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# Interim report Q1 2019

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Illustration: Arkitema Architects



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## Q1 2019 HIGHLIGHTS

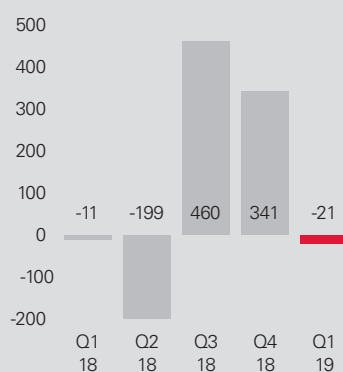
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- Revenue totalled NOK 8.5 (7.1) billion.
- Pre-tax profit amounted to NOK -21 (-11) million.
- Earnings per share were NOK -0.7 (-0.5) (IFRS).
- The order intake totalled NOK 9.2 billion, resulting in an order backlog of NOK 34.9 (31.0) billion in the construction operations.
- A total of 404 residential units were sold during the quarter, of which Veidekke's share amounted to 274. At quarter-end 2,790 residential units were under construction, of which Veidekke is entitled to 2,214, whereof 354 were unsold.
- Net interest-bearing debt was NOK 3,440 (1,613) million at the close of the first quarter of 2019.

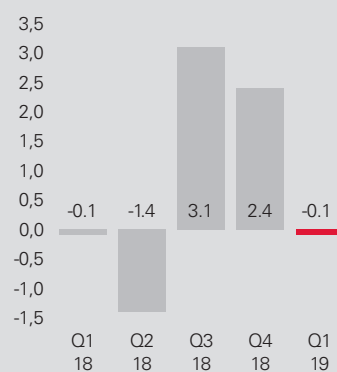
REVENUE  
NOK BILLION



PRE-TAX PROFIT  
NOK MILLION



EARNINGS PER SHARE  
NOK



# KEY FIGURES<sup>1)</sup>

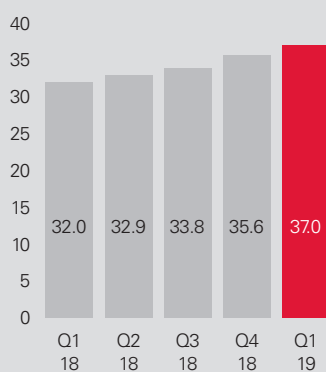
Figures in NOK million	Q1 2019	Q1 2018	2018 <sup>2)</sup>
Revenue, segment	8 531	7 107	35 584
Pre-tax profit, segment	-21	-11	591
Construction	148	158	219
Property Development	57	72	388
Industrial	-202	-217	40
Other	-24	-25	-56
Earnings per share, segment	-0.1	-0.1	4.0
Profit margin, segment (%)	-0.2	-0.2	1.7
Revenue, IFRS <sup>2)</sup>	8 330	7 023	35 667
EBITDA, IFRS	102	78	1 174
Pre-tax profit, IFRS	-113	-67	602
Earnings per share, IFRS (NOK) <sup>3)</sup>	-0.7	-0.5	4.0
Net interest-bearing debt	3 440	1 613	1 470
Total order backlog	35 875	31 930	34 640

1) The comments in the report relate to figures taken from the segment accounts. Comments on the IFRS accounts are specified in the text.

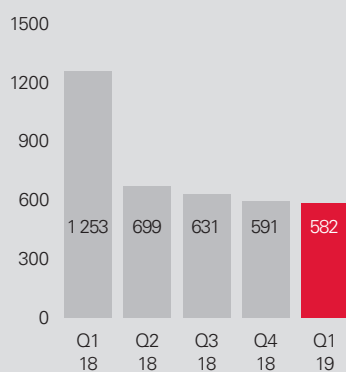
2) In accordance with IFRS, revenue from residential sales in Norway is not recognised until a residential unit is taken over by the buyer. In segment reporting, revenue is recognised using the following formula: estimated final profit x sales ratio x stage of completion.

3) No dilutive effect.

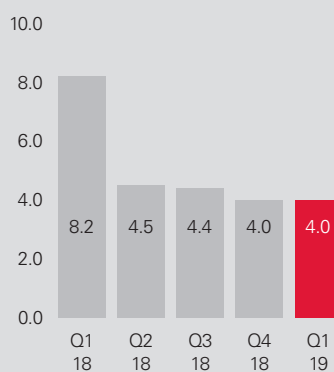
**REVENUE**  
12-MONTH ROLLING  
NOK BILLION



**PRE-TAX PROFIT**  
12-MONTH ROLLING  
NOK MILLION



**EARNINGS PER SHARE**  
12-MONTH ROLLING  
NOK



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## A WORD FROM THE GROUP CEO

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Veidekke's first-quarter performance was marked by the customary seasonal downturn in the industrial operation, and was as expected overall. Several of the construction businesses improved their sales and profits, although the group-wide profit was impacted by reduced profitability in the Norwegian civil engineering operation. While the Norwegian property development operation achieved strong sales and satisfactory profits, lower production and falling residential property prices had a negative effect on margins and profits in Sweden.

Over the next few years, Veidekke will give priority to improving profits, rather than continued expansion. In the short term, this means working on returning to historical profit levels. In the period to 2022, our focus will be on developing current investments and operations with the aim of further profit growth. We have launched targeted initiatives throughout the group to reduce overall project portfolio risk, boost profits and improve cash flow. We are more selective at the tender stage, working to improve risk management and project management, and cutting costs and capital expenditure.

We are well-positioned to achieve our ambitious objectives. Our construction and civil engineering order book is at an all-time high, and has a better composition. We have made management and organisational adjustments, and the property development operation has a large, attractive project portfolio with sales pending in the upcoming years.

In 2014, Veidekke set itself the ambitious target of achieving a zero-serious injury rate by 2020. Since then, we have reduced the number of serious injuries significantly, but have not come as far as we had hoped. This is why, going forward, we will intensify risk management measures and initiatives to ensure learning from incidents and injuries.



A handwritten signature in black ink, appearing to read 'Arne Giske'.

Arne Giske, Group CEO

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## THE VEIDEKKE GROUP

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Veidekke's new electrical digger reduces annual CO2 emissions by 52 tonnes.

Veidekke generated sales of NOK 8.5 billion in the first quarter, an increase of 20% on the same quarter of last year. Growth occurred primarily in the Norwegian and Swedish construction operations, although several other business areas also achieved increased sales.

The pre-tax profit amounted to NOK -21 million, compared to NOK -11 million last year. The first quarter is normally a weak quarter for Veidekke due to seasonal fluctuations in the industrial operation and parts of the civil engineering operation. While the profits of the building construction operation were boosted by increased sales, overall performance was undermined by weak profitability in the Norwegian civil engineering operation. Strong residential sales during the quarter increased the profits of the Norwegian property development operation, although profits in Sweden were negatively impacted by continued low demand and falling prices in Stockholm, as well as lower residential production. High activity levels in the aggregates operation improved the profitability of the industrial operation compared to last year.

The financial accounts are prepared in accordance with IFRS, which among other things regulates the recognition of revenue from residential projects in Norway. In the first quarter, the pre-tax result in accordance with IFRS totalled NOK -113 million. The difference between the financial and segment accounts is attributable to high activity in ongoing projects and the fact that no residential units were completed and delivered in the first quarter.

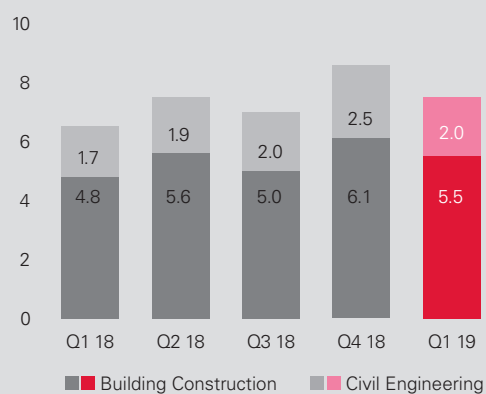
The Q1 order intake of NOK 9.2 billion was 37% higher than during the same period last year. As at quarter-end, the building construction order book amounted to NOK 34.9 billion, representing an increase of NOK 1.1 billion during the quarter. Approximately 70% of the order book will be converted into revenue over the next 12 months.

Net interest-bearing debt totalled NOK 3.4 billion at quarter-end, compared to NOK 1.5 billion at the beginning of the year. The majority of the increase is attributable to the payment for previously agreed plot purchases. Cash flow is normally weak in the first quarter due to low activity in the industrial operation and parts of the civil engineering operation.

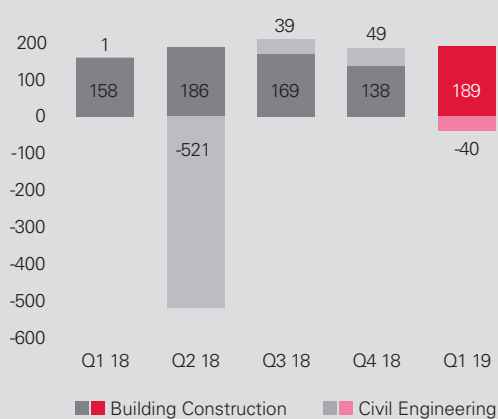
## KEY FIGURES CONSTRUCTION OPERATIONS

NOK million	Q1 2019	Q1 2019	2018
Revenue	7 510	6 500	29 569
Profit before tax	148	158	219
Profit margin (%)	2.0	2.4	0.7
Order backlog	34 851	30 988	33 708

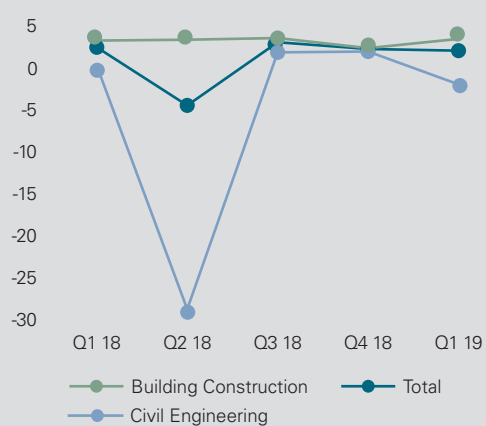
REVENUE  
NOK BILLION



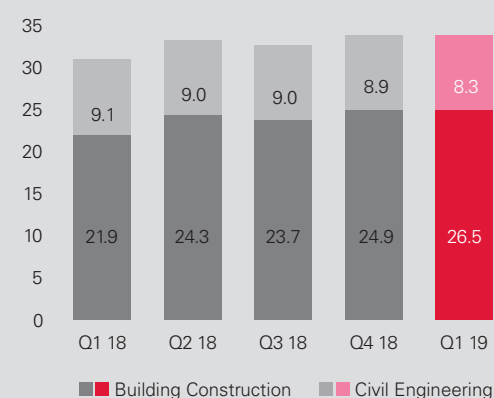
PROFIT BEFORE TAX  
NOK MILLION



PROFIT MARGIN<sup>1)</sup>  
PER CENT



ORDER BACKLOG  
NOK BILLION





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## CONSTRUCTION OPERATIONS

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Work on the Arnkvern-Moelv project



Veidekke's construction operation achieved sales of NOK 7.5 billion in Q1, compared to NOK 6.5 billion in Q1 2018. Both the building construction operation and the civil engineering operation achieved improved sales.

