



Q4

Fourth quarter
2022

Key figures

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Revenue	10 837	10 176	38 658	37 592
Profit before tax	622	393	1 467	1 342
Construction Norway	172	139	530	507
Infrastructure Norway	189	134	496	462
Construction Sweden	18	34	140	166
Infrastructure Sweden	186	53	290	133
Denmark/Hoffmann	83	70	213	200
Other	-26	-37	-203	-127
Profit margin	5.7%	3.9%	3.8%	3.6%
Operating profit before depreciation and amortisation (EBITDA)	848	655	2 446	2 282
Shareholders' profit share	491	303	1 092	958
Profit per share (NOK)	3.6	2.2	8.1	7.1
Net interest-bearing assets	2 840	3 709	2 840	3 709
Net cash flow from operations	907	856	1 409	2 194
Return on equity past 12 months	43%	38%	43%	38%
Order book	41 334	38 084	41 334	38 084
Order intake	7 843	7 915	39 032	36 221
LTI rate	2.9	5.4	3.0	4.6
Sickness absence	6.4%	4.6%	5.5%	4.6%

Results Q4 2022 and the year 2022

Veidekke achieved revenues of NOK 10.8 billion in Q4, and a pre-tax profit of NOK 622 million. The group's order book totalled NOK 41.3 billion at year-end. The profit per share was NOK 8.1, and the board is proposing a dividend of NOK 7.75 per share for the financial year 2022.

“Veidekke delivered solid operations in the fourth quarter, growing revenue, profits and margins. Four out of the group's five business areas improved their profitability year-on-year, with Construction Norway and Infrastructure Norway being the standout performers. In addition, Infrastructure Sweden sold a former landfill site for development as a logistics property during the quarter,” says CEO Jimmy Bengtsson.

“Overall, we are pleased to have delivered good results throughout 2022. These give us a solid foundation for delivering on our promise to pay dividends to our shareholders,” says Bengtsson.

“We enter 2023 with a strong and balanced project portfolio and are well positioned to handle a more uncertain market,” says Bengtsson.

“Moreover, innovation efforts and partnerships continue, and will generate green business opportunities and activity going forward,” says Jimmy Bengtsson.

Veidekke achieved revenues of NOK 10.8 billion in Q4 2022, compared to NOK 10.2 billion in the fourth quarter of 2021. The fourth-quarter pre-tax profit totalled NOK 622 million, compared to NOK 393 million in Q4 2021. The quarterly profit figure includes a gain of NOK 130 million on Infrastructure

Sweden's sale of an industrial site outside Stockholm. The rest of the profit improvement is attributable to Construction Norway, Infrastructure Norway and the Danish operation. The profit margin was 5.7%, compared to 3.9% in Q4 2021.

The group achieved total revenues of NOK 38.7 billion in 2022, compared to NOK 37.6 billion in 2021. Infrastructure Norway, Infrastructure Sweden and Construction Sweden improved their revenues, while Construction Norway and Denmark performed on a par with last year. The group's total pre-tax profit in 2022 amounted to NOK 1 467 million, up from NOK 1 342 million in 2021. Most of the profit increase is attributable to Infrastructure Sweden. The 2022 profit margin was 3.8%, up from 3.6% in 2021. With the exception of Construction Sweden, all operational areas improved their profitability.

Net interest-bearing assets totalled NOK 2.8 billion at the end of Q4 2022, compared to NOK 3.7 billion

at the beginning of the year. Quarterly cash flow from operational activities amounted to NOK 907 million, compared to NOK 856 million in Q4 2021. Full-year cash flow from operational activities totalled NOK 1.4 billion, compared to NOK 2.2 billion in 2021. The statement of financial position totalled NOK 17.6 billion at quarter-end, up from NOK 17.3 billion one year ago.

The group's Q4 order intake was NOK 7.8 billion, compared to NOK 7.9 billion in Q4 2021. At quarter-end, the order book amounted to NOK 41.3 billion, up from NOK 38.1 billion in 2021.

The fourth-quarter LTI (lost time injury) rate was 2.9, compared to 2.4 in the preceding quarter and 5.4 in Q4 2021. While no serious injuries were recorded in Q4, two such incidents were registered earlier in the year. The sick leave rate was 6.4%, up from 4.6% in the preceding quarter and 4.6% in the fourth quarter of last year.

Construction Norway

NOK million	Q4 2022	Q4 2021	2022	2021
Revenue	3 863	3 474	13 370	13 514
Profit before tax	172	139	530	507
Profit margin	4.5%	4.0%	4.0%	3.8%
Order book	16 584	13 537	16 584	13 537

The Norwegian construction operation generated revenues of NOK 3.9 billion in the fourth quarter of 2022, up 11% from NOK 3.5 billion in the fourth quarter of 2021.

