



Q1

First quarter
2022

Key figures

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Revenue, segment	8 369	8 311	37 592
Pre-tax profit, segment	-55	28	1 342
Construction Norway	108	113	507
Infrastructure Norway	-149	-132	462
Construction Sweden	30	49	166
Infrastructure Sweden	-9	-14	133
Denmark/Hoffmann	31	43	200
Other	-66	-31	-127
Profit margin	-0.7%	0.3%	3.6%
Operating profit before depreciation and amortisation (EBITDA)	197	248	2 282
Shareholders' profit share	-54	1	958
Profit per share (NOK)	-0.4	0.0	7.1
Net interest-bearing assets	3 289	2 791	3 709
Cash flow from operations	1	-185	2 194
Return on equity past 12 months ¹	36%	58%	38%
Order book	39 571	37 931	38 084
Order intake	10 395	9 807	36 221
LTI rate	5.4	5.0	4.6
Sickness absence	4.7%	5.2%	4.6%

¹ The return in Q1 2021 includes the property development operation prior to its sale in September 2020.

Q1 2022 results

Veidekke achieved revenues of NOK 8.4 billion in Q1, and a pre-tax loss of NOK -55 million. The group’s order book totalled NOK 39.6 billion at quarter-end. The loss per share was NOK -0.4.

“While the majority of Veidekke’s operations delivered satisfactory results in a quarter historically marked by seasonal downturns, extraordinary finance costs contributed to a weaker group performance than last year,” says Group CEO Jimmy Bengtsson.

“The first quarter of the year saw a strong inflow of new projects in most segments, bolstering Veidekke’s order book,” says Bengtsson.

“Challenges experienced by the group during the Covid-19 pandemic, such as unreliable supply

and increased commodity prices, have intensified as a result of the war in Ukraine, and will remain uncertainty factors going forward. Veidekke is monitoring developments closely and maintaining supplier dialogues to secure competitive prices and safeguard project progression,” says Jimmy Bengtsson.

Veidekke achieved revenues of NOK 8.4 billion in Q1 2022, compared to NOK 8.3 billion in the first quarter of 2021. The pre-tax loss totalled NOK -55 million, compared to a profit of NOK 28 million in Q1 2021 (which included a gain on sale of NOK 39

million). The group’s first-quarter performance was impacted by seasonal downturns in the asphalt and aggregates operations, as well as some civil engineering segments. Most business areas achieved profitability on a par with Q1 2021, with the exception of Construction Sweden, which experienced a weaker quarter. Extraordinary finance costs amounted to NOK 33 million, including NOK 13 million linked to redemption of a bond loan and NOK 20 million in unrealised losses on financial investments, attributable to turbulence in the financial markets. Overall, the profit margin was -0.7%, compared to 0.3% in the first quarter of 2021.

Net interest-bearing assets totalled NOK 3.3 billion at the end of Q1 2022, compared to NOK 3.7 billion at the beginning of the year. Cash flow from operational activities amounted to NOK 1

million in Q1, up from NOK -185 million in Q1 2021. The statement of financial position totalled NOK 16.5 billion at quarter-end, on a par with the corresponding quarter of last year but down from NOK 17.3 billion at the beginning of the year.

The group’s quarterly order intake was NOK 10.4 billion, compared to NOK 9.8 billion in Q1 2021. At quarter-end, the order book amounted to NOK 39.6 billion, up from NOK 37.9 billion last year. Around two-thirds of the order book will be converted into revenue in the next 12 months.

The first-quarter LTI (lost time injury) rate was 5.4, on a par with the preceding quarter and slightly up from 5.0 in Q1 2021. The sick leave rate was 4.7%, compared to 4.6% in the preceding quarter and 5.2% in the first quarter of last year.

Construction Norway

NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Revenue	3 196	3 471	13 514
Pre-tax profit	108	113	507
Profit margin	3.4%	3.3%	3.8%
Order book	14 389	12 871	13 537

The Norwegian construction operation generated revenues of NOK 3.2 billion in the first quarter of 2022, down 8% from NOK 3.5 billion in the first quarter of 2021. The revenue drop was expected, and is primarily attributable to the commercial buildings segment in Oslo.

The Q1 pre-tax profit totalled NOK 108 million, compared to NOK 113 million in the first quarter of 2021. The quarterly profit margin was 3.4%, compared to 3.3% in Q1 2021. Despite somewhat variable profitability throughout the business area, the largest operation – in the Oslo region – performed well.

The first-quarter order intake was NOK 4.1 billion, compared to NOK 3.0 billion in Q1 2021.

