidated financial statements.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(Amounts in NOK 1,000)

	2015	2014
Acquisition cost as at 1 January	1,253	756
Additions during the year	0	497
Accumulated depreciation as at 31 December	963	781
Book value as of 31.12.	290	472
Depreciation for the year	182	25

NOTE 4: OTHER OPERATING AND ADMINISTRATIVE EXPENSES

(Amounts in NOK 1,000)

	2015	2014
Travel expenses	246	344
Rent and other office expenses	1,046	1,063
External services	16,148	4,524
Other operating and administrative expenses	13,403	1,167
Total	30,843	7,098

NOTE 5: NON-CURRENT AND CURRENT RECEIVABLES

(Amounts in NOK 1,000)

	2015	2014
Non-current receivables	4,810	4,518
Pension assets (note 7)	0	40
Non-current receivables subsidiaries (note 14)	210,792	0
Total non-current receivables	215,602	4,558
Trade receivables subsidiaries (note 14)	13,258	9,066
Accrual items	287	354
Other current receivables	4,971	4,519
Total current receivables	18,516	13,939

NOTE 6: CASH AND CASH EQUIVALENTS

(Amounts in NOK 1,000)

	2015	2014
Cash and bank deposits	37,301	11,748
Restricted bank deposits	1,959	2,379
Total	39,260	14,127

The restricted bank deposits include the employees' tax withholdings and cash deposits for the company's guarantees (note 11).

NOTE 7: PENSIONS

NRC Group ASA has a defined contribution pension plan that covers three persons. This pension plan satisfies the requirements stipulated in the Mandatory Occupational Pension Act. The pension plan for the former CEO of the company was settled in March 2015 when he resigned from his position with the company.

Pensions are recognised in accordance with NRS 6 (IAS 19R). Consequently, re-measurements are recognised directly against equity.

(Amounts in NOK 1,000)

	2015	2014
Net pension expense financed through revenue	1,122	-489
Defined contribution expense	311	591
Total pension expense	1,433	102
Re-measurement recognised directly in equity	0	588
Net pension expense		
Present value of current year's pension benefits earned	0	674
Net interest expense	0	149
Settlement recognised	1,122	-1,372
Administrative costs	0	35
Employer's contribution	0	25
Net pension expense	1,122	-489
Net pension obligations		
Accrued pension obligations as at 31 December	0	7,452
Discontinuation / settlement	0	0
Estimated pension obligation as at 31 December	0	7,452
Pension assets (at market value) as at 31 December	0	7,492
Discontinuation / settlement	0	0
Employer's contribution	0	0
Net pension obligation	0	-40

	2014
Economic assumptions	
Discount rate	2.30 %
Future return on pension fund assets	3.20 %
Future salary increase	2.75 %
Future pension increase	2.50 %
Future increase in the social security base amount	2.50 %

The actuarial assumptions are based on the normal assumptions that are used by the insurance industry with regard to demographic factors for 2014. For 2015, there are no actuarial assumptions for the company.

NOTE 8: EQUITY

(Amounts in NOK 1,000)

	Note	Share capital	Treasury shares	Share premium reserves	Equity
Equity as at 01.01.2014		10,071	-1,977	51,314	59,407
Profit/loss for the year				-6,845	-6,845
Re-measurement for pension recognised directly in equity	7			-503	-503
Repurchase of treasury shares			-1		-1
Costs recognised in equity				-17	-17
Equity as at 31.12.2014		10,071	-1,978	43,949	52,042
Profit/loss for the year				-46,226	-46,226
Increase in share capital		24,873			24,873
Increase in share premium				558,835	558,835
Sale of treasury shares			250	9,750	10,000
Costs recognised in equity				-15,463	-15,463
Equity as at 31.12.2015		34,944	-1,728	550,845	584,062

Reference is also made to note 17 Share capital and shareholder information in the consolidated financial statements.

NOTE 9: TAX

(Amounts in NOK 1,000)

	2015	2014
Calculation of deferred tax/deferred tax assets:		
Temporary differences:		
Property, plant and equipment	-263	-229
Non-current receivables	0	807
Receivables	0	0
Capital gain and loss account	4,342	5,427
Provisions in accordance with the generally accepted accounting principles	-600	-100
Pension plan assets/pension obligations	0	-7,452
Net temporary differences	3,479	-1,547
Tax losses carried forward	-241,324	-175,533
Basis for deferred tax assets	-237,845	-177,080
27% deferred tax asset	-59,461	-47,811
Deferred tax assets on balance sheet	0	0
Tax basis, change in deferred taxes and tax payable:		
Profit/loss before tax	-46,226	-6,757
Permanent differences	113	-1,635
Write-down of shares	0	0
Tax basis for current year	-46,113	-8,393
Change in temporary profit/loss differences	-5 027	-6,999
Change in deficit	65,791	15,392
Share issue expenses recognised directly in equity	-15,463	0
Basis for tax payable in income statement	0	0
Tax breakdown:		
Tax payable	0	0
Change in deferred tax	0	0
Tax expense (27% of basis for the tax expense for the year)	0	0
Use of deferred tax assets not recognised on the balance sheet	0	0
Share of deferred tax assets not recognised on the balance sheet	0	0
Tax expense	0	0

Tax loss carry forward is NOK 241.3 million as at 31 December 2015.