The Q4 pre-tax profit totalled NOK 172 million, compared to NOK 139 million in the fourth quarter of last year. The profit margin increased from 4.0% in Q4 2021 to 4.5% in Q4 2022. The operations in central parts of eastern Norway and Trøndelag maintained strong profitability, while the operations in south-western Norway improved their profitability compared to the same quarter in 2021.

Construction Norway signed a memorandum of understanding relating to its acquisition of 100% of Constructa Entreprenør AS in Bergen, Norway, in Q3, and the purchase was completed in Q4. The company's NOK 450 million order book has been consolidated as at quarter-end. Constructa's revenue and profits had no material effect on the fourth-quarter figures.

In 2022 as a whole, the Norwegian construction operation generated revenues of NOK 13.4 billion, compared to NOK 13.5 billion in 2021. The pre-tax profit amounted to NOK 530 million, compared to NOK 507 million last year. Although several entities

improved their profitability in 2022, there is still considerable room for improvement, particularly in southern and western Norway. The full-year profit margin was 4.0%, compared to 3.8% in 2021.

The fourth-quarter order intake was NOK 3.2 billion, compared to NOK 3.7 billion in Q4 2021. Commercial buildings and residential units accounted for most of the quarterly order intake.

New contracts signed in the quarter:

- Lille Løren Park BT2. Office premises in Oslo for Sinsenveien Utvikling AS. Contract value NOK 299 million.
- OneMed. Logistics park outside Oslo for Fabritius Gruppen AS. Contract value NOK 203 million.
- Bovieran. Apartments in Skien for Bovieran Falkum AS. Contract value NOK 163 million.
- Administrative building, Statnett. Refurbishment of administrative building in Sunndalsøra for Statnett SF. Contract value NOK 125 million.
- Brygga stage 3. Apartments in Levanger for Sebo Boliger AS. Contract value NOK 119 million.

At quarter-end, the order book totalled NOK 16.6 billion, up from NOK 13.5 billion at the beginning of the year. All segments of the order book showed an increase.

Infrastructure Norway

NOK million	Q4 2022	Q4 2021	2022	2021
Total revenue	2 530	2 448	9 583	9 147
- Civil engineering	1 692	1 643	6 333	5 821
- Asphalt, aggregates	839	805	3 251	3 327
Total profit before tax	189	134	496	462
- Civil engineering	184	103	485	285
- Asphalt, aggregates	4	30	11	177
Total profit margin	7.5%	5.5%	5.2%	5.1%
- Civil engineering	10.9%	6.3%	7.7%	4.9%
- Asphalt, aggregates	0.5%	3.8%	0.3%	5.3%
Order book	8 242	7 477	8 242	7 477

¹ The profit as at 31 December 2021 included a gain of NOK 38 million on the sale of an operation in Rogaland.

Infrastructure Norway achieved revenues of NOK 2.5 billion in the fourth quarter, on a par with the same quarter of last year. The pre-tax profit totalled NOK 189 million, up from NOK 134 million in Q4 2021. While the civil engineering operation achieved higher profits, the profits of the asphalt and aggregates operations fell. The total profit

margin was 7.5%, up from 5.5% in the fourth quarter of 2021.

The civil engineering operation generated revenues of NOK 1.7 billion in Q4, compared to NOK 1.6 billion in the corresponding quarter of last year. The profit totalled NOK 184 million, up from NOK 103

million in Q4 2021. The major civil engineering projects portfolio achieved robust profitability thanks to contributions from projects approaching completion. The road maintenance operation achieved high profitability, and has a healthy, strong project portfolio. The profit margin of the civil engineering operation was 10.9%, compared to 6.3% in Q4 2021.

The asphalt and aggregates operations achieved revenues of NOK 839 million in the fourth quarter, up from NOK 805 million last year. The quarterly profit was NOK 4 million, compared to NOK 30 million in 2021. The asphalt operation experienced a weak end to a weak year. The profit margin was 0.5%, down from 3.8% in Q4 2021.

In 2022 as a whole, Infrastructure Norway generated revenues of NOK 9.6 billion, up from NOK 9.1 billion in 2021. The revenue increase is attributable to the civil engineering operation, as revenues fell in the asphalt and aggregates operations as a result of reduced asphalt tonnages. The pre-tax profit amounted to NOK 496 million,

compared to NOK 462 million last year. Profits improved strongly in the civil engineering operation, while the asphalt operation made a loss for the year. The annual profit margin was 5.2%, compared to 5.1% in 2021. Like a year ago, Veidekke was involved in one major legal dispute at year-end where the scope for the outcome of the claims is considered to be large.