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New contracts signed in the quarter:

- Psychiatric facility, Drammen Hospital. Hospital building forming part of the new Drammen Hospital complex, for Helse Sør-Øst RHF. Contract value NOK 777 million.
- New Trondheim central station. Train station in Trondheim for Bane NOR Eiendom AS. Contract value NOK 722 million.
- Vollebekk B1 BT6. Apartments in Oslo for OBOS Nye hjem. Contract value NOK 505 million.
- Kilen Business Park. Business centre in Tønsberg for Kilen Syd AS. Contract value NOK 363 million.
- Løren botaniske BT3. Apartments in Oslo for Nordr and Obos Nye hjem. Contract value NOK 286 million.

At quarter-end, the order book totalled NOK 14.4 billion, compared to NOK 12.9 billion last year. The order book increased in most parts of the operation.

Infrastructure Norway

NOK million	Q1 2022	Q1 2021 ¹	As at 31 Dec 2021
Total revenue	1 715	1 463	9 147
- Civil engineering	1 576	1 294	5 821
- Asphalt, aggregates	138	169	3 327
Total pre-tax profit	-149	-132	462
- Civil engineering	61	14	285
- Asphalt, aggregates	-211	-147	177
Total profit margin	-8.7%	-9.1%	5.1%
- Civil engineering	3.9%	1.1%	4.9%
- Asphalt, aggregates	-152.1%	-87.1%	5.3%
Order book	8 370	6 669	7 477

¹ The Q1 2021 result includes a gain on the sale of an operation in Rogaland County, Norway, totalling NOK 39 million.

Infrastructure Norway achieved revenues of NOK 1.7 billion in the first quarter, compared to NOK 1.5 billion in the same quarter of last year. The revenue increase is attributable to the civil engineering operation, while the asphalt and aggregates operations experienced their traditional Q1 seasonal downturn. The pre-tax loss totalled NOK -149 million, compared to NOK -132 million in Q1 2021. Adjusted for the sale gain made in Q1 2021, Infrastructure Norway improved its profit performance. The overall profit improvement is attributable to the civil engineering operation. The total profit margin was -8.7%, compared to -9.1% in Q1 2021.

The civil engineering operation generated revenues of NOK 1.6 billion in Q1, compared to NOK 1.3 billion in the corresponding quarter of last year. The profit totalled NOK 61 million, up from NOK 14 million in Q1 2021. Progress was achieved by the road maintenance operation and in the major civil engineering projects portfolio. The profit margin of the civil engineering operation was 3.9%, compared to 1.1% in Q1 2021.

The asphalt and aggregates operations achieved total revenues of NOK 143 million in the first quarter, compared to NOK 175 million last year. The quarterly loss was NOK -211 million, compared to NOK -147 million last year. The decline in profits is attributable

to both last year’s sale gain and increased operating costs in Q1. The asphalt volumes announced in this year’s tendering round for the asphaltting of national and county roads are down 8% on last year. Veidekke has secured 30% of the available volumes, indicating a volume drop of approximately 35% compared to 2021. Assignments linked to national and county roads normally account for approximately 30% of Veidekke’s total volume.

Infrastructure Norway secured new orders valued at NOK 2.5 billion in Q1, up from NOK 0.8 billion last year. The order intake includes new civil engineering projects and road maintenance contracts

New contracts signed in the quarter:

- Hestnes tunnel. Mountain tunnel from Kleverud to Espa in Innlandet County, for Bane NOR. Contract value NOK 1.3 billion.
- Indre Nordmøre. Road maintenance contract from 2022 to 2027 for the Norwegian Public Roads Administration. Contract value NOK 286 million.

At quarter-end, the order book totalled NOK 8.4 billion, up from NOK 6.7 billion last year. Road maintenance contracts amounted to NOK 3.9 billion, up from NOK 2.8 billion in the corresponding quarter of 2021.

Construction Sweden

NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Revenue	2 134	1 993	8 544
Pre-tax profit	30	49	166
Profit margin	1.4%	2.5%	1.9%
Order book	8 128	10 302	9 483

Construction Sweden recorded revenues of NOK 2.1 billion in the first quarter, compared to NOK 2.0 billion in the same quarter of last year. The revenue increase is primarily attributable to the operation in Gothenburg, which achieved strong profitability in Q1.

The first-quarter profit was NOK 30 million, compared to NOK 49 million last year. Profits were reduced by a loss of NOK -28 million made by the Stockholm operation due to increased material costs and engagement of contractors for residential projects. The loss further reduced the already low profitability of the portfolio. Most projects are approaching completion and will conclude in the

course of 2022. The first-quarter profit margin was 1.4%, compared to 2.5% in Q1 2021.

The first-quarter order intake totalled NOK 1.1 billion, compared to NOK 4.0 billion last year. The order intake comprised a number of smaller orders, of which Hills 3 – a small-house project in Gothenburg – had the highest contract value at NOK 104 million.