The first-quarter pre-tax profit totalled NOK 148 million, compared to NOK 158 million in the first quarter of 2018. The quarterly profit margin was 2.0%, slightly down from 2.4% one year ago. Increased sales in all three countries contributed to the strong profitability of the building construction operation, although the quarterly profit was reduced somewhat by lower profitability in the Norwegian civil engineering operation.

The Q1 order intake amounted to NOK 8.6 billion. As at 31 March, the building construction operation order book stood at NOK 34.9 billion, up from NOK 33.7 billion at the beginning of the year and NOK 31.0 billion at the end of Q1 2018.

### Building Construction Norway

NOK million	Q1 2019	Q1 2018	2018
Revenue	3 390	3 018	13 070
Profit before tax	110	101	443
Profit margin %	3.2	3.3	3.4
Order backlog	15 799	13 458	14 223

The Norwegian building construction operation generated revenues of NOK 3.4 billion in the first quarter, up 12% from the same quarter in 2018. The operations in the Oslo region and Trøndelag county contributed most to this growth.

The Q1 pre-tax profit totalled NOK 110 million, compared to NOK 101 million in Q1 2018. The profit improvement is attributable to increased sales.

The first-quarter order intake amounted to NOK 5.1 billion. Major projects won in the first quarter:

- Oksenøya centre. Primary school, day-care centre, sports facility and residential and treatment centre for Bærum municipality. Contract value NOK 1.1 billion.
- Skogveien. Student housing for Studentsamskipnaden (students' association) in Ås. Contract value NOK 497 million.
- Miklagard. Conference hotel at Kløfta, for Miklagard Properties AS. Contract value NOK 340 million.
- Brønnøysund Register Centre. Office building in Brønnøysund for the property development company Søren Nilsen AS. Contract value NOK 331 million.
- Gartnerkvartalet construction phase 4. Apartments in Oslo for Lørenvengen Utvikling AS. Contract value NOK 290 million.

At quarter-end, the Norwegian building construction order book totalled NOK 15.8 billion, up from NOK 14.2 billion at year-end 2018.

### Civil Engineering Norway

NOK million	Q1 2019	Q1 2018	2018
Revenue	1 143	1 009	4 427
Profit before tax	-25	3	-584
Profit margin %	-2.2	0.3	-13.2
Order backlog	4 657	6 062	5 056

The Norwegian civil engineering operation achieved revenues of NOK 1.1 billion in the first quarter, compared to NOK 1.0 billion in the first quarter of last year. The increase is attributable to high production in major transport infrastructure projects.

The quarterly loss of NOK -25 million compares to a profit of NOK 3 million in Q1 2018. The decline in profitability is due to weak project portfolio profitability. Several large ongoing projects were written down in 2018 and do not make a profit contribution. The civil engineering operation aims to reduce shared and administrative costs by NOK 100 million by the end of 2020.

The first-quarter order intake totalled NOK 418 million. The civil engineering operation has sought to reduce project portfolio risk, including through a much more selective approach to project tendering. This has reduced the order intake.

The largest contract signed during the quarter relates to re-asphalting of the eastern runway at Oslo Airport. The contract with Avinor is valued at NOK 135 million.

As at the end of Q1 2019, the civil engineering order book stood at NOK 4.7 billion, compared to NOK 5.1 billion at the beginning of the year.



## Construction Sweden

NOK million	Q1 2019	Q1 2018	2018
Revenue	2 409	1 968	9 855
Profit before tax	33	28	214
Profit margin %	1.4	1.4	2.2
Order backlog	11 493	9 722	11 880

The Swedish building construction operation recorded revenues of NOK 2.4 billion in the first quarter, up from NOK 2.0 billion in the same quarter of last year. Measured in local currency, this equates to revenue growth of 27%. This growth is primarily attributable to the non-residential segment, with the acquisition of the construction business Billström Riemer Andersson AB contributing most to the increase in sales. The civil engineering segment also achieved higher sales compared to the corresponding quarter of 2018, while residential construction activity declined by almost 30%.

The Q1 2019 pre-tax profit amounted to NOK 33 million, up from NOK 28 million in the first quarter of last year. Collectively, the businesses acquired in the second quarter of 2018 made a positive contribution to the quarterly profit, although profits suffered under reduced production and weak profitability in the residential segment and somewhat lower profitability in the civil engineering operation. Overall, the profit margin was on a par with last year, at 1.4%.

The order intake for the first quarter was NOK 2.4 billion, up from NOK 1.6 billion in Q1 2018.

Major projects won in the first quarter:

- Mandolingatan. Residential units in Gothenburg for Framtiden Byggutveckling AB. Contract value NOK 236 million.
- Brf Blanka. Residential units in Gothenburg for HSB Produktion. Contract value NOK 230 million.
- Nouvelle. Residential units in Stockholm for LaTerre Nouvelle AB. Contract value NOK 94 million.

At the end of Q1 2019, the Swedish construction operation order book stood at NOK 11.5 billion, compared to NOK 11.9 billion at the end of Q4 2018. Measured in local currency, the order book is the same size as at the beginning of 2019.

## Construction Denmark

NOK million	Q1 2019	Q1 2018	2018
Revenue	569	505	2 218
Profit before tax	30	26	146
Profit margin %	5.3	5.2	6.6
Order backlog	2 902	1 747	2 548

The Danish building construction operation achieved revenues of NOK 569 million in the first quarter of 2019, compared to NOK 505 million in the corresponding quarter of last year. The increase – amounting to 12% in local currency – is attributable to high activity in the Copenhagen region.

The first-quarter pre-tax profit was NOK 30 million, compared to NOK 26 million in Q1 2018. The quarterly profit margin was 5.3%, compared to NOK 5.2% last year. The project portfolio enjoys robust profitability.

The quarterly order intake was NOK 995 million, compared to NOK 902 million in Q1 2018.

Major projects won in the first quarter:

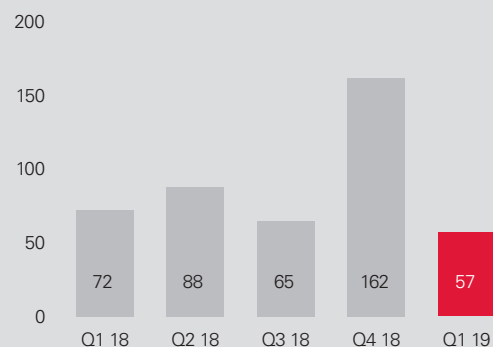
- Mineralvandsfabrikken. Commercial premises and residential units in Copenhagen for Carlsberg Byen P/S. Contract value NOK 443 million.
- Police college in Vejle for the Danish Building and Property Agency. Contract value NOK 339 million.

The order book amounted to NOK 2.9 billion at quarter-end, compared to NOK 2.5 billion at the beginning of the year.

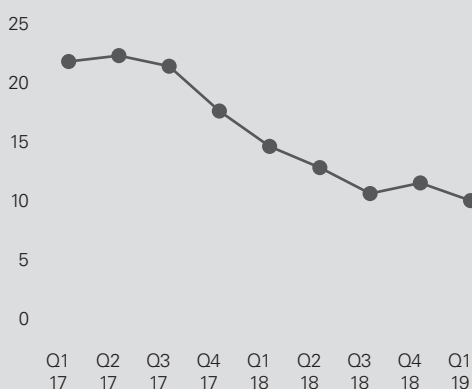
## KEY FIGURES PROPERTY DEVELOPMENT OPERATIONS

NOK million	Q1 2019	Q1 2018	2018
Revenue	718	633	2 899
Profit before tax	57	72	388
Capital invested	6 106	4 662	4 748

**PROFIT BEFORE TAX**  
NOK MILLION



**RETURN ON INVESTED CAPITAL, 12-MONTH ROLLING<sup>1)</sup>**  
PER CENT



### KEY FIGURES RESIDENTIAL UNITS, VEIDEKKE'S SHARE

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2017	2017	2018
Number of units sold	274	161	153	148	105	979	567
Norway	162	52	73	96	67	304	288
Sweden <sup>2)</sup>	112	109	79	47	36	645	271
Denmark	-	-	1	5	2	30	8
Construction starts	135	185	122	364	9	1 374	680
Norway	44	109	50	217	9	320	385
Sweden	91	76	72	147	-	1 054	295
Denmark	-	-	-	-	-	-	-
Number of units under construction	2 214	2 116	2 189	2 251	2 514	2 620	2 116
Norway	643	599	576	598	534	557	599
Sweden	1 571	1 517	1 613	1 578	1 905	1 948	1 517
Denmark	-	-	-	75	75	115	-
Sales ratio, units under construction (%)	84	80	80	80	84	83	80
Norway	75	70	75	75	82	80	70
Sweden	88	84	82	81	85	84	84
Denmark	-	-	-	96	91	91	-
Number of units in land bank	14 800	15 100	15 340	15 200	15 250	14 050	15 100
Norway	5 300	5 400	5 350	5 400	5 600	5 300	5 400
Sweden	9 500	9 700	9 990	9 800	9 650	8 750	9 700

1) The return on invested capital is adjusted for taxes in joint ventures and associates.

2) The sales totals for the first and second quarters of 2018 have been corrected for cancelled pre-sales in discontinued projects.

## PROPERTY DEVELOPMENT OPERATIONS



The first-quarter sales of Veidekke's property development operation totalled NOK 718 million, up from NOK 633 million in Q1 2018. The pre-tax profit amounted to NOK 57 million, compared to NOK 72 million in the corresponding quarter of last year. The quarterly result reflects ongoing residential production, while the drop in profits compared to last year is linked to lower residential construction activity in Sweden. Although there were no sale transactions during the quarter, ongoing residential and commercial projects in both countries will boost profits going forward.

Veidekke sold 404 residential units – including partner share – in Q1 2019, compared to 200 in Q4 2018 and 134 in Q1 2018. Veidekke's share of sales during the quarter was 274 units. Excellent pre-sales in the Middelthuset residential project in Oslo had a positive impact on the sales figures.