Infrastructure Norway secured new orders valued at NOK 1.0 billion in Q4, up from NOK 592 million in the same period last year. The fourth-quarter order intake included a large order from Bane NOR totalling NOK 160 million related to work on the Asker Line between Sandvika and Drammen.

At quarter-end, the order book totalled NOK 8.2 billion, compared to NOK 7.5 billion at the beginning of the year. Road maintenance contracts accounted for NOK 3.9 billion of the order book, on a par with the beginning of the year.

Construction Sweden

NOK million	Q4 2022	Q4 2021	2022	2021
Revenue	2 647	2 491	8 858	8 544
Profit before tax	18	34	140	166
Profit margin	0.7%	1.4%	1.6%	1.9%
Order book	8 158	9 483	8 158	9 483

Construction Sweden recorded revenues of NOK 2.6 billion in the fourth quarter, compared to NOK 2.5 billion in the same quarter of last year. Measured in local currency, revenue increased by 11%. The increase is attributable to the Gothenburg operation. Stockholm and Malmö, on the other hand, suffered a drop in revenue.

The fourth-quarter profit was NOK 18 million, down from NOK 34 million last year. The quarterly profit figure includes goodwill impairments totalling NOK 19 million. While the subsidiary BRA in Gothenburg delivered strong profitability, the Stockholm operation has several unprofitable projects on its books, and is failing to cover fixed costs. The quarterly profit margin was 0.7%, compared to 1.4% in Q4 2021.

The Swedish construction operation achieved revenues of NOK 8.9 billion in 2022 as a whole, up from NOK 8.5 billion last year. Measured in local currency, this represents a 9% increase. The pre-tax profit was NOK 140 million, compared to NOK 166 million in 2021. BRA in Gothenburg achieved high profitability, while the Stockholm operation reported low profitability and financial losses. The profit margin for 2022 was 1.6%, compared to 1.9% last year.

The fourth-quarter order intake totalled NOK 2.3 billion, compared to NOK 1.8 billion last year. The order intake primarily consisted of commercial and public buildings.

New contracts signed in the quarter:

- Catena Menigo. Logistics building outside Gothenburg for Catena. Contract value NOK 383 million.
- Rausgård. Office premises in Malmö for Bastionen Skåne AB. Contract value NOK 301 million.
- Tellus Skola. School in Stockholm for Skolfastigheter i Stockholm AB. Contract value NOK 291 million.
- Vista. Office premises in Malmö for Wihlborgs Fastigheter AB. Contract value NOK 223 million.
- Påsen 1. Refurbishment of office premises in Stockholm for Fabege. Contract value NOK 208 million.

At the end of the fourth quarter, the order book stood at NOK 8.2 billion, compared to NOK 9.5 billion at year-end 2021. Although the order book of BRA in Gothenburg grew year-on-year, most other operational divisions experienced a strong drop in the residential and public buildings segments. Measured in local currency, the order book shrank by 11%.

Infrastructure Sweden

NOK million	Q4 2022 ¹	Q4 2021	2022	2021
Revenue	1 678	1 316	5 247	4 345
Profit before tax	186	53	290	133
Profit margin	11.1%	4.0%	5.5%	3.1%
Order book	5 277	4 774	5 277	4 774

¹ The profit before tax for Q4 and the year 2022 included a gain of NOK 130 million for the sale of an industrial plot outside Stockholm.

Infrastructure Sweden generated revenues of NOK 1.7 billion in the fourth quarter of the year, compared to NOK 1.3 billion in Q4 2021. Net of the sale of a former landfill site, revenue grew by 20%, measured in local currency.

The profit was NOK 186 million, compared to NOK 53 million in Q4 2021. The quarterly profit includes a NOK 130 million gain on the sale of a former landfill site outside Stockholm. The quarterly profit margin was 11.1%, compared to 4.0% one year ago. The underlying operational performance was stable year-on-year, with a profit margin of 3.6%.

For the year as a whole, the operation generated revenues of NOK 5.2 billion, compared to NOK 4.3

billion in 2021. The pre-tax profit was NOK 290 million, up from NOK 133 million last year. The industrial operation reported profit improvement over and above the previously noted sale gain. The profit margin for the year as a whole was 5.5%, up from 3.1% in 2021. Net of the sale gain, the profit margin was on a par with last year.

The fourth-quarter order intake totalled NOK 727 million, compared to NOK 1.3 billion in Q4 2021. No major contracts were signed during the quarter.