At the end of the first quarter, the order book stood at NOK 8.1 billion, compared to NOK 10.3 billion last year. Measured in local currency, the order book shrank by 18%, with the decline affecting most parts of the operation.

Infrastructure Sweden

NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Revenue	973	834	4 345
Pre-tax profit	-9	-14	133
Profit margin	-0.9%	-1.7%	3.1%
Order book	5 768	4 964	4 774

Infrastructure Sweden generated revenues of NOK 973 million in the first quarter of 2022, up from NOK 834 million in Q1 2021. Revenue increased across most of the operation. The first quarter is the low season for parts of the operation, and the quarterly result was a loss of NOK -9 million, compared to NOK -14 million last year. The improvement compared to 2021 is attributable to the industrial operation. The quarterly profit margin was -0.9%, compared to -1.7% one year ago.

During the quarter, a contract was signed with the logistics properties company NREP Logicenters regarding the sale of an industrial site in Snebro in Nykvarn, south of Stockholm. Completion of the

transaction is dependent on official environmental approval, which is expected to be given by December 2023. The transaction will generate an accounting gain of NOK 130 million.

The first-quarter order intake totalled NOK 2.1 billion, up from NOK 0.6 billion in Q1 2021. The order intake included one major contract – Sickla waste treatment plant in Stockholm – valued at NOK 1.4 billion.

At the end of the first quarter, the order book stood at NOK 5.8 billion, up from NOK 5.0 billion last year. Measured in local currency, the order book grew by 21%.

Denmark/Hoffmann AS

NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Revenue	444	621	2 362
Pre-tax profit	31	43	200
Profit margin	7.0%	7.0%	8.5%
Order book	2 916	3 125	2 813

The Danish operation achieved revenues of NOK 444 million in the first quarter, compared to NOK 621 million in the corresponding quarter last year. The drop in revenues was expected, and is largely attributable to the greater Copenhagen region. The pre-tax profit was NOK 31 million, compared to NOK 43 million in Q1 2021. Although the revenue fall reduced profits in absolute terms, the profit margin was 7%, on a par with the first quarter of 2021.

The first-quarter order intake totalled NOK 0.6 billion, compared to NOK 1.4 billion in Q1 2021, when the result included a major contract for the development and construction of Nordals Holiday Resort.

New contracts signed in the quarter:

- BII. Office building in Copenhagen for the BioInnovation Institute Foundation. Contract value NOK 155 million.
- Amagerfælledvej. Offices in Copenhagen for the Danish Building and Property Agency. Contract value NOK 111 million.

The order book stood at NOK 2.9 billion at the end of the first quarter, compared to NOK 3.1 billion last year. Measured in local currency, the order book shrank by 4%. Several projects are scheduled to start in the second half of the year.

Other operations

Other operations consist of unallocated costs associated with the group’s corporate administration, the sale of administrative services to the group’s Norwegian operations, financial management and the group’s ownership role in Public–Private Partnerships (PPP), and the elimination of intra-group profits. The result for the first quarter was NOK -66 million, compared to NOK -31 million in Q1 2021. The quarterly result included extraordinary finance costs totalling NOK 33 million, including NOK 13 million linked to redemption of a bond loan and NOK 20 million in unrealised foreign exchange losses on financial investments, attributable to turbulence in the financial markets.

Financial situation

Net interest-bearing assets amounted to NOK 3.3 billion at quarter-end, compared to NOK 2.8 billion last year and NOK 3.7 billion at the beginning of the year. Operational cash flow totalled NOK 1 million in Q1, compared to NOK -185 million in Q1 2021. The group’s first-quarter performance was impacted by seasonal downturns in the asphalt and aggregates operations, as well as some civil engineering segments. Net investments in current assets – net of leases pursuant to IFRS-16 – amounted to NOK -79 million in Q1. The statement of financial position totalled NOK 16.5 billion at quarter-end, on a par with last year.

As at the end of Q1 2022, Veidekke had not drawn on any of its available credit totalling NOK 2.5 billion.

In the first quarter, Veidekke implemented a voluntary buy-back of its VEI10 bond loan, which has a maturity date of 19 March 2025. The loan originally had an outstanding volume of NOK 600 million, of which a total of NOK 407 million was bought back at a price of NOK 103.20, with a payment date of 20 January. Following the buy-back offer, Veidekke’s bond loan stands at NOK 193 million.

Shareholder information

A total of 6.9 million Veidekke shares were traded in the first quarter of 2022. The share price ranged from NOK 122 to NOK 136 and was NOK 122 as at 31 March. The foreign shareholding was 26.5%. Approximately 11.5% of the shares in the company are owned by Veidekke employees.