NOTE 10: OTHER NON-CURRENT AND CURRENT LIABILITIES

(Amounts in NOK 1,000)

	2015	2014
Other non-current liabilities	21,441	299
Trade liabilities subsidiaries (note 14)	26,782	31,997
Other current liabilities	7,184	2,633
Total other current liabilities	33,966	34,630
Total other non-current and current liabilities	55,407	34,929

NOTE 11: PLEDGED ASSETS AND SECURITY

Bank guarantees totalling NOK 1.6 million have been facilitated by the company in connection with property lease guarantees. A cash deposit totalling NOK 1.6 million has been deposited as security for the bank guarantees.

In connection with the sale of a property in Tønsberg in 2007, NRC Group ASA together with Scanrope Holding AS has guaranteed that Scan Subsea ASA will pay its rent up until 21 August 2025. Scan Subsea ASA was acquired in 2007 by the NYSE listed company Parker Hannifin Corporation.

NOTE 12: AUDITOR FEES

NRC Group ASA has expensed an auditor's fee of NOK 550,000 (2014: NOK 410,000) for 2015. In addition, there were tax consulting fees (including technical assistance with tax papers and guidance concerning tax questions) totalling NOK 189,000 (2014: NOK 50,000). Other certification services amounted to NOK 2,254,000 (2014: NOK 0) and other services totalled NOK 2,377,000 (2014: NOK 333,000).

NOTE 13: SUBSIDIARIES

(Amounts in NOK 1,000)

Company	Company's share capital	No. of shares	Nominal value total	Cost price for the shares	Value in balance sheet
NRC Group Holding AS	150,000	30,000	150,000	369,762	369,762
Total					369,762

The company is wholly-owned. Reference is made otherwise to the notes to the consolidated financial statements.

NOTE 14: RELATED PARTIES

The parent company does not have any related parties other than subsidiaries and certain managers. Reference is made to the notes to the consolidated financial statements for more information.

Transactions between the parent company and subsidiaries are as follows:

(Amounts in NOK 1,000)

Company	Current liabilities 31.12.15	Result sales	Current receivables 31.12.15	Non-current receivables 31.12.15
Blom Geomatics AS	0	1,300	7,383	0
Blom Kartta OY	0	700	700	0
Blom Aerofilms Ltd	0	1,300	2,916	0
Blom Sweden AB	0	600	600	0
Blom Int.Operations SRL	0	188	1,600	0
Blom Deutschland GmbH	0	0	47	0
Blom AS	26,782	0	0	0
NRC Group Holding AS	0	0	12	210,792
Total	26,782	4,088	13,258	210,792



To the Annual Shareholders' Meeting of NRC Group ASA

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of NRC Group ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2015, and the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2015, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion on the financial statements of the parent company***

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for NRC Group ASA as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of the group NRC Group ASA as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposal for coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 31 March 2016
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant (Norway)

STATEMENT BY THE BOARD OF DIRECTORS AND CEO

We confirm that to the best of our knowledge the financial statements for the period 1 January to 31 December 2015 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and of the group as a whole. We also confirm that the Board of Directors' report includes a true and fair review of the development, performance and position of the company and the group, together with a description of the principal risks and uncertainties facing the company and the group.

Oslo, 31 March 2016

Helge Midttun
Chairman of the Board of Directors

Kristian G. Lundkvist
Board member

Kjersti Kanne
Board member

Harald Arnet
Board member

Brita Eilertsen
Board member

Øivind Horpestad
CEO

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

It is important for NRC Group that investors, clients, partners and others who follow the company are confident that the company's operations are managed properly and in accordance with sound ethical guidelines. Reliability, honesty and integrity are fundamental to the company's core values.

NRC Group aims to have an adequate level of independence between the company's different corporate bodies and is managed in accordance with principles that promote ethical and sustainable business practices.

NRC Group ASA, the parent company of the group, is the company in which the group's supervisory board and management functions are carried out. NRC Group's management structure is based on Norwegian company law, the Articles of Association, instructions for the Board of Directors and the working instructions for the company's management adopted by the Board of Directors. The company has prepared ethical guidelines and guidelines for corporate social responsibility (see corporate social responsibility statement).