The number of residential units under construction was 2,214 at quarter-end, up from 2,116 at the beginning of the year. There were few unsold residential units under construction, and the overall sales ratio for the portfolio was 84%. During the quarter, construction started on six residential projects – three in Norway and three in Sweden.

As at the end of the first quarter, the group's land bank encompassed approximately 18,100 potential residential units, with Veidekke's share amounting to 14,800 units.

Veidekke paid for previously agreed plot purchases in the first quarter, increasing the capital invested in the property development operation to NOK 6.1 billion, up from NOK 4.7 billion at the end of the preceding quarter. The 12-month rolling return on invested capital was 10.2%.



## Property Development Norway

NOK million	Q1 2019	Q1 2018	2018
Revenue	242	153	735
Profit before tax	39	27	163
No. of units under construction <sup>1)</sup>	643	534	599
No. of units sold <sup>1)</sup>	162	67	288

1) A significant portion of Veidekke's Norwegian property development operations takes place in joint ventures. The figures in the table illustrate Veidekke's share.

First-quarter revenues totalled NOK 242 million, compared to NOK 153 million in the same quarter of last year. The pre-tax profit amounted to NOK 39 million, up from NOK 27 million in Q1 2018. The increase is attributable to increased sales in ongoing projects.

The Norwegian property development operation sold 288 residential units in Q1 2019, partners' share included, compared to 89 in Q4 2018 and 93 in Q1 2018. Some 158 of the 182 residential units in the first phase of the Middelthunet project in Oslo, which was released for sale during the quarter, have been sold. The project is a 50/50 joint venture with OBOS. Two further projects were also released for sale in Q1 – one in Oslo and one in Trondheim.

Veidekke had 643 residential units under construction at quarter-end, compared to 599 at the end of 2018. The sales ratio for residential units under construction was 75% in Q1 2019, somewhat higher than in Q4 2018. Construction started on three smaller projects totalling 44 residential units during the first quarter. Two of the projects are situated in Lørenskog, outside Oslo, and one in Hamar.

At quarter-end, the Norwegian operation's land bank encompassed approximately 7,600 potential units, of which Veidekke's share amounted to 5,300 units.

In March, Veidekke took over a plot at Nedre Skøyen vei 24–26 in Oslo. Veidekke paid NOK 50 million when the contract was signed in 2015, and the remaining NOK 750 million in Q1 2019. Combined with an increase in the number of own-account projects, this boosted the invested capital to NOK 4.1 billion, from NOK 3.1 billion at the beginning of the year. Adjusted for tax costs arising in associated and jointly controlled companies, the return on invested capital over the preceding 12 months was 8.6%.

After quarter-end, Veidekke signed an agreement for the sale of a regulated and zoned residential plot in Bærum which will generate a gain of approximately NOK 40 million in the second quarter. Additionally, sales of several commercial projects in Norway are being prepared. These sales will have a substantial impact on profits in the quarters they are realised.

## Property Development Sweden

NOK million	Q1 2019	Q1 2018	2018
Revenue	476	480	2 165
Profit before tax	19	45	225
No. of units under construction <sup>1)</sup>	1 571	1 905	1 517
No. of units sold <sup>1)</sup>	112	36	271

1) Veidekke's share. The sales total for the first quarter of 2018 has been corrected for cancelled pre-sales in discontinued projects.

The Swedish property development operation achieved revenues of NOK 476 million in the first quarter of 2019, compared to NOK 480 million in the same quarter of last year. The pre-tax profit totalled NOK 19 million, compared to NOK 45 million in Q1 2018. The result reflects current residential production in Sweden. Although residential sales were significantly higher than in the same quarter in 2018, declining residential property prices in Stockholm and lower residential production reduced profits compared to last year.

The Swedish property development operation sold 116 residential units in Q1, of which Veidekke's share amounted to 112 units. Partners' share included, the operation sold 111 units in Q4 2018 and 39 in Q1 2018. Thirty-three of the residential sales made in the first quarter were of small new-build houses offering flexible, space-efficient solutions. Sales in Mälardalen were weak, while residential demand was strong in both Gothenburg and Malmö. To boost sales, market adjustments were made to several projects last year, primarily in the Stockholm region. Continuous consideration is given to new sales initiatives in projects nearing completion.

As at quarter-end, there were 1,571 residential units under construction in Sweden, compared to 1,517 units at the end of Q4 2018. In the first quarter, construction started on three projects totalling 131 residential units: an apartment development in Uppsala and two small-house developments in Uppsala and Gothenburg, respectively. Veidekke's share of these projects totals 91 units. The sales ratio for residential units under construction was 88%, compared to 84% at the beginning of the year.

The Swedish property development operation's land bank encompassed 10,500 potential residential units at the end of Q1, with Veidekke's share amounting to 9,500 units.

Payment for previously agreed plot purchases, including a large plot in Hagastaden, Stockholm, increased the invested capital to NOK 1.9 billion during the quarter, up from NOK 1.6 billion at the end of Q4 2018. The return on invested capital over the preceding 12 months was 15.0%.

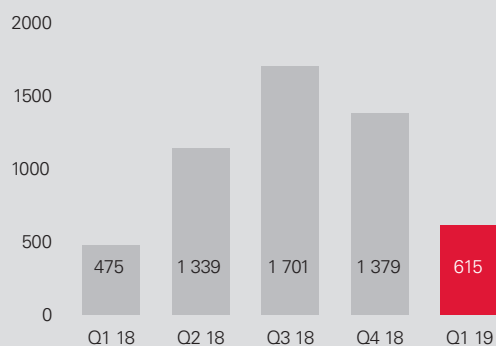


Hills Villastad in Mölndal outside Gothenburg. Illustration: Zynka

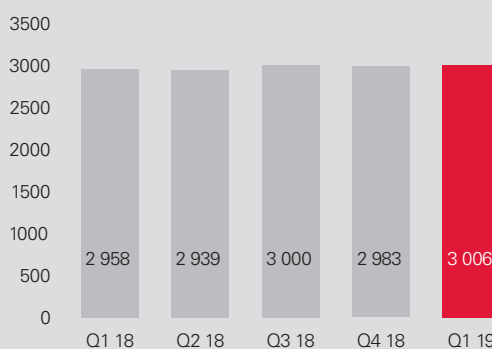
## KEY FIGURES INDUSTRIAL

NOK million	Q1 2019	Q1 2018	2018
Revenue	615	475	4 894
Profit before tax	-202	-217	40
Profit margin (%)	-33	-46	0,8
Order backlog	1 025	942	933

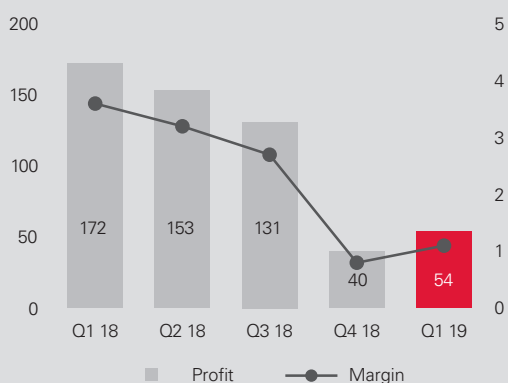
REVENUE  
NOK MILLION



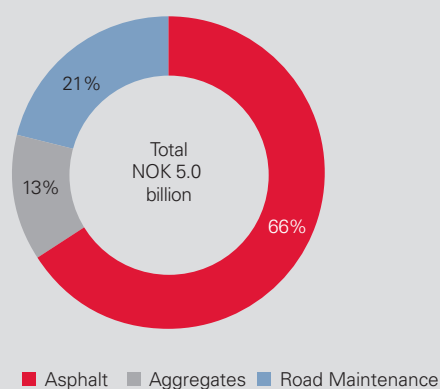
ASPHALT VOLUME, 12-MONTH ROLLING  
THOUSAND TONNES



PROFIT AND MARGIN, 12-MONTH ROLLING  
NOK MILLION



REVENUE BY BUSINESS AREA, LAST 12 MONTHS





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## INDUSTRIAL

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The industrial operation generated revenues of NOK 615 million in Q1 2019, compared to NOK 475 million in the same period last year. Increased activity in the road maintenance and aggregates operations helped boost revenues compared to the first quarter of 2018.

The pre-tax loss for the quarter totalled NOK -202 million, an improvement of NOK 15 million on the first quarter of last year. The Q1 result was marked by the seasonal downturn in the asphalt operation, with maintenance work, seasonal preparations and fixed costs contributing to the negative result.

The asphalt operation achieved sales of NOK 124 million in Q1, up from NOK 51 million last year. The loss of NOK -201 million is on a par with the first quarter of 2018. Following last year's poor result, various measures have been implemented to improve profitability. Veidekke increased its asphalt prices ahead of this year's competitive tender process with the Norwegian Public Roads Administration, and succeeded in securing 40% of the volumes on offer. This equates to 840,000 tonnes of asphalt in 2019. By comparison, Veidekke secured 46% of the available volumes in 2018, corresponding to 1,095,000 tonnes.

It is expected that the decline in the volume supplied to the Norwegian Public Roads Administration will be compensated for by increased deliveries to major road projects.

Activity was high in the road maintenance operation in the first quarter. Compared to the same quarter last year, sales increased by 7%, to NOK 361 million. The NOK -6 million loss is on a par with last year. The Norwegian Public Roads Administration has decided to exercise one-year extension options under four of the six contracts due to conclude in 2019. The result for the quarter reflects an increased loss allocation of NOK 15 million linked to the contract extensions.

The aggregates operation improved sales to NOK 136 million in Q1, up from NOK 94 million last year. The NOK 1 million profit represents an improvement on the loss of NOK -16 million made in Q1 2018. The profit improvement is attributable to increased spoil reception activity, new landfill operations and higher prices.

# OCCUPATIONAL HEALTH AND SAFETY

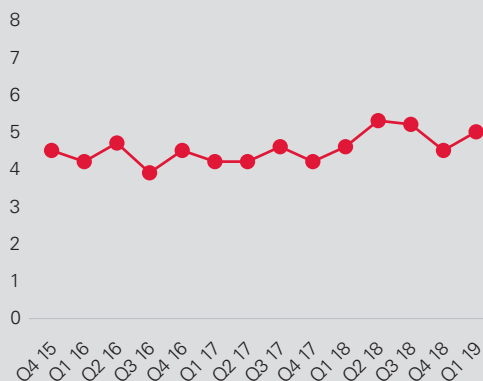
Veidekke aims to reduce the number of serious injuries to zero by the end of 2020. Since adopting this objective in 2014, the number of serious injuries has been reduced substantially, but not enough to achieve the objective on schedule. The group is therefore implementing several forceful measures, including an improvement programme designed to ensure better risk management and that the entire organisation learns from injuries and incidents.