Largest shareholders as at 31 March 2022	Shareholding
OBOS BBL	19.6%
Folketrygdfondet	11.2%
If Skadeförsäkring AB	3.7%
Verdipapirfond ODIN Norge	2.7%
Vanguard	2.5%
Danske Invest (DK)	2.3%
Must Invest AS	2.2%
MP Pensjon PK	2.0%
Pareto Aksje Norge Verdipapirfond	1.8%
Lannebo Funds	1.8%
Total 10 largest shareholders	49.8%
Others	50.2%
Total	100.0%
Total number of issued shares	134 956 267

Related-party transactions

Veidekke is regularly involved in transactions with related parties in the course of its ordinary operations, including contracts for the development of specific projects. There were no other significant related-party transactions in the first quarter of 2022. For a more detailed description of related-party transactions, see Veidekke’s Annual and sustainability report 2021.

Risk

Veidekke’s business primarily involves the execution of individual projects. Projects vary greatly in terms of complexity, size, duration and risk, and systematic risk management in all parts of the business and during all project phases is therefore of crucial importance. This encompasses matters such as project selection, processes, tender quality, project follow-up and project execution. Having the necessary expertise to ensure optimal assignment execution is key when deciding which projects to tender for.

At the tender preparation stage, risks are identified and assessed, and plans are made for managing risk during the execution phase. Veidekke’s projects are increasing in size and complexity, making risk management a high priority. Certain forms of contract permit differing interpretations of contractual performance, giving room for disagreement between contractor and client regarding final payment. This applies particularly to transport infrastructure projects, in which the contractual sums are large. Although Veidekke seeks to reach agreement with clients through negotiations, some disputes do end up

in the court system. As at the end of the quarter, Veidekke was involved in one major dispute currently before the courts.

The Covid-19 pandemic and the war in Ukraine have affected the group's risk profile in the form of difficulties with the delivery of goods and components, as well as more volatile commodity prices. Veidekke is monitoring the situation closely and maintaining an ongoing dialogue with suppliers.

In Sweden, uncertainty has arisen about the future availability of cement for the construction and civil engineering markets. In a July 2021 judgment, Sweden's Land and Environment Court refused a new mining licence for the Cementa cement factory on Gotland, which currently produces around 75% of all cement used in Sweden. On 18 November 2021, the Swedish Government temporarily extended Cementa's licence, to allow the company to quarry the remaining volume of limestone until 31 December 2022. In April, Cementa submitted an

application for a new four-year production license. In the interim, Veidekke is continuing to work closely with industry stakeholders and cement product partners to secure priority and future supplies for its projects.

For further discussion of the company's financial risk, climate risk and other risk factors, see Note 30 in Veidekke's Annual and sustainability report 2021.

Oslo, 11 May 2022
The board of directors of Veidekke ASA

Svein Richard Brandtzæg
chair

Gro Bakstad

Ingolv Høyland

Daniel Kjørberg Siraj

Hanne Rønneberg

Per-Ingemar Persson

Klara Lise Aasen

Carola Lavén

Inge Ramsdal

Odd Andre Olsen

Arve Fludal

Jimmy Bengtsson
Group CEO

Statement of comprehensive income

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Revenue	8 369	8 311	37 592
Operating expenses	-8 177	-8 067	-35 312
Share of net income from joint ventures	4	5	2
Operating profit before depreciation (EBITDA)	197	248	2 282
Depreciation	-221	-219	-919
Operating profit (EBIT)	-24	29	1 364
Financial income	15	21	70
Financial costs	-47	-22	-92
Pre-tax profit	-55	28	1 342
Tax expenses	12	-6	-313
Post-tax profit	-43	22	1 029
of which non-controlling interests	11	21	71
Profit per share (NOK)	-0.4	0.0	7.1

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Post-tax profit for the period	-43	22	1 029
Revaluation of pensions	-	-	-39
Net items that will not be reclassified subsequently to profit or loss	-	-	-39
Currency translation differences	-36	-70	-82
Fair value adjustment of financial assets	55	31	46
Net items that may be reclassified subsequently to profit or loss	19	-38	-36
Total comprehensive income	-24	-17	954
of which non-controlling interests	10	19	68

Statement of financial position Veidekke group

Figures in NOK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	1 729	1 758	1 758
Other intangible assets	153	106	150
Rights of use assets	890	773	896
Land and buildings	680	730	689
Plant and machinery	2 151	2 091	2 199
Investments in joint ventures	237	222	150
Financial assets	531	582	479
Total non-current assets	6 372	6 262	6 323
Current assets			
Inventories	624	579	590
Trade and other receivables, contract assets	5 836	6 263	6 050
Financial investments	525	538	539
Cash and cash equivalents	3 143	2 904	3 814
Total current assets	10 128	10 284	10 992
Total assets	16 500	16 546	17 315