Deviation from the Code of Practice: None

BUSINESS

NRC Group is a company operating within two business segments, Rail division and Geo division. NRC Group is a fully integrated rail infrastructure contractor covering the Norwegian and Swedish markets. The company is a full-range supplier for the construction of all types of rails including train, tram and subway. Main service offerings include specialised track work, power supply and signalling work.

Within the Geo division, the company is one of Northern Europe's leading providers within acquisition, processing and modelling of geographic information and high quality map data. The company also holds the rights to several European databases with collections of maps, images and models.

NRC Group ASA is a public limited company registered and domiciled in Norway. NRC Group is listed on Oslo Stock Exchange (ticker NRC). The company has subsidiaries in nine countries. The objectives of the company are established in the Articles of Association.

To ensure that shareholders can optimise their returns based on the resources the company represents at any

given time, the Board of Directors considers it as its duty to continuously adapt the company's strategy. The Board of Directors aims to develop the company based on the resources represented by the competencies of its employees and the recognition the company enjoys in the market. NRC Group will use its financial platform and instruments available to achieve this goal.

Deviation from the Code of Practice: None

EQUITY AND DIVIDENDS

Capital

Total assets at year-end 2015 amounted to NOK 1,343 million, with an equity ratio of 52.6 per cent.

Dividend Policy

In accordance with the company's future growth goals, the company will seek to maintain a sound financial platform. Dividends have historically been considered on an on-going basis as a result of the company's strategy and earnings. No dividend has been paid during the last three years. The board is in the process of formulating a dividend policy for the company, which will be announced when it has been decided.

Capital changes related to acquisitions

At the company's General Meeting on 28 May 2015, the Board of Directors was granted an authorisation to acquire shares in NRC Group ASA for up to NOK 2,263,598.50. At the same meeting and in connection with the completion of the acquisition of the Norwegian rail company NRC Rail Norge, the General Meeting resolved to increase the share capital of the company by NOK 9,674,197, through the issue of 9,674,197 new shares. Furthermore, the same meeting resolved to increase the company's share capital by NOK 2,891,139, through the issue of 2,891,139 new shares to the existing shareholders of Svensk Järnvägsteknik AB.

At the company's Extraordinary General Meeting on 10 August 2015, it was resolved to increase the share capital through a private placement by issuing 3,111,111 new shares each with a nominal value of NOK 1. It was also decided to authorise the Board of Directors to increase the share capital of the company by up to NOK 370,370, through the issue of up to 370,370 new shares in a subsequent offering. In addition, it was resolved to issue shares to the sellers of Litz Entreprenad AB and Elektrobyggnad AB by increasing the company's share capital by up to NOK 1.8 million through the issue of up to 1.8 million new

shares. Lastly, the Board of Directors was granted the authorisation to increase the share capital by a maximum of NOK 2.8 million.

At the company's Extraordinary General Meeting on 2 December 2015, it was resolved to increase the share capital increase through a private placement by issuing 1,605,000 new shares. In addition, the Board of Directors was authorised to issue up to 375,000 new shares in a subsequent offering. Moreover, the Board of Directors was granted an authorisation to increase the share capital of the company by up to NOK 2.8 million through the issue of up to 2.8 million new shares in order to acquire the Swedish company Segermo Entreprenad AB.

Mandate to increase capital

At the company's Extraordinary General Meeting on 2 December 2015, a general authorisation was granted for the Board of Directors to issue shares and to increase the share capital by a maximum of NOK 7 million. The authorisation is valid until the Annual General Meeting in the spring of 2016, but no later than 30 June 2016.

Mandate to purchase treasury shares

At the company's General Meeting on 28 May 2015, an authorisation was granted to the Board of Directors to acquire shares in NRC Group ASA for a maximum of NOK 2,263,598.50, calculated based on the shares' nominal value. The authorisation applies from registration and up until the Annual General Meeting in 2016, but no later than 30 June 2016. At the end of the year, the company owned 146,452 shares, which corresponds to 0.4 per cent of the total number of outstanding shares.

Deviation from the Code of Practice: None

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Board of Directors of NRC Group ASA aims for equal treatment of the company's shareholders. This is accomplished by informing Oslo Stock Exchange, the company's shareholders, securities firms and the rest of the market on a continuous basis about the company's performance, activities and special events that may affect the price of the company's shares. NRC Group ASA only has one class of shares.

When the Board of Directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders, the waiver will be based on the common interests of the company and the shareholders. The justification for the waiver will be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

In the event of any not immaterial transactions between the company and shareholders, executive personnel or close associates of any such parties, the Board of Directors will arrange for a valuation to be obtained from an independent third party.

Deviation from the Code of Practice: None

FREELY NEGOTIABLE SHARES

Shares in NRC Group ASA are freely negotiable. The Articles of Association do not restrict the negotiability of shares.

Deviation from the Code of Practice: None

GENERAL MEETINGS

The Board of Directors will take steps to ensure that as many shareholders as possible may exercise their rights by participating in General Meetings of the company, and that General Meetings are an effective forum for the views of shareholders and the Board of Directors.