At the end of the fourth quarter, the order book stood at NOK 5.3 billion, compared to NOK 4.8 billion at year-end 2021. Measured in local currency, the order book grew by 14%.

Denmark/Hoffmann AS

NOK million	Q4 2022	Q4 2021	2022	2021
Revenue	783	590	2 420	2 362
Profit before tax	83	70	213	200
Profit margin	10.7%	11.9%	8.8%	8.5%
Order book	2 327	2 813	2 327	2 813

The Danish operation achieved revenues of NOK 783 million in the fourth quarter, compared to NOK 590 million in the corresponding quarter of last year. This corresponds to an increase of 29% measured in local currency. Most of the increase is attributable to the Jutland operation.

The pre-tax profit was NOK 83 million, compared to NOK 70 million in Q4 2021. The profit margin was 10.7%, compared to 11.9% in Q4 2021. Profitability was strong throughout the project portfolio.

In 2022 as a whole, revenues totalled NOK 2.4 billion, up 3% in the local currency compared to last year. The pre-tax profit amounted to NOK 213 million, compared to NOK 200 million in 2021. The annual profit margin was 8.8%, up from 8.5% last year.

The fourth-quarter order intake totalled NOK 515 million, compared to NOK 511 million in Q4 2021. The order intake included a NOK 140 million contract with Novo Nordisk relating to the construction of a commercial building in Copenhagen.

The order book stood at NOK 3.1 billion at the end of the fourth quarter, compared to NOK 2.8 billion at year-end 2021. Measured in local currency, the order book grew by 4%.

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 (PPPs), and the elimination of intra-group profits. The result for the fourth quarter was NOK -26 million, compared to NOK -37 million in Q4 2021. For 2022 as a whole, the pre-tax result was NOK -203 million, compared to NOK -127 million last year.

Financial situation

Net interest-bearing assets amounted to NOK 2.8 billion at quarter-end, compared to NOK 3.7 billion at the beginning of the year. Operational cash flow totalled NOK 907 million in Q4, compared to NOK 856 million in Q4 2021. On a full-year basis, cash flow from operational activities amounted to NOK 1.4 billion, compared to NOK 2.2 billion in 2021. Net investments in current assets – net of leases pursuant to IFRS-16 – amounted to NOK 429 million for the year. The statement of financial position totalled NOK 17.6 billion at quarter-end, compared to NOK 17.3 billion at the beginning of the year.

As at the end of Q4 2022, Veidekke had not drawn on any of its available credit totalling NOK 2.5 billion.

Shareholder information

A total of 4.3 million Veidekke shares were traded in the fourth quarter of 2022. The share price ranged from NOK 80.90 to NOK 98.30 and was NOK 96.80 as at 31 December 2022. The foreign shareholding was 23.9%. Approximately 12% of the shares in the company are owned by Veidekke employees.

Largest shareholders as at 31 December 2022	Shareholding
OBOS BBL	19.5%
Folketrygdfondet	10.2%
If Skadeförsäkring AB	3.7%
Odin Fonder	3.4%
Vanguard	2.8%
Pareto Asset Management	2.3%
Must Invest AS	2.2%
Danske Invest	2.2%
MP Pensjon PK	2.0%
DNB Asset Management AS	1.5%
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 fourth 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 construction and infrastructure projects for clients in the private and public sectors in Norway, Sweden and Denmark. A recent increase in market uncertainty has created difficulties with the delivery of goods and components and triggered rises in energy and other commodity prices.

The past year has seen significant increases in both interest rates and inflation. These developments are expected to impact financial capacity and investment decisions in both the private and public sectors, and to result in the deferment, redesign or cancellation of planned projects. Significant effects on the residential market are already being felt in the form of lower residential sales and falling prices. Veidekke's order book remains strong going into 2023, but the company is prepared for challenging market conditions going forward. The company is engaged in an ongoing dialogue with clients and suppliers, and has an organisational and cost structure that allows rapid adaptation to altered operating conditions. The order book's development towards the end of 2022 indicates that the market is functioning, but there are large variations between geographical regions and market segments. Veidekke presents its outlook for the Scandinavian contracting markets twice a year. The market update is available on the Veidekke website.

The projects in Veidekke's portfolio 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. Although Veidekke seeks to reach agreement with clients through negotiations, some disputes do end up in the court system. Like a year ago, Veidekke was involved in one major legal dispute at year-end where the scope for the outcome of the claims is considered to be large.