Figures in NOK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	67	67	67
Other equity	2 718	2 728	2 781
Non-controlling interests	11	17	17
Total equity	2 797	2 813	2 865
Non-current liabilities			
Pensions and deferred tax liabilities	1 156	1 118	1 176
Bonds	193	600	600
Amounts due to credit institutions	202	188	162
Other non-current liabilities	1 325	1 050	1 358
Total non-current liabilities	2 876	2 957	3 297
Current liabilities			
Debt to credit institutions	16	26	13
Trade payables and warranty provisions	6 137	6 243	6 723
Public duties and taxes payable	1 196	1 006	1 106
Other current liabilities and contract liabilities	3 478	3 501	3 310
Total current liabilities	10 827	10 776	11 153
Total equity and liabilities	16 500	16 546	17 315

Statement of cash flows

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
OPERATING ACTIVITIES			
Pre-tax profit	-55	28	1 342
Tax paid for the period	-37	-34	-128
Depreciation/impairment	221	219	919
Other operational items	-127	-397	61
Cash flow from operating activities	1	-185	2 194
INVESTING ACTIVITIES			
Acquisition/disposal of property, plant and equipment	-79	-93	-473
Other investing activities	-65	108	177
Change in interest-bearing receivables	16	-16	15
Net cash flow from investing activities	-128	-1	-282
FINANCING ACTIVITIES			
Change in interest-bearing liabilities	42	-5	-90
Repayment of bond loan	-420	-	-
Dividend paid	-	-	-776
Other financial items	-166	-123	-448
Net cash flow from financing activities	-544	-128	-1 314
Total cash flow	-671	-313	598
Cash and cash equivalents, start of period	3 814	3 219	3 219
Exchange rate adjustment foreign cash balances	-	-3	-3
Cash and cash equivalents, end of period	3 143	2 904	3 814

Net interest-bearing position

Figures in NOK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Cash and cash equivalents	3 143	2 904	3 814
Interest-bearing assets (short-term)	525	538	539
Interest-bearing assets (long-term)	32	163	132
Interest-bearing liabilities	-411	-814	-776
Net interest-bearing position	3 289	2 791	3 709

Other key figures

Figures in NOK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Order book	39 571	37 931	38 084
Equity ratio	17%	17%	17%
Return on equity past 12 months	36%	58%	38%
Number of employees	7 748	7 951	7 796

Business segments

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Construction Norway			
Revenue	3 196	3 471	13 514
Operating expenses	-3 058	-3 325	-12 845
Share of net income from joint ventures	-	-	-
Depreciation/impairment	-41	-41	-180
Operating profit (EBIT)	97	106	489
Net financial items	11	7	18
Pre-tax profit (EBT)	108	113	507
Total assets, segment	6 645	6 890	6 602
Infrastructure Norge			
Revenue	1 715	1 463	9 147
Operating expenses	-1 746	-1 474	-8 190
Share of net income from joint ventures	-1	-1	2
Depreciation/impairment	-109	-112	-458
Operating profit (EBIT)	-143	-124	502
Net financial items	-7	-8	-40
Pre-tax profit (EBT)	-149	-132	462
Total assets, segment	4 855	4 507	4 921

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Construction Sweden			
Revenue	2 134	1 993	8 544
Operating expenses	-2 085	-1 924	-8 285
Share of net income from joint ventures	-	-	-6
Depreciation/impairment	-20	-20	-92
Operating profit (EBIT)	29	49	160
Net financial items	-	-	6
Pre-tax profit (EBT)	30	49	166
Total assets, segment	2 976	3 165	3 222
Infrastructure Sweden			
Revenue	973	834	4 345
Operating expenses	-953	-820	-4 076
Share of net income from joint ventures	-	-	-16
Depreciation/impairment	-29	-28	-117
Operating profit (EBIT)	-9	-13	137
Net financial items	-	-1	-4
Pre-tax profit (EBT)	-9	-14	133
Total assets, segment	1 697	1 177	1 563

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Denmark			
Revenue	444	621	2 362
Operating expenses	-407	-572	-2 138
Share of net income from joint ventures	-	-	-
Depreciation/impairment	-5	-6	-24
Operating profit (EBIT)	31	43	200
Net financial items	-	-	-
Pre-tax profit (EBT)	31	43	200
Total assets, segment	1 683	1 786	1 739
Other operations¹			
Revenue	44	40	162
Operating expenses	-62	-64	-253
Share of net income from joint ventures	5	5	22
Depreciation/impairment	-16	-12	-51
Operating profit (EBIT)	-29	-31	-119
Net financial items	-36	-	-2
Pre-tax profit (EBT)	-65	-30	-121
Total assets, segment	3 889	3 625	3 787

¹ Other operations include the group's net financial items and central unassigned costs.