- A complete notice will be sent to all the shareholders in writing and will be available on NRC Group's website at least 21 days prior to the General Meeting. Enclosures to the notice and documents concerning the items on the General Meeting's agenda will be published on the company's website and distributed to the Oslo Stock Exchange, and will not be sent to the shareholders. A shareholder may nevertheless request that the documents concerning the business to be discussed are sent free of charge.
- The registration deadline is normally the day prior to the meeting.
- The right to participate and vote at the General Meeting may only be exercised when the acquisition of shares has been entered in the register of shareholders on the fifth working day prior to the date of the General Meeting (registration date).
- Shareholders who cannot be present at the General Meeting will be given an opportunity to vote. The Board of Directors will:
 - Provide information on the procedure for representation at the meeting by proxy.
 - Nominate a person who will be available to vote on behalf of shareholders by proxy.
 - Prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.
- The Chairman of the Board of Directors and the auditor will be present at the General Meeting.

- The Board of Directors and chairperson will make arrangements so that the General Meeting has an opportunity to vote on each of the individual candidates for offices in the company's corporate bodies.
- The Board of Directors will propose an independent chairperson if such a chairperson is required to ensure a proper execution of the General Meeting.
- The Ordinary General Meeting elects the Board of Directors, determines the directors' fees, approves the financial statements and dividend proposed by the Board of Directors, elects the auditor and approves the auditor's remuneration, and deals with any other business stated in the notice of the meeting.
- The Chairman of the Board of Directors is elected by the General Meeting.
- The Minutes of the General Meeting will be available on the company's website *www.nrcgroup.no*.

Deviation from the Code of Practice: None.

NOMINATION COMMITTEE

As of the Annual General Meeting on 28 May 2015, NRC Group ASA has established a nomination committee for the Group.

The company's Articles of Association state that the company shall have a nomination committee, consisting of three members of whom at least two members shall be independent of the Board of Directors and the executive management. The committee's leader and the other members of the nomination committee are elected by the General Meeting for a period of two years at a time. The nomination committee shall prepare election of Directors to the Board and shall give recommendations to the General Meeting on remuneration of the Directors of the Board. The nomination committee shall itself propose members to the General Meeting for election to the committee. The General Meeting determines the instructions for the nomination committee and determines annual fees for its members.

The General Meeting on 28 May 2015 elected the following members to the nomination committee:

- Arnstein Wigestrang, committee leader
- Vegar Urnes
- Nigel Wilson

Deviation from the Code of Practice: None

BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The object of the Board of Director's work is to manage the shareholders' assets in the best possible manner and to treat all shareholders equally. The composition of the Board of Directors should therefore ensure that the Board

of Directors can attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. The Board members are elected for a term of two years.

At the Extraordinary Annual General Meeting on 2 December 2015, Helge Middtun was elected Chairman of the Board of Directors. Kristian Lundkvist, former Chairman of the Board of Directors, continued as board member and Lars Andre Gjerdrum exited the Board of Directors. None of the other board members were up for election. After the Extraordinary Annual General Meeting on 2 December 2015, the board consists of Helge Middtun as Chairman of the Board of Directors and board members Harald Arnet, Brita Eilertsen, Kjersti Kanne and Kristian Lundkvist.

At least two of the members of the Board of Directors elected by shareholders should be independent of the company's management, significant business partners and the company's main shareholders. The Chairman of the Board of Directors is elected by the General Meeting. The Board of Directors will elect a deputy Chairman if it is appropriate for the proper performance of the Board of Directors.

Subsequent to the election at the Extraordinary Annual General Meeting on 2 December 2015, the Board of Directors has, in addition to the Chairman of the Board, two independent members. The other two board members represent respectively the main shareholders Datum AS, which owns 14.6 per cent of the shares, and Urbex Invest AS, which owns 13.9 per cent of the shares.

Deviation from the Code of Practice: None

THE WORK OF THE BOARD OF DIRECTORS

In accordance with Norwegian law, the Board of Directors is responsible for the supervisory management of the company, while the Chief Executive Officer (CEO) is responsible for the day-to-day management. The Chairman of the Board shall follow the development of operations in close cooperation with the CEO, plan the board meetings and ensure that the Board members receive the information that is required so that they can perform their functions properly in accordance with legislation.

The Chairman of the Board chairs the board meetings. If it is appropriate for the proper performance of the Board of Directors, the Board of Directors will appoint another board member to chair the discussions at board meetings. The CEO participates at board meetings. Other members of the management ordinarily participate whenever appropriate. During 2015, a total of 26 board meetings were held.