In Sweden, there has been a prolonged period of uncertainty about the future availability of cement for the construction and civil engineering markets, following a decision by Sweden's Land and Environment Court to refuse a new mining licence for the Cementa cement factory on Gotland, which currently accounts for around 75% of Sweden's total cement production. However, following the grant of a new four-year mining licence to Cementa just before year-end, this supply risk has been reduced for the next few years.

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

Consolidated interim financial statement (unaudited)

- A. FINANCIAL STATEMENT, FOURTH QUARTER
- B. BUSINESS SEGMENTS
- C. STATEMENT OF CHANGES IN EQUITY
- D. NOTES TO THE INTERIM FINANCIAL STATEMENTS

Oslo, 7 February 2023

The board of directors of Veidekke ASA

Gro Bakstad
chair

Daniel Kjørberg Siraj

Hanne Rønneberg

Per-Ingemar Persson

Klara Lise Aasen

Carola Lavén

Pål Eitrheim

Inge Ramsdal

Odd Andre Olsen

Arve Fludal

Jimmy Bengtsson
Group CEO

Statement of comprehensive income

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Revenue	10 837	10 176	38 658	37 592
Operating expenses	-10 007	-9 527	-36 250	-35 312
Share of net income from joint ventures	18	6	37	2
Operating profit before depreciation and amortisation (EBITDA)	848	655	2 446	2 282
Depreciation	-270	-250	-938	-919
Operating profit (EBIT)	578	405	1 508	1 364
Financial income	17	14	45	70
Financial costs	27	-26	-87	-92
Profit before tax	622	393	1 467	1 342
Tax expenses	-117	-97	-308	-313
Profit for the period	504	296	1 159	1 029
of which non-controlling interests	14	-6	67	71
Profit per share (NOK)	3.6	2.2	8.1	7.1

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Profit for the period	504	296	1 159	1 029
Revaluation of pensions	33	-39	33	-39
Net items that will not be reclassified subsequently to profit or loss	33	-39	33	-39
Currency translation differences	-26	-30	4	-82
Fair value adjustment of financial assets	-1	-1	91	46
Net items that may be reclassified subsequently to profit or loss	-27	-30	95	-36
Total comprehensive income	510	228	1 287	954
of which non-controlling interests	13	-7	68	68

Statement of financial position Veidekke group

Figures in NOK million	31 Dec 2022	31 Dec 2021	Figures in NOK million	31 Dec 2022	31 Dec 2021
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			Equity		
Goodwill	2 016	1 758	Share capital	67	67
Other intangible assets	137	150	Other equity	2 906	2 781
Rights of use assets	857	896	Non-controlling interests	22	17
Land and buildings	740	689	Total equity	2 995	2 865
Plant and machinery	2 349	2 199	Non-current liabilities		
Investments in joint ventures	278	150	Pensions and deferred tax liabilities	1 239	1 176
Financial assets	524	479	Bonds	193	600
Total non-current assets	6 901	6 323	Amounts due to credit institutions	194	162
Current assets			Other non-current liabilities	687	1 358
Inventories	639	590	Total non-current liabilities	2 313	3 297
Trade and other receivables, contract assets	6 867	6 050	Current liabilities		
Financial investments	523	539	Debts to credit institutions	14	13
Cash and cash equivalents	2 714	3 814	Trade payables and warranty provisions	7 082	6 723
Total current assets	10 743	10 992	Public duties and taxes payable	1 102	1 106
Total assets	17 644	17 315	Other current liabilities and contract liabilities	4 137	3 310
			Total current liabilities	12 336	11 153
			Total equity and liabilities	17 644	17 315

Statement of cash flows

Figures in NOK million

	Q4 2022	Q4 2021	2022	2021
OPERATING ACTIVITIES				
Profit before tax	622	393	1 467	1 342
Tax paid for the period	-194	-62	-290	-128
Depreciation, amortisation and impairments	270	250	938	919
Other operational items	208	276	-706	61
Net cash flow from operating activities	907	856	1 409	2 194
INVESTING ACTIVITIES				
Acquisition/disposal of property, plant and equipment	-90	-256	-429	-473
Other investing activities	-201	142	-289	177
Change in interest-bearing receivables	-10	-8	17	15
Net cash flow from investing activities	-301	-121	-701	-282
FINANCING ACTIVITIES				
Change in interest-bearing liabilities	33	-49	33	-90
Repayment of bond loan	-	-	-420	-
Dividend paid	-	-	-945	-776
Other financial items	-98	-211	-477	-448
Net cash flow from financing activities	-65	-259	-1 808	-1 314
Total cash flow	540	476	-1 100	598
Cash and cash equivalents, start of period	2 174	3 340	3 814	3 219
Exchange rate adjustment foreign cash balances	-	-1	-	-3
Cash and cash equivalents, end of period	2 714	3 814	2 714	3 814