A total of 111 injuries were reported in the first quarter, representing an increase from the preceding quarter's total of 80 and the Q1 2018 total of 84. Two of the injuries were classified as serious.

The first-quarter LTI (lost time injury) rate was 5.0, compared to 4.5 in the preceding quarter and 4.6 in Q1 2018.

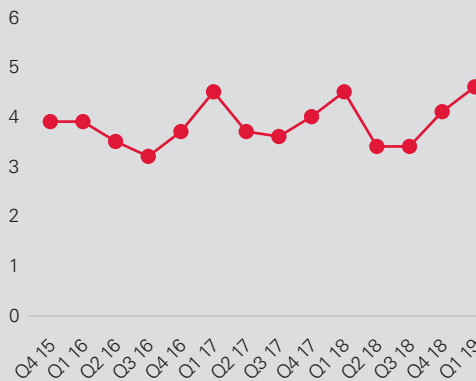
The group's sick leave rate was 4.6% in the first quarter, up from 4.1% in the previous quarter but on a par with the first quarter of 2018. Veidekke seeks to prevent sick leave by providing training, physical exercise and facilitation aimed at enabling persons on sick leave to return to work more quickly. Veidekke's rate of sick leave is lower than the industry average.

LTI RATE



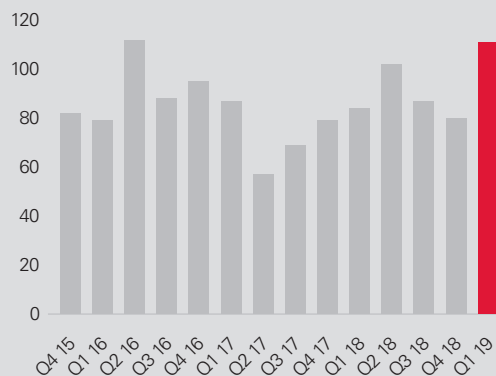
LTI rate: Lost-time injuries per million hours worked, own employees.

SICKNESS ABSENCE



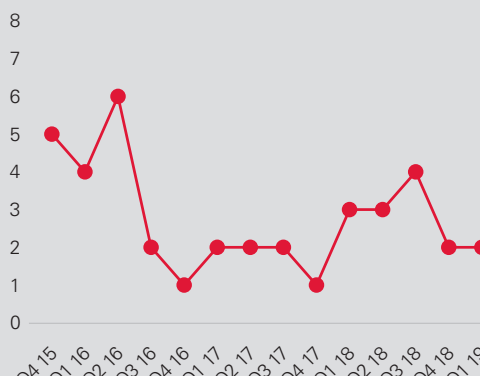
Sickness absence, own employees, per cent.

TOTAL NUMBER OF INJURIES



Number of injuries, own employees and subcontractors.

SERIOUS INJURIES



Number of injuries, own employees and subcontractors.

## OTHER OPERATIONS

Other operations consist of unallocated costs associated with the group's corporate administration and financial management, the group's ownership role in Public-Private Partnerships (PPP) and the elimination of intra-group profits. The result for the first quarter was a loss of NOK 24 million, on par with the first quarter of 2018.

## FINANCIAL SITUATION

At the end of the first quarter of 2019, net interest-bearing debt amounted to NOK 3,440 million, up from NOK 1,470 million at year-end 2018 and NOK 1,613 million one year ago. The increase since the beginning of the year is primarily attributable to payments totalling NOK 1.1 billion for previously agreed plot purchases in both Norway and Sweden, as well as normal seasonal fluctuations in the industrial operation and parts of the civil engineering operation. Investments in machinery and equipment were significantly lower than in the same period last year.

Veidekke has a sound financial capacity. The group has a NOK 3.6 billion borrowing facility with DNB. At quarter-end, unutilised borrowing capacity amounted to NOK 1.5 billion. Veidekke has also issued two bond loans: a NOK 600 million loan maturing in March 2025 and a NOK 1.0 billion loan maturing in May 2023.

## SHAREHOLDER INFORMATION

Largest shareholders as at 31 December 2018	Ownership share in %
OBOS BBL	18.1%
FOLKETRYGDFONDET	10.6%
IF SKADEFORSÄKRING AB	5.1 %
HANDELSBANKEN NORDEN SELEKTIV	3.0%
VERDIPAPIRFONDET DNB NORGE (IV)	2.5%
DANSKE INVEST NORSKE INSTIT. II.	2.3%
MUST INVEST AS	2.2%
MP PENSJON	2.1%
ODIN NORGE	1.9%
VANGUARD GROUP	1.2%
Foreign shareholders	24.1%
Employees, total ownership	14.7%

A total of 9.2 million Veidekke shares were traded in the first quarter of 2019. The share price ranged from NOK 87.60 to NOK 98.80, and was NOK 90.50 at 31 March 2019.

## RELATED PARTY TRANSACTIONS

Veidekke has ongoing transactions with related parties during the course of its ordinary operations, including contracts for the development of specific projects. There were no significant related party transactions in the first quarter of 2019 beyond this. For a more detailed description of related party transactions, see Veidekke's 2018 Annual Report.

## RISKS

Risk management is an important aspect of Veidekke's business, which primarily involves the execution of individual projects. The 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 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 project portfolio is increasing in size and complexity, making risk management a very high priority for the group.

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 first quarter, Veidekke was involved in two major disputes currently before the courts. A non-binding judgment has been pronounced in one of these.

The residential market is sensitive to cyclical fluctuations, and earnings in the property development operation are closely related to new project building starts. To reduce the risk associated with unsold residential units, Veidekke does not generally initiate construction work until a sales ratio of 50% has been achieved. As at the end of Q1 2019, the sales ratio for all residential production was 84%. The Swedish residential market, particularly in the Stockholm region, has weakened considerably over the past 18 months. As at quarter-end, Veidekke had no unsold, completed residential units in Sweden, although there were 194 unsold units under construction. Continuous consideration is given to new sales initiatives in projects nearing completion. Lower residential sales lead to the deferment of new residential project building starts.



The Norwegian residential market is well-functioning, with satisfactory sales overall. New projects are being released for sale, and building starts are being approved on an ongoing basis as the sales ratio reaches 50%.

Veidekke's financial risks are primarily related to trade receivables and interest-bearing debt. These risks are classified as credit, market and liquidity risks. For a more detailed statement on the company's financial risks, see Note 28 to Veidekke's 2018 Annual Report.

## MARKET OUTLOOK

### PRODUCTION IN CONSTRUCTION AND CIVIL ENGINEERING

Current prices, NOK billion

	NORWAY					SWEDEN					DENMARK				
	2018 <sup>1)</sup>	2017 <sup>1)</sup> Growth	2018 <sup>2)</sup> Growth	2019 <sup>2)</sup> Growth	2020 <sup>2)</sup> Growth	2018 <sup>1)</sup>	2017 <sup>1)</sup> Growth	2018 <sup>2)</sup> Growth	2019 <sup>2)</sup> Growth	2020 <sup>2)</sup> Growth	2018 <sup>1)</sup>	2017 <sup>1)</sup> Growth	2018 <sup>2)</sup> Growth	2019 <sup>2)</sup> Growth	2020 <sup>2)</sup> Growth
Apartments and small houses	63	24%	8%	-12%	-15%	98	22%	1%	-17%	0%	37	22%	5%	3%	0%
Commercial buildings	51	6%	0%	-5%	-4%	48	21%	3%	-7%	4%	45	18%	7%	7%	7%
Public buildings	26	-4%	-4%	1%	2%	34	12%	8%	-9%	-11%	19	12%	3%	5%	5%
Civil engineering	86	9%	6%	4%	0%	81	5%	7%	6%	7%	68	2%	9%	3%	5%
Total contracting production	226	10%	4%	-3%	-4%	261	15%	4%	-7%	2%	169	11%	7%	4%	4%

1) Source: Statistics Norway, Statistics Sweden, Statistics Denmark

2) Veidekke's forecasts

#### NORWAY

Following several years of growth, production is falling in the Norwegian construction and civil engineering market. While activity levels continue to rise in the civil engineering segment, lower production of apartments and small houses is having a negative impact on overall activity. This trend was expected based on the reduced number of new residential building starts in 2018. Last year's positive sales trend for new residential units continued into the first quarter of 2019, and is expected to extend well into 2020. Production of non-residential buildings is forecast to remain at current levels or decline slightly in the next few years, fluctuating within the normal range for the segment. One exception is the market for health and residential care buildings, which is expected to grow substantially going forward. Norway's general economic outlook is stable and positive, with moderate interest rate rises anticipated in the next few years.

#### SWEDEN

Growth in the Swedish economy has peaked, although the economic upturn is forecast to continue until the end of 2020. Interest rate rises are considered unlikely. Production in the Swedish construction and civil engineering market will fall in 2019 following a significant drop in the number of new residential building starts in 2018. While the decline is most obvious in the Stockholm region, activity levels continue to rise in other major cities. New residential unit sales have remained stable and somewhat higher in recent quarters than in the preceding period. Veidekke anticipates a moderate increase in residential sales going forward, although a large supply of new and used residential units will keep market conditions challenging in the short term. The market for non-residential buildings is expected to decline following high activity in both the private and the public sector in recent years. High production is expected in the civil engineering sector, driven by demand in the transportation infrastructure, energy and industrial segments.

## DENMARK

The outlook for the Danish economy is positive. Labour supply has fallen in recent years, making it difficult to find qualified workers. No significant interest rate rises are anticipated in the next few years. Production in the building construction sector is expected to continue increasing in 2019 and 2020, albeit at a somewhat slower pace than in recent years. Production in the market for non-residential buildings is expected to rise in 2019 and 2020, while activity in the residential sector will decline. The civil engineering market grew more than expected in 2018. Market forecasts for the next few years are moderately positive.