In accordance with its instructions, the Board of Directors is required to produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The Board of Directors has established and appointed members to an audit committee and a remuneration committee. The Board of Directors will consider the use of other board committees if this is appropriate to ensure that the Board of Directors performs its work in an independent manner. The Board of Directors has not made use of other board committees in 2015.

Deviation from the Code of Practice: None

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors must ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. This includes elements such as risk management of significant commercial risk, execution of significant management control, and control of financial reporting and monitoring mechanisms.

Significant risk includes strategic risk, financial risk, liquidity risk and operational risk. The company's significant risk factors are assessed on an ongoing basis and at least once a year, and they are included in the company's annual report.

NRC Group's internal control of financial reporting encompasses guidelines and procedures to ensure that the accounts are prepared in accordance with IFRS and provide a true picture of the company's operations and financial position.

Management controls are performed at a senior level in the company. The organisation was restructured in 2015, and the reporting system was changed accordingly in order to enable closer follow-up and cooperation within the group. The CEO holds monthly meetings with each individual CMD.

Deviation from the Code of Practice: None

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of the Board of Directors is stipulated by the General Meeting. For the period from May 2104 to May 2015, NOK 1.25 million was paid in board member fees.

Provisions totalling NOK 1 million have been allocated in the accounts for 2015 for the remuneration of the Board of Directors for the period from 28 May 2015 to the Annual General Meeting in 2016. This figure comprises NOK 500,000 for the Chairman of the Board and NOK 250,000 for other board members.

The remuneration of the Board of Directors should reflect the Board of Director's responsibilities, expertise and time commitment and should not be linked to the company's performance. No share options have therefore been granted nor any other performance-linked remuneration awarded to members of the Board of Directors. The Board of Directors can approve specific remuneration for special tasks that are carried out by the members of the Board of Directors.

Deviation from the Code of Practice: None

REMUNERATION OF EXECUTIVE PERSONNEL

The Board of Directors has prepared separate guidelines for remuneration of executive personnel in accordance with the Limited Liability Companies Act. The guidelines will be presented to the General Meeting.

Special instructions have been prepared for the CEO. Reference is also made to the CEO's responsibilities and duties in the company's rules of procedure for the Board of Directors. The Board of Directors determines the remuneration of the CEO.

The company's executive personnel are paid a fixed salary that reflects the employee's education, experience and professional qualifications. It is important that the remuneration is at a level that makes it possible to attract the best qualified persons to the company's key positions. A bonus can be agreed on in addition to the base salary. The size of the bonus paid to the individual employee will be dependent in part on the achievement of individual targets and in part on the performance of NRC Group.

Executive personnel receive free telephone, mobile phone, Internet and newspapers as benefits in kind. Executive personnel are members of the company's defined contribution pension scheme in the same manner as other employees. NRC Group believes that the company's performance-based bonus agreements with executive personnel have a motivating effect and are in the best interest of the company and its shareholders.

The company does not currently have any agreements with executive personnel concerning the allocation of shares, subscription rights, options and other forms of remuneration linked to shares or the performance of the company's share or shares of other companies within NRC Group. The Board of Directors will continuously consider incentive schemes that are appropriate to secure a qualified management for the company, including the use of various share option schemes.

Deviation from the Code of Practice: None

INFORMATION AND COMMUNICATIONS

NRC Group seeks to maintain an open information policy in relation to shareholders, the media and other interested parties within the boundaries of the securities legislation, accounting law and stock exchange regulations. The company has its own website, www.nrcgroup.no, which contains IR information and other information that is useful for understanding NRC Group's overall operations and development. Quarterly presentations are held in connection with the reporting of interim results. NRC Group aims to follow the recommendations of the Oslo Stock Exchange for reporting IR information.

Deviation from the Code of Practice: None

TAKE-OVERS

The Board of Directors will not attempt to influence, hinder or obstruct take-over bids for the company's activities or shares, or prevent the execution thereof. The Board of Directors will help ensure that all shareholders are treated equally.

If a bid is made for the company's shares, the Board of Directors will obtain a valuation from an independent expert and issue a recommendation to shareholders as to whether they should accept or reject the bid.

Deviation from the Code of Practice: None

AUDITOR

The company's auditor prepares an annual plan for the performance of audit work and presents the plan to the audit committee. The auditor will attend the board meeting that reviews the annual accounts. The auditor otherwise performs the activities he is required to perform in accordance with Norwegian law and the generally accepted auditing standards.

The auditor will at least once a year review with the audit committee the company's internal control procedures, including identified weaknesses and proposals for improvement.

The Board of Directors has authorised the management to use the auditor, to a limited extent, for the performance of services for the company other than pure auditing. This applies in particular to matters of a particularly complex nature such as tax issues, acquisitions and mergers/demergers. The Board of Directors feels that such consulting does not affect the auditor's independence in relation to the company.