Net interest-bearing position

Figures in NOK million	30 Dec 2022	31 Dec 2021
Cash and cash equivalents	2 714	3 814
Interest-bearing assets (short-term)	523	539
Interest-bearing assets (long-term)	5	132
Interest-bearing liabilities	-402	-776
Net interest-bearing position	2 840	3 709

Other key figures

Figures in NOK million	30 Dec 2022	31 Dec 2021
Order book	41 334	38 084
Equity ratio	17%	17%
Return on equity past 12 months	43%	38%
Number of employees	7 933	7 796

Business segments

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Construction Norway				
Revenue	3 863	3 474	13 370	13 514
Operating expenses	-3 687	-3 288	-12 732	-12 845
Share of net income from joint ventures	1	-	-	-
Depreciation, amortisation and impairments	-40	-51	-171	-180
Operating profit (EBIT)	137	134	467	489
Net financial items	35	5	63	18
Profit before tax (EBT)	172	139	530	507
Total assets	6 931	6 602	6 931	6 602
 Infrastructure Norge				
Revenue	2 530	2 448	9 583	9 147
Operating expenses	-2 201	-2 186	-8 595	-8 190
Share of net income from joint ventures	6	3	10	2
Depreciation, amortisation and impairments	-123	-122	-450	-458
Operating profit (EBIT)	213	144	548	502
Net financial items	-24	-10	-52	-40
Profit before tax (EBT)	189	134	496	462
Total assets	4 783	4 921	4 783	4 921

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Construction Sweden				
Revenue	2 647	2 491	8 858	8 544
Operating expenses	-2 586	-2 418	-8 617	-8 285
Share of net income from joint ventures	-	-4	1	-6
Depreciation, amortisation and impairments	-40	-34	-98	-92
Operating profit (EBIT)	21	34	144	160
Net financial items	-3	-1	-3	6
Profit before tax (EBT)	18	34	140	166
Total assets	3 174	3 222	3 174	3 222
 Infrastructure Sweden				
Revenue	1 678	1 316	5 247	4 345
Operating expenses	-1 448	-1 238	-4 826	-4 076
Share of net income from joint ventures	-	-	-	-16
Depreciation, amortisation and impairments	-44	-23	-130	-117
Operating profit (EBIT)	186	55	291	137
Net financial items	-1	-2	-1	-4
Profit before tax (EBT)	186	53	290	133
Total assets	1 781	1 563	1 781	1 563

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Denmark				
Revenue	783	590	2 420	2 362
Operating expenses	-698	-513	-2 190	-2 138
Share of net income from joint ventures	-	-	-	-
Depreciation, amortisation and impairments	-6	-6	-23	-24
Operating profit (EBIT)	79	71	208	200
Net financial items	5	-	5	-
Profit before tax (EBT)	83	70	213	200
Total assets	1 900	1 739	1 900	1 739
 Other operations¹				
Revenue	-5	43	193	162
Operating expenses	-41	-67	-300	-253
Share of net income from joint ventures	10	7	27	22
Depreciation, amortisation and impairments	-18	-15	-68	-51
Operating profit (EBIT)	-53	-32	-149	-119
Net financial items	33	-4	-53	-2
Profit before tax (EBT)	-20	-37	-202	-121
Total assets	4 097	3 787	4 097	3 787

Figures in NOK million	Q4 2022	Q4 2021	2022	2021
Group eliminations				
Revenue	-660	-185	-1 012	-482
Operating expenses	653	184	1 009	474
Share of net income from joint ventures	-	-	-	-
Depreciation, amortisation and impairments	1	-	2	2
Operating profit (EBIT)	-6	-1	-2	-6
Net financial items	-	-	-	-
Profit before tax (EBT)	-6	-1	-2	-6
Total assets	-5 023	-4 519	-5 023	-4 519
 Total Veidekke group segment accounts				
Revenue	10 837	10 176	38 658	37 592
Operating expenses	-10 007	-9 527	-36 250	-35 312
Share of net income from joint ventures	18	6	37	2
Depreciation, amortisation and impairments	-270	-250	-938	-919
Operating profit (EBIT)	578	405	1 508	1 364
Net financial items	44	-12	-42	-22
Profit before tax (EBT)	622	393	1 467	1 342
Total assets	17 644	17 315	17 644	17 315