Oslo, 8 May 2019

The Board of Directors of Veidekke ASA

Martin Mæland  
*Chair*

Hans von Uthmann

Gro Bakstad

Ingalill Berglund

Daniel Kjørberg Siraj

Ingolv Høyland

Inge Ramsdal

Odd Andre Olsen

Arve Fludal

Arne Giske  
*Group CEO*

## INCOME STATEMENT

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
Revenue	8 330	7 023	35 667	31 175
Operating expenses	-8 232	-6 965	-34 656	-29 700
Share of net income from joint ventures	3	20	163	369
<b>Operating profit before depreciation (EBITDA)</b>	<b>102</b>	<b>78</b>	<b>1 174</b>	<b>1 844</b>
Impairment of non-current assets	-	-	-1	-6
Depreciation	-214	-139	-593	-517
<b>Operating profit (EBIT)</b>	<b>-112</b>	<b>-61</b>	<b>580</b>	<b>1 320</b>
Financial income	25	12	88	67
Financial costs	-26	-17	-66	-60
<b>Pre-tax profit</b>	<b>-113</b>	<b>-67</b>	<b>602</b>	<b>1 327</b>
Income tax expense	17	10	-28	-122
<b>Post-tax profit</b>	<b>-96</b>	<b>-57</b>	<b>574</b>	<b>1 205</b>
Of which non-controlling interests	2	8	34	27
Earnings per share (NOK) <sup>1)</sup>	-0.7	-0.5	4.0	8.8

1) No dilutive effect.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>Post-tax profit</b>	<b>-96</b>	<b>-57</b>	<b>574</b>	<b>1 205</b>
Revaluation of pensions	-	-	-7	-72
Net items that will not be reclassified subsequently to profit or loss	-	-	-7	-72
Currency translation differences	-73	-96	-48	115
Fair value adjustment of financial assets	-7	-2	-1	-15
Net items that may be reclassified subsequently to profit or loss	<b>-80</b>	<b>-98</b>	<b>-49</b>	<b>100</b>
<b>Total comprehensive income</b>	<b>-177</b>	<b>-155</b>	<b>518</b>	<b>1 233</b>
of which non-controlling interests	1	6	34	29



## STATEMENT OF FINANCIAL POSITION

Figures in NOK million	31.03.2019	31.12.2018	31.03.2018	31.12.2017
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	1 774	1 807	1 449	1 401
Other intangible assets	150	149	120	129
Deferred tax assets	-	-	55	55
Land and buildings	1 346	646	605	615
Plant and machinery	2 815	2 694	2 306	2 286
Investments in joint ventures	1 493	1 433	1 451	1 489
Financial assets	503	508	549	508
<b>Total non-current assets</b>	<b>8 081</b>	<b>7 238</b>	<b>6 536</b>	<b>6 482</b>
<b>Current assets</b>				
Residential projects	5 502	4 309	3 910	3 941
Inventories	593	564	638	518
Trade and other receivables, contract assets	6 539	6 527	6 026	5 695
Cash and cash equivalents	182	197	476	392
<b>Total current assets</b>	<b>12 816</b>	<b>11 597</b>	<b>11 051</b>	<b>10 546</b>
<b>Total assets</b>	<b>20 897</b>	<b>18 835</b>	<b>17 586</b>	<b>17 028</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	67	67	67	67
Other equity	3 704	3 892	3 945	4 131
Non-controlling interests	20	25	18	22
<b>Total equity</b>	<b>3 791</b>	<b>3 983</b>	<b>4 030</b>	<b>4 220</b>
<b>Non-current liabilities</b>				
Pensions and deferred tax liabilities	848	846	903	900
Bonds	1 600	1 600	600	-
Amounts due to credit institutions	2 190	248	942	613
Other non-current liabilities	1 046	414	217	173
<b>Total non-current liabilities</b>	<b>5 684</b>	<b>3 108</b>	<b>2 662</b>	<b>1 686</b>
<b>Current liabilities</b>				
Certificate debt and debt to credit institutions	36	36	8	10
Bonds	-	-	750	750
Trade payables and warranty provisions	6 114	6 989	5 510	5 710
Public duties and taxes payable	1 068	867	1 039	887
Other current liabilities and contract liabilities	4 204	3 853	3 586	3 766
<b>Total current liabilities</b>	<b>11 421</b>	<b>11 744</b>	<b>10 894</b>	<b>11 122</b>
<b>Total equity and liabilities</b>	<b>20 897</b>	<b>18 835</b>	<b>17 586</b>	<b>17 028</b>

## STATEMENT OF CASH FLOWS

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
Pre-tax profit	-113	-67	602	1 327
Tax paid	-46	-30	-106	-155
Depreciation/impairment	214	139	594	524
Other operational items	-1 777	-609	311	-994
<b>Cash flow from operating activities</b>	<b>-1 722</b>	<b>-567</b>	<b>1 400</b>	<b>702</b>
Acquisition/disposal of property, plant and equipment	-120	-155	-938	-615
Other investing activities	-29	-86	-284	-324
Change in interest-bearing receivables	12	7	-	146
<b>Cash flow from investing activities</b>	<b>-137</b>	<b>-234</b>	<b>-1 221</b>	<b>-792</b>
Change in interest-bearing liabilities	1 943	922	376	498
Dividend paid	-	-	-668	-602
Change other non-current liabilities	-57	18	20	3
Other financial items	-40	-34	-93	-79
<b>Cash flow from financing activities</b>	<b>1 846</b>	<b>905</b>	<b>-365</b>	<b>-179</b>
<b>Change in cash and cash equivalents</b>	<b>-12</b>	<b>105</b>	<b>-185</b>	<b>-269</b>
Cash and cash equivalents, start of period	197	392	392	644
Exchange rate adjustment foreign cash balances	-3	-20	-10	17
Cash and cash equivalents, end of period	182	476	197	392

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## NET INTEREST-BEARING POSITION

Figures in NOK million	31.03.2019	31.03.2018	31.12.2018
Cash and cash equivalents	182	476	197
Interest-bearing assets (long-term)	204	210	216
Interest-bearing liabilities	-3 826	-2 300	-1 884
Net interest-bearing position	-3 440	-1 613	-1 470
Change in net interest-bearing position (from 1 Jan)	-1 970	-849	-706

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## OTHER KEY FIGURES

Figures in NOK million	31.03.2019	31.03.2018	31.12.2018
Order backlog (NOK million)	35 875	31 930	34 640
Equity ratio (%)	18	23	21
Number of employees	8 461	7 756	8 568

## BUSINESS SEGMENTS

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>CONSTRUCTION (specification page 27)</b>				
Revenue	7 510	6 500	29 569	25 674
Operating expenses	-7 247	-6 270	-29 057	-24 774
Share of net income from joint ventures	3	2	8	8
Depreciation/impairment	-121	-85	-365	-316
<b>Operating profit (EBIT)</b>	<b>145</b>	<b>148</b>	<b>156</b>	<b>592</b>
Net financial items	4	10	63	36
<b>Pre-tax profit (EBT)</b>	<b>148</b>	<b>158</b>	<b>219</b>	<b>629</b>
<b>Total assets, segment</b>	<b>13 285</b>	<b>12 022</b>	<b>12 442</b>	<b>11 177</b>
<b>PROPERTY (specification page 28)</b>				
Revenue	718	633	2 899	3 456
Operating expenses	-692	-587	-2 603	-3 117
Share of net income from joint ventures	39	37	126	239
Depreciation/impairment	-1	-2	-6	-4
<b>Operating profit (EBIT)</b>	<b>64</b>	<b>82</b>	<b>416</b>	<b>574</b>
Net financial items	-7	-10	-28	-25
<b>Pre-tax profit (EBT)</b>	<b>57</b>	<b>72</b>	<b>388</b>	<b>549</b>
<b>Total assets, segment</b>	<b>7 884</b>	<b>6 441</b>	<b>6 885</b>	<b>6 179</b>
<b>INDUSTRIAL</b>				
Revenue	615	475	4 894	4 761
Operating expenses	-748	-636	-4 617	-4 372
Share of net income from joint ventures	-	-2	6	36
Depreciation/impairment	-64	-50	-211	-192
<b>Operating profit (EBIT)</b>	<b>-197</b>	<b>-212</b>	<b>72</b>	<b>232</b>
Net financial items	-5	-4	-32	-26
<b>Pre-tax profit (EBT)</b>	<b>-202</b>	<b>-217</b>	<b>40</b>	<b>206</b>
<b>Total assets, segment</b>	<b>2 444</b>	<b>2 057</b>	<b>2 467</b>	<b>2 280</b>
<b>OTHER OPERATIONS <sup>1)</sup></b>				
Revenue	-	-	2	1
Operating expenses	-20	-24	-88	-102
Share of net income from joint ventures	5	5	25	22
Depreciation/impairment	-14	-3	-12	-12
<b>Operating profit (EBIT)</b>	<b>-28</b>	<b>-22</b>	<b>-73</b>	<b>-92</b>
Net financial items	11	-1	22	21
<b>Pre-tax profit (EBT)</b>	<b>-18</b>	<b>-23</b>	<b>-51</b>	<b>-71</b>

1) Other operations include the group's central unassigned costs and net financial items, plus Veidekke's involvement in public-private partnerships (PPP).



Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>GROUP ELIMINATIONS</b>				
Revenue	-312	-501	-1 780	-2 453
Operating expenses	324	499	1 779	2 450
Share of net income from joint ventures		-	-	-
Depreciation/impairment	-15	-		-
<b>Operating profit (EBIT)</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>	<b>-3</b>
Net financial items	-4	-	-4	1
<b>Pre-tax profit (EBT)</b>	<b>-6</b>	<b>-2</b>	<b>-6</b>	<b>-2</b>
<b>TOTAL VEIDEKKE GROUP</b>				
<b>SEGMENT ACCOUNTS</b>				
Revenue	8 531	7 107	35 584	31 438
Operating expenses	-8 383	-7 017	-34 586	-29 915
Share of net income from joint ventures	47	43	165	305
Depreciation/impairment	-214	-139	-594	-524
<b>Operating profit (EBIT)</b>	<b>-20</b>	<b>-6</b>	<b>570</b>	<b>1 304</b>
Net financial items	-1	-6	21	7
<b>Pre-tax profit (EBT)</b>	<b>-21</b>	<b>-11</b>	<b>591</b>	<b>1 311</b>
<b>Total assets</b>	<b>21 153</b>	<b>17 815</b>	<b>18 999</b>	<b>17 198</b>

## RECONCILIATION OF SEGMENT ACCOUNTS AND FINANCIAL ACCOUNTS

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>TOTAL VEIDEKKE GROUP SEGMENT ACCOUNTS</b>				
Revenue	8 531	7 107	35 584	31 438
Operating expenses	-8 383	-7 017	-34 586	-29 915
Share of net income from joint ventures	47	43	165	305
Depreciation/impairment	-214	-139	-594	-524
<b>Operating profit (EBIT)</b>	<b>-20</b>	<b>-6</b>	<b>570</b>	<b>1 304</b>
Net financial items	-1	-6	21	7
<b>Pre-tax profit (EBT)</b>	<b>-21</b>	<b>-11</b>	<b>591</b>	<b>1 311</b>
<b>Total assets, segment</b>	<b>21 153</b>	<b>17 815</b>	<b>18 999</b>	<b>17 198</b>
<b>IFRS 15 ADJUSTMENTS, DEVELOPMENT OF RESIDENTIAL UNITS IN NORWAY <sup>1) 2)</sup></b>				
Revenue	-200	-85	83	-263
Operating expenses	151	52	-71	215
Share of net income from joint ventures	-43	-23	-2	64
Depreciation/impairment	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>-93</b>	<b>-55</b>	<b>10</b>	<b>16</b>
Net financial items	-	-	-	-
<b>Pre-tax profit (EBT)</b>	<b>-93</b>	<b>-55</b>	<b>10</b>	<b>16</b>
<b>Total assets, segment</b>	<b>-256</b>	<b>-229</b>	<b>-163</b>	<b>-170</b>

1) Under IFRS, income and earnings from completed residential units in Norway are not recognised until the date on which a unit is delivered to the buyer. In the internal monitoring of residential projects, the reporting occurs on a percentage of completion basis, meaning that revenue and expenses are recognised based on the following formula: estimated final outcome x stage of completion x sales ratio.