Deviation from the Code of Practice: None

COMPANY SOCIAL RESPONSIBILITY

INTRODUCTION

NRC Group believes that responsible and ethical behaviour is a necessary condition for a sustainable business. NRC Group aims to strengthen its shareholder value through profitable growth by pursuing attractive, customer-orientated solutions based on the utilisation of the company's resources and high level of expertise. It is of the utmost importance for the company to accomplish this while also showing respect for human rights, rights in the workplace, the society and the environment. NRC Group continuously assesses the social consequences of its operations while also considering its responsibility to ensure sustainable growth in society.

SOCIAL RESPONSIBILITY AT NRC GROUP

In conjunction with NRC Group's principles regarding corporate governance and NRC Group's ethical guidelines, the principles of social responsibility describe the general responsibility that lies with the management and all employees in the company.

We believe that long-term, trusting business relationships are built on honesty, acting ethically and with integrity.

NRC GROUP'S FUNDAMENTAL PRINCIPLES FOR SOCIAL RESPONSIBILITY

Responsibility

NRC Group will hold itself accountable for the impact it makes on society, the economy and the environment. This means that NRC Group accepts reasonable scrutiny of its operations. This responsibility obligates NRC Group to hold itself to account for the interests that control the company and the legal authorities, with regard to laws and regulations.

NRC Group's impact on society and the environment
NRC Group shall be open to scrutiny regarding any of its decisions and activities that impact society and the environment. The principle of openness does not require protected information to be made public. Nor does it mean that information should be provided that is confidential or in conflict with legal, commercial and security obligations, or data protection.

NRC Group strives to minimise negative impact on the environment as a result of the group's operations.

Anti-discrimination

NRC Group shall actively work to promote the objectives of the Anti-discrimination Act in its operations. The activities will include, for example, recruitment, pay and working conditions, promotion, development opportunities and protection from harassment. Employees shall reflect the composition of the population, and the ethnic minority groups in the respective countries in which the group operates.

Gender equality

NRC Group shall ensure women and men enjoy the same rights and opportunities within the group. This includes for example equality within recruitment, pay and working conditions, promotion and development opportunities. Group employees shall reflect the composition of men and women with the equivalent education and experience within the industry.

Company ethics

NRC Group shall behave in an ethical manner. NRC Group's conduct is based on the values of honesty, equality and integrity. This means that the group shall demonstrate a caring attitude towards people, animals and the environment and be committed to including on the agenda the impact NRC Group has on these groups.

Stakeholders

NRC Group shall respect, take account of and respond to the interests of the company's stakeholders. Stakeholders usually comprise owners, employees, customers or the authorities, although other groups may also have rights, claims or specific interests that the company shall take into consideration.

Legal conduct

NRC Group accepts that respect for constitutional society is an absolute requirement. This means that the group shall maintain an overview of relevant laws and regulations, and comply with the same.

NRC Group shall observe international norms of conduct. In countries in which legislation does not ensure reasonable environmental or social safeguards, NRC Group shall endeavour to maintain international norms of conduct.

Human rights

NRC Group shall observe the UN Declaration of Human Rights and acknowledge its meaning and universal validity.

Anti-corruption

NRC Group shall combat fraud and corruption and comply with the ethical and legal obligations that this implies.

Roles and responsibilities

To ensure that NRC Group's business practice is in accordance with fundamental principles, each subsidiary in the group is responsible for assessing which type of impact its operations have on society. If necessary, they shall prepare separate guidelines on how the principles of social responsibility shall be applied to each subsidiary. All employees and board members at NRC Group shall comply with the fundamental principles laid down in this document.

NRC Group seeks to develop relations with business partners who uphold commitment to values and ethical standards in line with the company's code of conduct.

FUTURE WORK

NRC Group has not formulated and implemented separate procedures and standards for social responsibility in the company. Thus, in its future work with social responsibility, the company will comply with the guidelines of social responsibility laid down in Norwegian Standard (NS-ISO 26000:2010).

BOARD OF DIRECTORS

HELGE MIDTTUN, CHAIRMAN OF THE BOARD OF DIRECTORS

Helge Midttun has wide experience from various industries where he has held senior management positions and served as board member. Midttun has been CEO of Fjord Seafoods ASA, a major international salmon farming company, and has worked for food company Rieber & Søn, where he was also Chairman of the Board of Directors for six years. Moreover, Midttun has been President and CEO of the international ship classification and certification company Det norske Veritas and Aker Biomarine ASA, and he has served on the boards of Statoil ASA and Aker Kværner ASA.

KRISTIAN G. LUNDKVIST, BOARD MEMBER

Lundkvist is the founder of Middelborg AS, a corporation with roots from the retail business in the telecom industry, which has grown into a diversified holding company including investments in real estate, equities, and shipping. Middelborg AS is a long-term industrial owner who actively participates in the value creation of the companies in the portfolio, especially business development, optimization of capital structures and networking.