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

Statement of changes in equity

Figures in NOK million	Equity holders of Veidekke ASA							Minority	
	Share capital	Other paid-in capital ¹	Revaluation 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 for the period	-	-	-	-	958	-	958	71	1 029
Other comprehensive income	-	-	-39	-79	-	46	-72	-3	-75
IFRS 2 – share-based transactions employees	-	-	-	-	-38	-	-38	-	-38
Additions, 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 for the period	-	-	-	-	1 092	-	1 092	67	1 159
Other comprehensive income	-	-	33	1	-	91	125	2	127
IFRS 2 – share-based transactions employees	-	-	-	-	-31	-	-31	-	-31
Additions, acquisitions of operations, non-controlling interests	-	-	-	-	-	-	-	8	8
Transactions, non-controlling interests	-	-	-	-	-112	-	-112	-21	-133
Purchase of own shares	-	-	-	-	-5	-	-5	-	-5
Dividend	-	-	-	-	-945	-	-945	-50	-995
Equity at 31 December 2022	67	419	-52	-24	2 581	-19	2 973	22	2 995

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 Q4 and the year 2022 include Veidekke ASA and its subsidiaries and the group's investments in associates and joint ventures. The group included mainly the same units as of Q4 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, and there is therefore no 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	Construction Norway		Infrastructure Norway		Construction Sweden		Infrastructure Sweden		Denmark		Other		Eliminations		Group	
	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21	At 31 Dec 22	At 31 Dec 21
Figures in NOK million																
Income statement																
Revenue	13 370	13 514	9 583	9 147	8 858	8 544	5 247	4 345	2 420	2 362	193	162	-1 012	-482	38 658	37 592
Operating expenses	-12 732	-12 845	-8 595	-8 190	-8 617	-8 285	-4 826	-4 076	-2 190	-2 138	-300	-253	1 009	474	-36 250	-35 312
Share of net income from joint ventures	-	-	10	2	1	-6	-	-16	-	-	27	22	-	-	37	2
Depreciation	-171	-180	-450	-458	-98	-92	-130	-117	-23	-24	-68	-51	2	2	-938	-919
Operating profit	467	489	548	502	144	160	291	137	208	200	-149	-119	-2	-6	1 508	1 364
Net financial items	63	18	-52	-40	-3	6	-1	-4	5	-	-53	-2	-	-	-42	-22
Profit before tax	530	507	496	462	140	166	290	133	213	200	-202	-121	-2	-6	1 467	1 342
Statement of financial position at 31 Sep																
Non-current assets	1 644	1 371	2 777	2 565	807	917	610	593	237	220	896	778	-70	-121	6 901	6 323
Current assets	2 670	2 198	1 997	2 119	1 705	1 356	662	588	357	270	1 908	1 727	- 1 271	-1 080	8 028	7 178
Cash and cash equivalents	2 618	3 033	9	237	661	949	508	382	1 306	1 249	1 294	1 282	-3 682	-3 318	2 714	3 814
Total assets	6 931	6 602	4 783	4 921	3 174	3 222	1 781	1 563	1 900	1 739	4 097	3 787	-5 023	-4 519	17 644	17 315
Equity	837	1 121	960	914	259	390	317	259	454	416	-47	-172	215	-63	2 995	2 865
Non-current liability	972	925	837	1 051	83	696	90	92	41	107	4 025	3 777	-3 736	-3 350	2 313	3 297
Current liabilities	5 122	4 556	2 985	2 955	2 832	2 136	1 373	1 212	1 405	1 216	119	183	-1 502	-1 105	12 336	11 153
Total equity and liabilities	6 931	6 602	4 783	4 921	3 174	3 222	1 781	1 563	1 900	1 739	4 097	3 787	-5 023	-4 519	17 644	17 315
Key figures																
Number of employees	2 935	2 821	2 237	2 193	1 110	1 172	1 074	1 069	438	409	139	132	-	-	7 933	7 796
Order book	16 584	13 537	8 242	7 477	8 158	9 483	5 277	4 774	3 074	2 813	-	-	-	-	41 334	38 084
- due for completion within 12 months	11 794	9 148	3 527	3 523	5 337	6 082	2 714	2 641	2 327	1 644	-	-	-	-	25 699	23 039

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	4 935	-	2 136	-	41	-	7 111
Commercial buildings	2 494	-	5 230	-	998	-	8 723
Public buildings	4 795	427	1 150	-	1 176	-	7 548
Transport infrastructure – road	-	8	-	519	-	-	528
Transport infrastructure – rail	-	2 335	4	612	-	-	2 951
Asphalt and aggregates	-	3 396	-	762	-	-	4 158
Other civil engineering	1 146	1 726	338	3 354	205	-	6 769
Maintenance contracts (road maintenance)	-	1 691	-	-	-	-	1 691
Other/Eliminations	-	-	-	-	-	-819	-819
Total 31 December 2022	13 370	9 583	8 858	5 247	2 420	-819	38 658