2) See also Note 2 Accounting policies.

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>TOTAL VEIDEKKE GROUP FINANCIAL ACCOUNTS</b>				
Revenue	8 330	7 023	35 667	31 175
Operating expenses	-8 232	-6 965	-34 656	-29 700
Share of net income from joint ventures	3	20	163	369
Depreciation/impairment	-214	-139	-594	-524
<b>Operating profit (EBIT)</b>	<b>-112</b>	<b>-61</b>	<b>580</b>	<b>1 320</b>
Net financial items	-1	-6	21	7
<b>Pre-tax profit (EBT)</b>	<b>-113</b>	<b>-67</b>	<b>602</b>	<b>1 327</b>
<b>Total assets, segment</b>	<b>20 897</b>	<b>17 586</b>	<b>18 835</b>	<b>17 028</b>

## CONSTRUCTION OPERATIONS BY COUNTRY

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>BUILDING CONSTRUCTION NORWAY</b>				
Revenue	3 390	3 018	13 070	10 309
Operating expenses	-3 254	-2 913	-12 615	-9 910
Share of net income from joint ventures	-	-	-	-
Depreciation/impairment	-35	-17	-70	-66
<b>Operating profit (EBIT)</b>	<b>101</b>	<b>88</b>	<b>386</b>	<b>333</b>
Net financial items	9	13	57	45
<b>Pre-tax profit (EBT)</b>	<b>110</b>	<b>101</b>	<b>443</b>	<b>378</b>
<b>CIVIL ENGINEERING NORWAY</b>				
Revenue	1 143	1 009	4 427	4 411
Operating expenses	-1 104	-955	-4 798	-4 290
Share of net income from joint ventures	-	-	3	4
Depreciation/impairment	-57	-46	-193	-166
<b>Operating profit (EBIT)</b>	<b>-18</b>	<b>8</b>	<b>-561</b>	<b>-41</b>
Net financial items	-7	-5	-23	-15
<b>Pre-tax profit (EBT)</b>	<b>-25</b>	<b>3</b>	<b>-584</b>	<b>-56</b>
<b>TOTAL CONSTRUCTION NORWAY</b>				
Revenue	4 533	4 027	17 497	14 720
Operating expenses	-4 358	-3 868	-17 413	-14 199
Share of net income from joint ventures	-	-	3	4
Depreciation/impairment	-92	-63	-263	-233
<b>Operating profit (EBIT)</b>	<b>82</b>	<b>96</b>	<b>-175</b>	<b>291</b>
Net financial items	2	8	35	31
<b>Pre-tax profit (EBT)</b>	<b>85</b>	<b>104</b>	<b>-141</b>	<b>322</b>
<b>Total assets, segment</b>	<b>8 494</b>	<b>7 644</b>	<b>7 628</b>	<b>7 051</b>

## CONSTRUCTION OPERATIONS BY COUNTRY, CONTINUED

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>CONSTRUCTION SWEDEN</b>				
Revenue	2 409	1 968	9 855	8 810
Operating expenses	-2 356	-1 924	-9 566	-8 571
Share of net income from joint ventures	3	2	5	4
Depreciation/impairment	-23	-20	-93	-75
<b>Operating profit (EBIT)</b>	<b>33</b>	<b>27</b>	<b>201</b>	<b>169</b>
Net financial items	1	1	13	1
<b>Pre-tax profit (EBT)</b>	<b>33</b>	<b>28</b>	<b>214</b>	<b>170</b>
<b>Total assets, segment</b>	<b>3 372</b>	<b>3 164</b>	<b>3 487</b>	<b>2 872</b>
<b>CONSTRUCTION DENMARK</b>				
Revenue	569	505	2 218	2 144
Operating expenses	-533	-478	-2 079	-2 003
Share of net income from joint ventures	-	-	-	-
Depreciation/impairment	-6	-2	-9	-8
<b>Operating profit (EBIT)</b>	<b>30</b>	<b>25</b>	<b>130</b>	<b>132</b>
Net financial items	1	1	16	5
<b>Pre-tax profit (EBT)</b>	<b>30</b>	<b>26</b>	<b>146</b>	<b>137</b>
<b>Total assets, segment</b>	<b>1 419</b>	<b>1 214</b>	<b>1 326</b>	<b>1 254</b>
<b>TOTAL CONSTRUCTION OPERATIONS</b>				
Revenue	7 510	6 500	29 569	25 674
Operating expenses	-7 247	-6 270	-29 057	-24 774
Share of net income from joint ventures	3	2	8	8
Depreciation/impairment	-121	-85	-365	-316
<b>Operating profit (EBIT)</b>	<b>145</b>	<b>148</b>	<b>156</b>	<b>592</b>
Net financial items	4	10	63	36
<b>Pre-tax profit (EBT)</b>	<b>148</b>	<b>158</b>	<b>219</b>	<b>629</b>
<b>Total assets, segment</b>	<b>13 285</b>	<b>12 022</b>	<b>12 442</b>	<b>11 176</b>



## PROPERTY DEVELOPMENT BY COUNTRY

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>PROPERTY DEVELOPMENT NORWAY</b>				
Revenue	242	153	735	610
Operating expenses	-236	-144	-653	-590
Share of net income from joint ventures	41	29	116	157
Depreciation/impairment	-1	-1	-4	-1
<b>Operating profit (EBIT)</b>	<b>46</b>	<b>37</b>	<b>194</b>	<b>175</b>
Net financial items	-7	-10	-31	-30
<b>Pre-tax profit (EBT)</b>	<b>39</b>	<b>27</b>	<b>163</b>	<b>146</b>
<b>Total assets, segment</b>	<b>4 663</b>	<b>3 793</b>	<b>3 599</b>	<b>3 551</b>
<b>PROPERTY DEVELOPMENT SWEDEN</b>				
Revenue	476	480	2 165	2 845
Operating expenses	-456	-443	-1 949	-2 526
Share of net income from joint ventures	-2	9	9	82
Depreciation/impairment	-	-	-3	-2
<b>Operating profit (EBIT)</b>	<b>18</b>	<b>45</b>	<b>222</b>	<b>398</b>
Net financial items	1	-	3	5
<b>Pre-tax profit (EBT)</b>	<b>19</b>	<b>45</b>	<b>225</b>	<b>404</b>
<b>Total assets, segment</b>	<b>3 221</b>	<b>2 648</b>	<b>3 287</b>	<b>2 628</b>
<b>TOTAL PROPERTY DEVELOPMENT</b>				
Revenue	718	633	2 899	3 456
Operating expenses	-692	-587	-2 603	-3 117
Share of net income from joint ventures	39	37	126	239
Depreciation/impairment	-1	-2	-6	-4
<b>Operating profit (EBIT)</b>	<b>64</b>	<b>82</b>	<b>416</b>	<b>574</b>
Net financial items	-7	-10	-28	-25
<b>Pre-tax profit (EBT)</b>	<b>57</b>	<b>72</b>	<b>388</b>	<b>549</b>
<b>Total assets, segment</b>	<b>7 884</b>	<b>6 441</b>	<b>6 885</b>	<b>6 179</b>

## STATEMENT OF CHANGES IN EQUITY

Figures in NOK million	EQUITY HOLDERS OF VEIDEKKE ASA						MINORITY	
	Share capital	Other paid-in capital <sup>1)</sup>	Re-evaluation of pensions	Currency translation differences	Other retained earnings	Fair value adjustment <sup>2)</sup>	Total	Non-controlling interests
<b>Equity at 1 January 2018</b>	<b>67</b>	<b>305</b>	<b>-22</b>	<b>107</b>	<b>3 843</b>	<b>-101</b>	<b>4 199</b>	<b>22</b>
Profit for the period					-59		-59	3
Other comprehensive income				-95		-2	-97	-1
Transactions, non-controlling interests					-4		-4	4
Option, non-controlling interests					-26		-26	
Additions, acquisitions of operations, non-controlling interests								7
Dividend								-17
<b>Equity at 31 March 2018</b>	<b>67</b>	<b>305</b>	<b>-22</b>	<b>12</b>	<b>3 753</b>	<b>-102</b>	<b>4 012</b>	<b>18</b>
<b>Equity at 1 January 2018</b>	<b>67</b>	<b>305</b>	<b>-22</b>	<b>107</b>	<b>3 843</b>	<b>-101</b>	<b>4 199</b>	<b>22</b>
Profit for the year					540		540	34
Other comprehensive income			-7	-48		-1	-56	
IFRS 2 – share-based transactions employees					-23		-23	
Additions, acquisitions of operations, non-controlling interests								77
Transactions, non-controlling interests					-33		-33	-85
Dividend					-668		-668	-23
<b>Equity at 31 December 2018</b>	<b>67</b>	<b>305</b>	<b>-30</b>	<b>60</b>	<b>3 658</b>	<b>-101</b>	<b>3 959</b>	<b>25</b>
<b>Equity at 1 January 2018</b>	<b>67</b>	<b>305</b>	<b>-30</b>	<b>60</b>	<b>3 658</b>	<b>-101</b>	<b>3 959</b>	<b>25</b>
Profit for the year					-99		-99	2
Other comprehensive income				-72		-7	-79	-1
Transactions, non-controlling interests					-10		-10	5
Dividend								-10
<b>Equity at 31 March 2019</b>	<b>67</b>	<b>305</b>	<b>-30</b>	<b>-12</b>	<b>3 550</b>	<b>-109</b>	<b>3 771</b>	<b>20</b>

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

2) Change in fair value of available-for-sale shares and hedging instruments that qualify for hedge accounting.

There have been no purchases of own shares in 2019.