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Group eliminations			
Revenue	-135	-111	-482
Operating expenses	134	110	474
Share of net income from joint ventures	-	-	-
Depreciation/impairment	-	-	2
Operating profit (EBIT)	-1	-1	-6
Net financial items	-	-	-
Pre-tax profit (EBT)	-1	-1	-6
Total assets, segment	-5 246	-4 605	-4 519
Total Veidekke group segment accounts			
Revenue	8 369	8 311	37 592
Operating expenses	-8 177	-8 067	-35 312
Share of net income from joint ventures	4	5	2
Depreciation/impairment	-221	-219	-919
Operating profit (EBIT)	-24	29	1 364
Net financial items	-31	-1	-22
Pre-tax profit (EBT)	-55	28	1 342
Total assets, segment	16 500	16 546	17 315

Statement of changes in equity

	Equity holders of Veidekke ASA						Minority		
Figures in NOK million	Share capital	Other paid-in capital ¹	Reevaluation of pensions	Currency translation differences	Other retained earnings	Fair value adjustments ²	Total	Non-controlling interests	Total
Equity at 1 January 2021	67	419	-46	54	2 514	-156	2 853	25	2 877
Profit	-	-		-	1	-	1	21	22
Other comprehensive income	-	-	-	-68	-	31	-36	-2	-38
IFRS 2 – share-based transactions employees					-25		-25		-25
Transactions, non-controlling interests					3		3	-14	-11
Dividend	-	-		-	-	-	-	-12	-12
Equity at 31 March 2021	67	419	-46	-13	2 493	-125	2 796	17	2 813
Equity at 1 January 2021	67	419	-46	54	2 514	-156	2 853	25	2 877
Profit	-	-		-	958	-	958	71	1 029
Other comprehensive income	-	-	-39	-79	-	46	-72	-3	-75
IFRS 2 – share-based transactions employees					-38		-38		-38
Additions from acquisitions of operations – non-controlling interests							-	22	22
Transactions, non-controlling interests					-76		-76	-38	-114
Dividend	-	-		-	-776	-	-776	-60	-836
Equity at 31 December 2021	67	419	-85	-25	2 581	-110	2 848	17	2 865
Equity at 1 January 2022	67	419	-85	-25	2 581	-110	2 848	17	2 865
Profit	-	-		-	-54	-	-54	11	-43
Other comprehensive income	-	-	-	-35	-	55	19	-1	19
IFRS 2 – share-based transactions employees					-15		-15		-15
Transactions, non-controlling interests					-13		-13	3	-11
Dividend	-	-		-	-	-	-	-18	-18
Equity at 31 March 2022	67	419	-85	-60	2 499	-55	2 786	11	2 797

¹ Paid-in capital over and above nominal value of shares.

² Financial assets and derivatives defined as hedging instruments that are both valued at fair value through comprehensive income.

Notes Veidekke group

Note 01. General information

Veidekke is one of Scandinavia's largest construction companies. The company is headquartered in Oslo and is listed on the Oslo Stock Exchange. The consolidated accounts for Q1 2022 include Veidekke ASA and its subsidiaries and the group's investments in associates and joint ventures. The group included the same units as of Q1 2022 as in the submitted annual accounts for 2021.

Accounting figures in quarterly accounts are not audited.

Note 02. Accounting principles

The group's financial reports are prepared in accordance with international accounting standards (IFRS) approved by the EU. The quarterly accounts have been prepared in accordance with IAS 34 on interim financial reporting, and comply with applicable stock-exchange rules. The quarterly accounts were prepared in accordance with the same accounting principles as the annual accounts for 2021.

Segment and financial statements are presented according to the same accounting principles. There is therefore difference between IFRS and the principles applied by management to follow up on business.

The quarterly accounts do not include all information required in a complete annual report and should therefore be read in connection with the group's annual accounts for 2021, which are available at www.veidekke.com.