Figures in NOK million	Construction Norway	Infrastructure Norway	Construction Sweden	Infrastructure Sweden	Denmark	Other	Group
Service area							
Apartments and small houses	5 728	-	2 605	-	101	-	8 434
Commercial buildings	2 790	-	3 768	-	1 506	-	8 063
Public buildings	3 662	-	2 017	-	539	-	6 218
Transport infrastructure – road	90	414	-	602	-	-	1 106
Transport infrastructure – rail	195	1 972	-	239	-	-	2 406
Asphalt and aggregates	-	3 214	-	1 682	-	-	4 896
Other civil engineering	1 049	2 236	154	1 822	216	-	5 476
Maintenance contracts (road maintenance)	-	1 311	-	-	-	-	1 311
Other/Eliminations	-	-	-	-	-	-320	-320
Total 31 December 2021	13 514	9 147	8 544	4 345	2 362	-320	37 592

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 Q4 2022 as in the 2021 annual accounts.

Note 06. Non-current assets

Figures in NOK million	31 Dec 2022	31 Dec 2021
Property, plant, equipment and other intangible assets		
Carrying amount at start of period	3 935	3 859
Additions of non-current assets excl. Rights of use assets	785	753
Additions of Rights of use assets	312	484
Additions from acquisitions of operations	72	82
Disposals of non-current assets excl. Rights of use assets	-80	-246
Disposals of Rights of use assets	-	-9
Depreciation/amortisation of non-current assets excl. Rights of use assets	-572	-573
Depreciation of Rights of use assets	-348	-335
Currency translation differences, etc.	-21	-80
Carrying amount at end of period	4 083	3 935
Other intangible assets	137	150
Rights of use assets	857	896
Land and buildings	740	689
Plant and machinery	2 349	2 199
Carrying amount at end of period	4 083	3 935
 Figures in NOK million	 31 Dec 2022	 31 Dec 2021
Goodwill		
Carrying amount at start of period	1 758	1 824
Additions	289	15
Disposals	-	-12
Impairment	-18	-11
Currency translation differences	-14	-58
Carrying amount at end of period	2 016	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 Q4 2022, Veidekke Construction Norway acquired all the shares in Constructa Entreprenør AS. The company conducts construction business in the Bergen and Vestland region, with chief emphasis on commercial and public buildings. The purchase price was NOK 383 million, of which approximately 40% was settled in the form of shares in Veidekke ASA. According to Constructa Entreprenør AS's accounts for 2022, the company had a turnover of NOK 785 million and a profit before tax of NOK 41 million. At the time of acquisition, Constructa Entreprenør AS had bank deposits of NOK 130 million. In connection with the purchase, goodwill of NOK 259 million were booked, which is linked to the organisation. In addition, a net NOK 16 million were allocated to added value from property. Constructa Entreprenør AS was consolidated into the group accounts from 1 December 2022. Incorporated acquisition analysis is preliminary.

In Q4 2022, Infrastructure Sweden sold an industrial site in Snebro near Nykvarn, south of Stockholm, to the logistics property company NREP Logicenters. The agreement was entered into in Q1 2022, but completion of the transaction was subject to environmental approval by the authorities, which was given in October 2022. The transaction resulted in an accounting gain of NOK 130 million, which is included in Infrastructure Sweden's results for Q4 2022 and appears as operating profits in the accounts.

Note 09. Special items

Veidekke has invested parts of the surplus liquidity in, among other things, bonds. Due to increased interest rates and market unrest the portfolio of investments was exposed to a decline in value in 2022. As at the end of Q3 2022, unrealised losses totalling NOK 33 million were booked in the accounts. The entire decline in value was reversed during Q4 2022.

In Q1 2022, parts of a bond loan was prematurely redeemed, which charged NOK 13 million to the accounts. Reference is made to note 12. The cost entries are made under the segment Other.

Note 10. 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 11. 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 recognised in the Q2 2022 accounts.

Note 12. 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 31. December 2025). Both facilities remained unutilised as at the end of fourth quarter 2022. Cash and cash equivalents amount to NOK 2.7 billion, including NOK 1.3 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. As at 31 December 2022, the bond loan stands at NOK 193 million. As a result of the premature redemption the income statement in Q1 was charged with NOK 13 million related to share premiums.

Note 13. 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 14. 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 profit/loss before tax 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.

$$\frac{\text{Profit for the last 12 months}}{\text{Average equity last 12 months}}$$

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 39 billion, and nearly half of its 8 000 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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