## NOTE 1. GENERAL INFORMATION

Veidekke is a Scandinavian construction and property development company headquartered in Oslo. The consolidated accounts for Q1 2019 include Veidekke ASA and its subsidiaries and the group's investments in associates and joint ventures. At the end of Q1 2019, the

group comprised essentially the same entities as described in the 2018 annual report. Details of business combinations in 2019 can be found in Note 8. The interim financial statements are unaudited.

## NOTE 2. 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 2018, with the exception of the new IFRS 16 standard on the accounting treatment of leases, which became effective on 1 January 2019.

### IFRS 16 Leases

IFRS 16 Leases took effect on 1 January 2019, and requires the recognition of leases (the right to use an asset) and associated lease obligations in the balance sheet. The former classification of leases as either operational or financial leases has been eliminated. Short-term leases (with a duration of less than 12 months) and leases relating to low-value assets are exempt from the balance-sheet recognition requirement. When a lease is recognised as an asset in the balance sheet, the group also recognises a corresponding debt in respect of future lease obligations. In the profit and loss account, this entails an increase in depreciation and interest costs and a reduction in other operating costs, thus improving EBITDA compared to accounts prepared under the old principle.

Veidekke owns few of the commercial buildings from which it operates its business, and the new standard has therefore entailed a substantial increase in assets linked to leases for office premises (Property). Veidekke leases equipment in connection with construction and civil engineering projects. Many of these agreements have a duration of less than 12 months, although leases for e.g. workmen's huts and cranes normally have a longer duration and therefore require recognition of future lease liabilities in the balance sheet.

Implementation of IFRS 16 has inflated the balance sheet item Property by NOK 747 million, and Machinery, etc. by NOK 198 million, as at 1 January 2019. Depreciation is expected to increase by approximately NOK 260 million annually, and interest costs by approximately NOK 30 million a year, with an approximately equivalent reduction in other operating costs.

Implementation has been effected using the modified retrospective method, meaning that the accounts for earlier years have not been restated.

Reference is made to note 16, which presents the accounting effects of implementing IFRS 16.

### Residential projects in property development operations

To understand the group's accounts, it is important to understand how sales of completed residential units are treated in the accounts.

In the financial accounts, revenue from the sale of residential units in Sweden and Denmark is recognised on an ongoing basis in accordance with the final forecast, completion ratio and sales ratio, whereas in the case of Norwegian residential projects revenue is only recognised at the time of contractual delivery to the purchaser. This difference in the revenue recognition approach is due to differences in national legislation governing residential construction and sales.

In the segment accounts, revenue from residential projects forming part of the property development operation is reported in accordance with the principle of ongoing revenue recognition, regardless of the country in which the activity takes place. This is considered to provide the best picture of value creation in the residential development segment, and is consistent with Veidekke's internal reporting system.



The quarterly accounts do not include all information required in a complete set of annual accounts, and should therefore be read in conjunction with the group's annual accounts for 2018, which are available on [veidekke.com/en](http://veidekke.com/en).

## NOTE 3. SEGMENT REPORTING

The group consists of three segments: Construction, Property Development and Industrial. The segment results for Q1 2019 are presented in the table on page 24.

## NOTE 4. ESTIMATES

Construction and property development projects represent a large part of Veidekke's operations. Accounting for project activities is largely based on estimates. Significant judgements used in applying the group's accounting

policies and the main sources of estimate uncertainty at the end of Q1 2019 are unchanged from those in the 2018 annual report.

## NOTE 5. OPERATIONS WITH SIGNIFICANT SEASONAL FLUCTUATIONS

The group's asphalt and aggregates operations, which are reported under the Industrial business area, are subject to seasonal fluctuations as a result of climatic conditions. Most of the production takes place between May and October, and the majority of the revenues from operations accrues during these months. However, expenses related to administrative staff, maintenance of

production equipment and depreciation are spread over the full year. This means that there will normally be significant fluctuations in the quarterly accounts for Veidekke's industrial operations.

Figures in NOK million	12-month rolling at 31.3.2019	12-month rolling at 31.3.2018 <sup>1)</sup>	2018
<b>INDUSTRIAL<sup>1)</sup></b>			
Revenue	5 033	4 758	4 894
Pre-tax profit	54	172	40
<b>GROUP<sup>1)</sup></b>			
Revenue	37 007	32 026	35 584
Pre-tax profit	582	1 253	591

1) The figures are taken from the segment accounts.

## NOTE 6. NON-CURRENTS ASSETS

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>PROPERTY, PLANT, EQUIPMENT AND OTHER INTANGIBLE ASSETS</b>				
<b>Carrying amount at start of period</b>	<b>3 489</b>	<b>3 029</b>	<b>3 029</b>	<b>2 651</b>
Implementation of IFRS 16 Leases at 01.01.2019	945	174	1 139	769
Additions	145			
Additions from acquisitions of operations	-	3	105	162
Depreciation and amortisation	-214	-139	-594	-524
Currency translation differences, etc.	-35	-26	-6	26
Disposals of non-current assets	-19	-11	-184	-55
<b>Carrying amount at end of period</b>	<b>4 311</b>	<b>3 030</b>	<b>3 489</b>	<b>3 029</b>
Other intangible assets	150	120	149	129
Land and buildings	1 346	605	646	615
Plant and machinery	2 815	2 306	2 694	2 286
<b>Carrying amount at end of period</b>	<b>4 311</b>	<b>3 030</b>	<b>3 489</b>	<b>3 029</b>

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
<b>GOODWILL</b>				
<b>Carrying amount at start of period</b>	<b>1 807</b>	<b>1 401</b>	<b>1 401</b>	<b>1 248</b>
Additions	2	77	402	122
Impairment	-	-	-	-
Currency translation differences	-35	-29	4	31
Disposals	-	-	-	-
<b>Carrying amount at end of period</b>	<b>1 774</b>	<b>1 449</b>	<b>1 807</b>	<b>1 401</b>

## NOTE 7. RESIDENTIAL PROJECTS

Figures in NOK million	Q1 2019	Q1 2018	2018	2017
Units under construction	551	584	459	661
Completed units for sale	42	41	67	44
Residential sites for development	4 826	3 258	3 776	3 214
Non-residential projects	3	28	7	22
<b>Total residential and non-residential projects</b>	<b>5 421</b>	<b>3 910</b>	<b>4 309</b>	<b>3 941</b>
<b>Joint-venture residential projects</b>	<b>1 254</b>	<b>1 252</b>	<b>1 214</b>	<b>1 260</b>
Units under construction <sup>1)</sup>	2 214	2 514	2 116	2 620
Sale rate, units under construction <sup>1)</sup>	84%	84%	80%	83%
Unsold, completed units <sup>1)</sup>	23	14	30	20

1) Including Veidekke's share in joint ventures.

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## NOTE 8. ACQUISITIONS, SALES OF OPERATIONS

There were no acquisitions or sales of operations in the first quarter of 2019.

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## NOTE 9. FINANCIAL INSTRUMENTS

There were no significant changes relating to financial risk or the group's use of financial instruments during the period. Further details can be found in the 2018 Annual Report.

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## NOTE 10. DIVIDEND

A dividend of NOK 5.0 per share, totalling NOK 669 million, for the 2018 financial year was approved by the Annual General Meeting on 8 May 2019 and will be recognised in the accounts in Q2 2019.

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## NOTE 11. LOAN AGREEMENT COVENANTS

On 28 October 2015 Veidekke signed a five-year loan agreement with DNB ASA, with a credit limit of NOK 3.6 billion. The loan matures on 2 November 2020. At 31 March 2019, unutilised borrowing facilities amounted to NOK 1.5 billion.

The following covenants are contained in the loan agreement with DNB Bank ASA:

1. Net interest-bearing debt divided by EBITDA for the previous four quarters shall not exceed 3.5. At 31 March 2019, the ratio was 2.9.
  2. The group's own projects shall not exceed 75% of the group's book equity. At 31 March 2019, the share of the group's own projects was 28%.
- 

### Definitions:

Net interest-bearing debt is defined as the group's current and non-current interest-bearing liabilities minus the group's cash and cash equivalents and interest-bearing receivables.

EBITDA is the group's operating profit plus depreciation and impairment.

Share of own projects is the value of started, unsold residential units and commercial buildings in projects implemented under the control of the borrower or another group company, and is calculated based on the expected sales price, albeit no less than cost price.

## NOTE 12. EVENTS AFTER THE REPORTING DATE

No events have occurred after the reporting date that would have any significant effect on the submitted accounts.

## NOTE 13. DEFERRED REVENUE RECOGNITION IN ACCOUNTING FOR SALES OF COMPLETED RESIDENTIAL UNITS

Revenue from sales of completed residential projects in Sweden and Denmark are recognised in the financial accounts on an ongoing basis in accordance with the final forecast, completion ratio and sales ratio. In the case of Norwegian residential projects, revenue is only recognised at the time residential units are delivered to purchasers. The differential treatment is due to differences in the legislation of the three countries.

In Veidekke's internal follow-up of residential projects, measurement is undertaken in tandem with rolling revenue recognition. Accordingly, income and profits are recognised in the accounts in line with the final forecast, sales ratio and completion ratio of each project. This principle is also followed in segment reporting.

### EARNED INCOME AND PROFIT FROM RESIDENTIAL PROJECTS UNDER CONSTRUCTION IN NORWAY

Figures in NOK million	Q1 2019	Q1 2018	2018
REVENUE			
Accumulated revenue from non-delivered projects at start of period	282	365	365
+ Revenue from non-delivered projects during the period	200	119	497
- Revenue from delivered projects during the period	-	-34	-580
Net IFRS 15 adjustments to revenues	200	85	-83
Accumulated revenue from non-delivered projects at end of period	482	450	282

Figures in NOK million	Q1 2019	Q1 2018	2018
PRE-TAX PROFIT			
Accumulated pre-tax profit from non-delivered projects at start of period	163	174	174
+ Pre-tax profit from non-delivered projects during the period	93	74	296
- Pre-tax profit from delivered projects during the period	-	-18	-306
Net IFRS 15 adjustments to pre-tax profit	93	55	-10
Accumulated pre-tax profit from non-delivered projects at end of period	256	229	163

At 31 March 2019, revenues of NOK 482 million and pre-tax profit of NOK 256 million had accrued on sold residential units under construction in Norway. These amounts are recognised as revenue in the segment reporting, but are not recognised under IFRS until the homes are handed over. A significant portion of Veidekke's Norwegian property development operations take place in joint ventures and thus does not generate revenue in the company's consolidated accounts. The profit from joint ventures is recognised on a post-tax basis in the income statement.