Note 03. Segment information

Business areas

Figures in NOK million	Construction Norway		Infrastructure Norway		Construction Sweden		Infrastructure Sweden		Denmark		Other		Eliminations		Group	
	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21	At 31 Mar 22	At 31 Mar 21
Income statement																
Revenue	3 196	3 471	1 715	1 463	2 134	1 993	973	834	444	621	44	40	-135	-111	8 369	8 311
Operating expenses	-3 058	-3 325	-1 746	-1 474	-2 085	-1 924	-953	-820	-407	-572	-62	-64	134	110	-8 177	-8 067
Share of net income from joint ventures	-	-	-1	-1	0	0	-	-	-	-	5	5	-	-0	4	5
Depreciation	-41	-41	-109	-112	-20	-20	-29	-28	-5	-6	-16	-12	0	-0	-221	-219
Operating profit	97	106	-143	-124	29	49	-9	-13	31	43	-29	-31	-1	-1	-24	29
Net financial items	11	7	-7	-8	0	-	-0	-1	-0	0	-36	0	0	-0	-31	-1
Profit before tax	108	113	-149	-132	30	49	-9	-14	31	43	-65	-30	-1	-1	-55	28
Statement of financial position at 31 March																
Non-current assets	1 357	1 308	2 574	2 431	846	1 066	602	592	210	232	839	722	-55	-88	6 372	6 262
Current assets	2 025	2 249	1 942	2 056	1 301	1 457	739	240	283	264	1 767	2 221	-1 071	-1 107	6 985	7 381
Cash and cash equivalents	3 264	3 333	339	20	830	642	357	346	1 190	1 290	1 283	682	-4 120	-3 410	3 143	2 903
Total assets	6 645	6 890	4 855	4 507	2 976	3 165	1 697	1 177	1 683	1 786	3 889	3 625	-5 246	-4 605	16 500	16 546
Equity	1 226	1 277	763	807	377	556	245	168	435	442	-223	-343	-25	-94	2 797	2 812
Non-current liability	923	886	1 250	1 467	669	542	115	88	102	107	3 997	3 310	-4 180	-3 443	2 876	2 957
Current liabilities	4 497	4 727	2 842	2 234	1 931	2 068	1 337	922	1 145	1 236	115	658	-1 041	-1 068	10 827	10 777
Total equity and liabilities	6 645	6 890	4 855	4 507	2 976	3 165	1 697	1 177	1 683	1 786	3 889	3 625	-5 246	-4 605	16 500	16 546
Key figures																
Number of employees	2 791	2 909	2 225	2 282	1 140	1 206	1 058	985	397	443	137	126	-	-	7 748	7 951
Order book	14 389	12 871	8 370	6 669	8 128	10 302	5 768	4 964	2 916	3 125	-	-	-	-	39 571	37 931
- due for completion within 12 months	9 074	8 899	3 935	4 907	5 717	6 484	2 637	2 779	1 963	1 899	-	-	-	-	23 327	24 968

Note 04. Operating income

The tables below show the group’s revenues split into service areas.

Figures in NOK million	Construction Norway	Infrastructure Norway	Construction Sweden	Infrastructure Sweden	Denmark	Other	Group
Service area							
Apartments and small houses	1 159	-	593	-	17	-	1 769
Commercial buildings	688	-	1 231	-	219	-	2 138
Public buildings	1 061	287	289	-	168	-	1 804
Transport infrastructure – road	-	5	-	64	-	-	69
Transport infrastructure – rail	-	420	-	101	-	-	521
Asphalt and aggregates	-	143	-	67	-	-	209
Other civil engineering	296	449	36	506	40	-	1 326
Maintenance contracts (road maintenance)	-	448	-	230	-	-	678
Other/Eliminations	-8	-36	-15	5	-	-91	-146
Total 31 March 2022	3 195	1 715	2 134	973	444	-91	8 369

Figures in NOK million	Construction Norway	Infrastructure Norway	Construction Sweden	Infrastructure Sweden	Denmark	Other	Group
Service area							
Apartments and small houses	1 242	-	810	-	29	-	2 081
Commercial buildings	1 264	-	843	-	438	-	2 545
Public buildings	963	-	589	-	100	-	1 652
Transport infrastructure – road	-	52	-	96	-	-	148
Transport infrastructure – rail	-	433	-	91	-	-	524
Asphalt and aggregates	-	175	-	36	-	-	211
Other civil engineering	2	468	-	364	54	-	888
Maintenance contracts (road maintenance)	-	335	-	-	-	-	335
Other/Eliminations	-	-	-249	247	-	-72	-74
Total 31 March 2021	3 471	1 463	1 993	834	621	-72	8 311

Note 05. Estimates

Veidekke’s operations comprise construction projects. Accounting for project activities is largely based on estimates. Significant judgements used in applying the group’s accounting policies as well as main sources of estimate uncertainty are the same at the end of Q1 2022 as in the 2021 annual accounts.