BRITA EILERTSEN, BOARD MEMBER

Eilertsen has more than 10 years of experience as active, independent board member for both listed and private companies within various industries. She also has more than 15 years of experience as investment banker. Eilertsen holds a "Siviløkonom degree" (MSc in Business Administration and Economics) from the Norwegian School of Economics (NHH) in Bergen and is a chartered financial analyst (AFA).

KJERSTI KANNE, BOARD MEMBER

Kanne has more than 20 years of operational experience and technical expertise from the oil and gas industry. Since 1997 she has held several positions within GE Oil & Gas, Subsea Systems, currently as Engineering Director. Previously she has held positions with Sylvester Industrier AS and Oceaneering AS. Kanne holds a Bachelor of Science (BSc) from the Oslo University College of Applied Sciences in Naval Architecture and Marine Technology and a Master of Science (MSc) from the Norwegian University of Science and Technology in Naval Architecture and Marine Technology.

HARALD ARNET, BOARD MEMBER

Arnet is the CEO and a partner at Datum AS. Arnet has more than 30 years of national and international experience in corporate finance, industrial and financial investments.

INFORMATION ON SHARES IN NRC GROUP

NRC Group ASA has one class of shares, and there were 34,944,483 shares issued each with a nominal value of NOK 1.00 at the end of 2015. The share capital at 31 December 2015 totalled NOK 34,944,483.

At the company's General Meeting on 28 May 2015, the General Meeting proposed that the current authorisation to acquire treasury shares should be renewed. The General Meeting accordingly granted the Board of Directors an authorisation to acquire shares in NRC Group ASA for up to a highest amount of NOK 2,263,598.50 calculated based on the shares' nominal value. In the same meeting and in connection with the completion of the acquisition of NRC Rail Norge, the General Meeting passed the resolution to increase the share capital of the company by NOK 9,674,197, through the issue of 9,674,197 new shares. Furthermore, in the same meeting and in connection with the completion of the acquisition of NRC Rail Norge it was resolved to authorise the company's Board of Directors to increase the company's share capital by NOK 2,891,139, through the issue of 2,891,139 new shares. The new shares each had a nominal value of NOK 1 and were issued to the existing shareholders of Svensk Järnvägsteknik AB. Lastly, in the same meeting, it was resolved to change the company's name from Blom ASA to NRC Group ASA.

At the company's Extraordinary General Meeting on 10 August 2015, it was resolved to increase the share capital through a private placement by issuing 3,111,111 new shares each with a nominal value of NOK 1. At the same meeting, it was also decided to authorise the Board of Directors to increase the share capital of the company by up to NOK 370,370, through the issue of up to 370,370 new shares in a subsequent offering. The new shares each had a nominal value of NOK 1. It was further resolved that Board of Directors would issue shares to the sellers of Litz Entreprenad AB and Elektrobyggnad AB by increasing the company's share capital by up to NOK 1.8 million, through the issue of up to 1.8 million new shares. The new shares each had a nominal value of NOK 1. Lastly, the Board of Directors was granted authorisation to increase the share capital by a maximum of NOK 2.8 million. The purpose of this authorisation was to provide the Board of Directors with the option to issue new shares in connection with potential acquisitions, incentive programmes for employees, and to strengthen the company's equity in general as the Board of Directors sees fit.

At the company's Extraordinary General Meeting on 2 December 2015, it was resolved to increase the share capital through a private placement by issuing 1,605,000 new shares each with a nominal value of NOK 1. At the same meeting, it was also decided to authorise the Board of Directors to increase the share capital of the company through the issue of up to 375,000 new shares in a subsequent offering. The new shares each had a nominal value of NOK 1. At the same meeting, a resolution was also passed to authorise the Board of Directors to increase the share capital of the company by up to NOK 2.8 million, through the issue of up to 2.8 million new shares. The resolution rested on the company's decision to acquire the company Segermo Entreprenad AB through a cash payment of SEK 124.7 million and SEK 100 million in new shares in the company. The new shares each had a nominal value of NOK 1. Lastly, the General Meeting resolved a new, general authorisation for the Board of Directors to issue shares to increase the share capital by a maximum of NOK 7 million. The purpose of this general authorisation was to provide the Board of Directors with financial flexibility in connection with potential acquisitions or similar transactions, and to strengthen the company's equity in general.

At the end of the year, the company owned 146,452 shares corresponding to 0.42 per cent of the total number of outstanding shares.

MANDATE TO INCREASE CAPITAL

At the company's Extraordinary General Meeting on 2 December 2015, a new, general authorisation was adopted for the Board of Directors to issue shares and to increase the share capital by a maximum of NOK 7 million. The purpose of this general authorisation was to provide the Board of Directors with financial flexibility in connection with potential acquisitions or similar transactions, and to strengthen the company's equity in general. The authorisation is valid until the Annual General Meeting in the spring of 2016, but no later than 30 June 2016.