Note 06. Non-current assets

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Property, plant, equipment and other intangible assets			
Carrying amount at start of period	3 935	3 859	3 859
Additions of non-current assets excl. Rights of use assets	148	145	725
Additions of Rights of use assets	84	88	484
Additions from acquisitions of operations	-	11	84
Depreciation/amortisation of non-current assets excl. Rights of use assets	-141	-147	-573
Depreciation of Rights of use assets	-80	-72	-335
Currency translation differences, etc.	-27	-56	-54
Disposals of non-current assets excl. Rights of use assets	-42	-128	-246
Disposals of Rights of use assets	-3	-	-9
Carrying amount at end of period	3 874	3 700	3 935
Other intangible assets	153	106	150
Rights of use assets	890	773	896
Land and buildings	680	730	689
Plant and machinery	2 151	2 091	2 199
Carrying amount at end of period	3 874	3 700	3 935

Figures in NOK million	Q1 2022	Q1 2021	As at 31 Dec 2021
Goodwill			
Carrying amount at start of period	1 758	1 824	1 824
Additions	-	-	15
Impairment	-	-	-11
Currency translation differences	-29	-55	-58
Disposals	-	-11	-12
Carrying amount at end of period	1 729	1 758	1 758

Note 07. Operations significantly affected by seasonal fluctuations

The group's asphalt and aggregates operations, which report under the Infrastructure business area, is subject to seasonal fluctuations related to climatic conditions. Production takes place mainly between May and October, and the bulk of the operation's turnover is consequently generated during this period. However, costs related to salaried employees, maintenance of production facilities and depreciation accrue throughout the year. As a result, quarterly accounts for the Infrastructure business area will normally fluctuate significantly.

Note 08. Acquisitions, sales of operations

In Q1 2022, Infrastructure Sweden entered into an agreement with the logistics property company NREP Logicens for the sale of Veidekke's industrial site in Snebro near Nykvarn, south of Stockholm. Completion of the transaction is subject to environmental approval by the authorities, which is expected by December 2023. The transaction is expected to provide an accounting gain of NOK 130 million and will be included in Infrastructure Sweden's results for the quarter in which it is completed.

Note 09. Financial instruments

There were no significant changes during the period related to financial risk and the group's use of financial instruments. For further details, see the annual report for 2021.

Note 10. Dividends

For the financial year 2021, a dividend payment of NOK 7.0 per share, amounting to NOK 945 million in total, was approved by the Annual General Meeting on 11 May 2022 and will be recognised in the Q2 2022 accounts.

Note 11. Loan agreement covenants

Veidekke has a NOK 1.75 billion overdraft facility with DNB (rolling 364-day maturity) and a NOK 0.75 billion credit facility with SEB (with maturity until December 2023 and two one-year extension options). Both facilities remained unutilised as at the end of first quarter 2022.

Cash and cash equivalents amount to NOK 3.1 billion, including NOK 1.9 billion invested in money market funds. Veidekke has also invested NOK 0.5 billion in bond funds, and this investment has been classified as Financial investments in the Statement of financial position.

In first quarter 2022, Veidekke implemented a voluntary buy-back of its VEI10 bond loan, which has a maturity date of 19 March 2025. As at 31 December 2021, the loan had an outstanding volume of NOK 600 million, of which a total of NOK 407 million was bought back at a price of NOK 103.20. Following the buy-back, Veidekke's bond loan stands at NOK 193 million. As a result of the premature redemption the income statement in Q1 has been charged with NOK 13 million related to share premiums.

Note 12. Events after the reporting date

No events have occurred after the balance sheet date that would have had a material effect on the issued accounts.

Note 13. Alternative performance measures

Veidekke generally reports its financial results in line with International Financial Reporting Standards (IFRS). The following alternative performance measures are also reported:

Net interest-bearing position

This key figure expresses the group’s financial position and is determined on the basis of the group’s capitalised interest-bearing debt on the date of calculation, less bank deposits and interest-bearing receivables, both current and non-current. This key figure is also included in the calculation of covenants in the loan agreement.

Order book

The order book provides an indication of future activity in the group’s construction and civil engineering operations. The order book is defined as contracted and signed contracts on the measurement date. This key figure also includes road maintenance contracts in Infrastructure’s Road maintenance unit.

Invested capital

The return on invested capital is calculated by dividing the pre-tax profit/loss plus interest costs over the previous 12 months by the average invested capital over the same period.

The average invested capital is calculated by averaging invested capital over the four preceding quarters.

Invested capital comprises equity and interest-bearing debt. Interest-bearing receivables and cash are excluded from the definition of interest-bearing debt..

Return on equity

This key figure indicates the return on equity during the period. It is calculated by dividing the post-tax profit by average equity.

Post-tax profit last 12 months

Average equity last 12 months

Average equity over the last 12 months is calculated by averaging equity over the preceding four quarters.

Veidekke is one of Scandinavia's largest contractors. In addition to undertaking all types of building and civil engineering assignments, the group also maintains roads and produces asphalt and aggregates. Veidekke emphasises stakeholder involvement and local experience. The annual turnover is NOK 38 billion, and half of its 7 800 employees own shares in the company. Veidekke is listed on the Oslo Stock Exchange and has posted a profit every year since its inception in 1936.



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