MANDATE TO PURCHASE TREASURY SHARES

At the company's General Meeting on 28 May 2015, it was decided that the current authorisation to acquire treasury shares should be renewed. The General Meeting thus granted the Board of Directors an authorisation to acquire shares in NRC Group ASA for up to a highest

amount of NOK 2,263,598.50 calculated based on the shares' nominal value. The authorisation applies from registration and up until the Annual General Meeting in the spring of 2016, but no later than 30 June 2016.

DIVIDENDS

In accordance with the company's goals for future growth, NRC Group will seek to maintain a sound financial platform. Dividends will be considered on an ongoing

basis based on the company's strategy and earnings. No dividend will be distributed for the 2015 financial year.

SHAREHOLDERS AND VOTING RIGHTS

NRC Group had 2,050 shareholders at the end of 2015. Foreign shareholders owned 32.32 per cent of total issued shares. All the shares registered by name carry equal voting rights. The shares are freely negotiable.

NRC GROUP'S 20 LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2015:

Shareholder	No. of shares	%
1 DATUM AS	5,100,000	14.6 %
2 URBEX INVEST AS	4,846,828	13.9 %
3 SWEDBANK AB (PUBL)	4,053,030	11.6 %
4 DANSKE BANK A/S	2,861,208	8.2 %
5 NORDEA BANK AB (PUBL)	1,961,318	5.6 %
6 CHARLOTTE HOLDING AS	1,928,008	5.5 %
7 DNB NOR MARKETS, AKSJEHAND/ANALYSE	1,850,001	5.3 %
8 SOGN INVEST AS	1,286,046	3.7 %
9 ARCTIC FUNDS PLC	701,187	2.0 %
10 GRANSHAGEN INVEST AS	601,007	1.7 %
11 HOLMEN SPESIALFOND	540,000	1.5 %
12 VERDIPAPIRFONDET ALFRED BERG GAMBA	512,568	1.5 %
13 KRAG INVEST AS	400,000	1.1 %
14 SORA AS	385,000	1.1 %
15 MEITNER AS	354,358	1.0 %
16 MP PENSJON PK	325,365	0.9 %
17 J.P. MORGAN CHASE BANK N.A. LONDON	300,000	0.9 %
18 BUSTEIN AS	300,000	0.9 %
19 AAMOT	281,173	0.8 %
20 THE BANK OF NEW YORK MELLON	274,765	0.8 %
Total 20 largest shareholders	28,861,862	82.6 %
Others	6,082,621	17.4 %
Total shareholders	34,944,483	100.0 %

IR POLICY

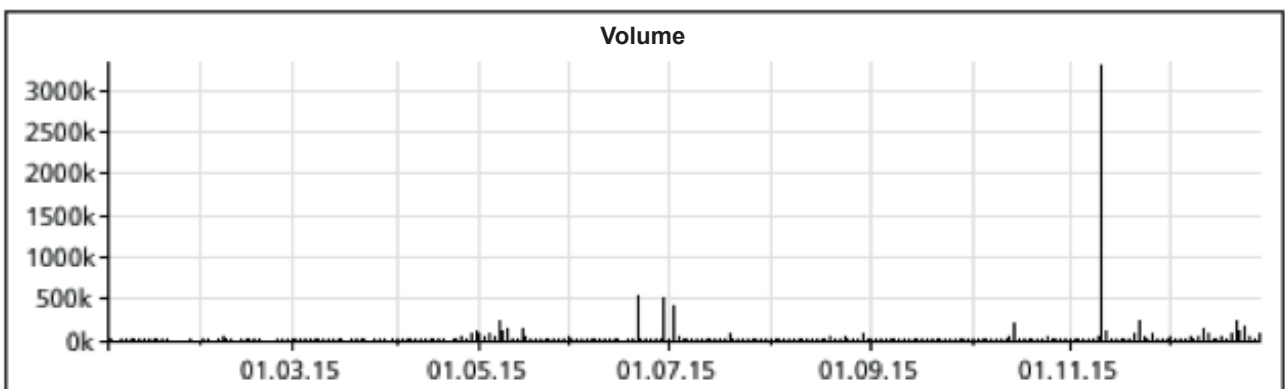
The company's objective is to serve the financial market with precise and relevant information about the group to ensure that the share price reflects the underlying values and future prospects.

The company discloses price-sensitive information relating to significant contracts and investments or other material changes or events in NRC Group to investors and other market players through the Oslo Stock Exchange – www.newsweb.no – and the company's website – www.nrcgroup.no. In addition, the company intends to publicly disclose all tenders awarded that have

a contract value exceeding NOK 30 million. All tenders awarded are normally subject to a 10-day 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.

The company's financial statements and interim financial reports will be in English.

DEVELOPMENT IN SHARE PRICE



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