## NOTE 14. CALCULATION OF RETURN ON CAPITAL INVESTED IN PROPERTY DEVELOPMENT, LAST 12 MONTHS

Figures in NOK million	At 31.03.2019				At 31.03.2018	
	Average invested capital	Pre-tax profit	Financial costs <sup>1)</sup>	Taxes in joint ventures	Return	Return
Norway	3 317	175	71	38	8.6%	8.2%
Sweden	1 406	203	8	-	15.0%	36.3%
Denmark	68	-5	-	-	-7.3%	-5.8%
Total	4 791	373	79	38	10.2%	14.6%

The statement has been prepared on the basis of the segment accounts.

1) The item "financial costs" is the year's accrued interest expenses. Interest expenses are classified in the comprehensive income statement under both financial costs and cost of materials (operating expenses).

## NOTE 15. ALTERNATIVE PERFORMANCE MEASURES

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

### Net interest-bearing debt

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 backlog

The order backlog provides an indication of future activity in the group's construction operations. The order backlog is defined as contracted and signed contracts on the measurement date. This key figure also includes road maintenance contracts in Industrial's Road Maintenance unit, but only those parts of the contracts that will be executed during the next 18 months.

### Capital invested in property development operations

Capital invested is defined as the sum of book equity and net interest-bearing debt and is an expression of the capital tied up in property development operations.

### Return on invested capital in Property Development

Property Development's performance is measured by return on invested capital, calculated using the following formula:

$$\frac{\text{Pre-tax profit} + \text{interest expenses} + \text{tax in joint ventures}}{(\text{Opening balance invested capital} + \text{Closing balance invested capital}) / 2}$$

The figures used in the formula are taken from the segment reporting. Interest expenses include all expensed interest expenses, both those classified as interest expenses and those classified as cost of materials (operating expenses) in the accounts. The calculation is adjusted to take account of the fact that the profit reported by joint ventures has already been taxed.

### Sales ratio in Property Development

Sales rate indicates the risk that units under construction will not be sold and is calculated using the following formula:

$$\frac{\text{Sales value of signed contracts for sold residential units}}{\text{Total sales value of all projects under construction}}$$

For projects carried out in associates or joint ventures, only Veidekke's share of the project is included.

### Number of unsold units under construction

This figure is the number of units under construction that has not been sold on the reporting date.

### Site portfolio

The site portfolio provides an expression of possible future activity in the various markets in Property Development. The site portfolio consists of sites owned by Veidekke on the measurement date, sites for which there is a binding contract for transfer in the future, and signed options here it is expected that Veidekke will exercise the option. How many units the sites can be converted into is calculated as a best estimate.

## NOTE 16. IMPLEMENTATION OF NEW ACCOUNTING STANDARD, IFRS 16 LEASES

### EFFECTS ON THE STATEMENT OF FINANCIAL POSITION 31.12.2018

Figures in NOK million	31.12.2018	Implementation of IFRS 16	01.01.2019
<b>ASSETS</b>			
Land and buildings	646	747	1 393
Plant and machinery	2 694	198	2 892
Other assets	3 898	-	3 898
<b>Total non-current assets</b>	<b>7 238</b>	<b>945</b>	<b>8 183</b>
Current assets	11 597	-	11 597
<b>Total current assets</b>	<b>11 597</b>	<b>-</b>	<b>11 597</b>
<b>Total assets</b>	<b>18 835</b>	<b>945</b>	<b>19 780</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	<b>3 983</b>	<b>-</b>	<b>3 983</b>
Pensions and deferred tax liabilities	846	-	846
Bond debts and debt to credit institutions	1 848	-	1 848
Other non-current liabilities	414	685	1 099
<b>Total non-current liabilities</b>	<b>3 108</b>	<b>685</b>	<b>3 793</b>
Bond debts and debt to credit institutions	36	-	36
Trade payables and warranty provisions	6 989	-	6 989
Public duties and taxes payable	867	-	867
Other current liabilities and contract liabilities	3 853	260	4 113
<b>Total current liabilities</b>	<b>11 744</b>	<b>260</b>	<b>12 004</b>
<b>Total equity and liabilities</b>	<b>18 835</b>	<b>945</b>	<b>19 780</b>

### INCOME STATEMENT: EFFECTS ON THE QUARTERLY ACCOUNTS FINANCIAL ACCOUNTS

Figures in NOK million	Previous standard Q1 2019	Implementation of IFRS 16	New standard Q1 2019
<b>GROUP</b>			
<b>Revenue</b>	<b>8 330</b>	<b>-</b>	<b>8 330</b>
Operating expenses	-8 296	64	-8 232
Share of net income from associates and joint ventures	3	-	3
<b>Operationg profit before depreciation (EBITDA)</b>	<b>37</b>	<b>64</b>	<b>102</b>
Depreciation	-154	-60	-214
<b>Operating profit (EBIT)</b>	<b>-116</b>	<b>4</b>	<b>-112</b>
Financial income	25	-	25
Finanskostnader	-18	-8	-26
<b>Pre-tax profit</b>	<b>-110</b>	<b>-3</b>	<b>-113</b>

## SEGMENT ACCOUNTS

Figures in NOK million	Previous standard		New standard
	1Q 2019	Implementation of IFRS 16	Q1 2019
<b>GROUP</b>			
Revenue	8 531	-	8 531
Operating expenses	-8 447	64	-8 383
Share of net income from associates and joint ventures	47		47
Depreciation and amortisations	-154	-60	-214
<b>Operating profit (EBIT)</b>	<b>-24</b>	<b>4</b>	<b>-20</b>
Net financial items	7	-8	-1
<b>Pre-tax profit (EBT)</b>	<b>-17</b>	<b>-3</b>	<b>-21</b>

Figures in NOK million	Previous standard		New standard
	1Q 2019	Implementation of IFRS 16	Q1 2019
<b>CONSTRUCTION NORWAY</b>			
Revenue	4 533	-	4 533
Operating expenses	-4 383	25	-4 358
Share of net income from associates and joint ventures	-	-	-
Depreciation and amortisations	-69	-23	-92
<b>Operating profit (EBIT)</b>	<b>81</b>	<b>2</b>	<b>82</b>
Net financial items	6	-4	2
<b>Pre-tax profit (EBT)</b>	<b>86</b>	<b>-2</b>	<b>85</b>

Figures in NOK million	Previous standard		New standard
	1Q 2019	Implementation of IFRS 16	Q1 2019
<b>CONSTRUCTION SWEDEN</b>			
Revenue	2 409	-	2 409
Operating expenses	-2 371	15	-2 356
Share of net income from associates and joint ventures	3	-	3
Depreciation and amortisations	-8	-15	-23
<b>Operating profit (EBIT)</b>	<b>32</b>	<b>-</b>	<b>33</b>
Net financial items	2	-1	1
<b>Pre-tax profit (EBT)</b>	<b>34</b>	<b>-</b>	<b>33</b>

Figures in NOK million	Previous standard		New standard
	1Q 2019	Implementation of IFRS 16	Q1 2019
<b>CONSTRUCTION DENMARK</b>			
Revenue	569	-	569
Operating expenses	-537	4	-533
Share of net income from associates and joint ventures	-	-	-
Depreciation and amortisations	-2	-4	-6
<b>Operating profit (EBIT)</b>	<b>30</b>	<b>-</b>	<b>30</b>
Net financial items	1	-	1
<b>Pre-tax profit (EBT)</b>	<b>30</b>	<b>-</b>	<b>30</b>

## SEGMENT ACCOUNTS, CONTINUED

Figures in NOK million	Previous standard	New standard	
	1Q 2019	Implementation of IFRS 16	Q1 2019
<b>INDUSTRIAL</b>			
Revenue	615	-	615
Operating expenses	-758	10	-748
Share of net income from associates and joint ventures	-	-	-
Depreciation and amortisations	-54	-10	-64
<b>Operating profit (EBIT)</b>	<b>-198</b>	<b>1</b>	<b>-197</b>
Net financial items	-3	-1	-5
<b>Pre-tax profit (EBT)</b>	<b>-202</b>	<b>-1</b>	<b>-202</b>

Figures in NOK million	Previous standard	New standard	
	1Q 2019	Implementation of IFRS 16	Q1 2019
<b>OTHER OPERATIONS</b>			
Revenue	-	-	-
Operating expenses	-30	10	-20
Share of net income from associates and joint ventures	5	-	5
Depreciation and amortisations	-5	-9	-14
<b>Operating profit (EBIT)</b>	<b>-29</b>	<b>1</b>	<b>-28</b>
Net financial items	12	-1	11
<b>Pre-tax profit (EBT)</b>	<b>-17</b>	<b>-1</b>	<b>-18</b>

## STATEMENT OF CASH FLOWS

Figures in NOK million	Previous standard	New standard	
	1Q 2019	Implementation of IFRS 16	Q1 2019
Pre-tax profit	-110	-3	-113
Tax paid	-46		-46
Depreciation/impairment	154	60	214
Other operational items	-1 784	8	-1 777
<b>Cash flow from operating activities</b>	<b>-1 786</b>	<b>64</b>	<b>-1 722</b>
Acquisition/disposal of property, plant and equipment	-111	-10	-120
Other investing activities	-29		-29
Change in interest-bearing receivables	12		12
<b>Cash flow from investing activities</b>	<b>-127</b>	<b>-10</b>	<b>-137</b>
Change in interest-bearing liabilities	1 943		1 943
Change other non-current liabilities	-10	-47	-57
Other financial items	-32	-8	-40
<b>Cash flow from financing activities</b>	<b>1 901</b>	<b>-55</b>	<b>1 846</b>
<b>Change in cash and cash equivalents</b>	<b>-12</b>	<b>0</b>	<b>-12</b>
Cash and cash equivalents, start of period	197		197
Exchange rate adjustment foreign cash balances	-3		-3
Cash and cash equivalents, end of period	182		182

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## INFORMATION ABOUT THE COMPANY

**Veidekke ASA**

Postboks 505 Skøyen  
0214 Oslo

Telephone: +47 21 05 50 00  
Website: <http://veidekke.com/en>  
E-mail: [firmapost@veidekke.no](mailto:firmapost@veidekke.no)

Business registration number: 917103801  
Founded: 1936  
Head office: Skabos vei 4, Skøyen, 0278 Oslo

The Company's articles of association and corporate governance policy are available at:  
[veidekke.com/en/corporate-governance](http://veidekke.com/en/corporate-governance)

**The Board of Directors consists of:**

Martin Mæland (Chair)  
Gro Bakstad  
Hans von Uthmann  
Ingall Berglund  
Ingolv Høyland  
Daniel Kjørberg Siraj  
Odd Andre Olsen, employee representative  
Inge Ramsdal, employee representative  
Arve Fludal, employee representative

**Executive Management consists of:**

Arne Giske	Group CEO
Hans Olav Sørli	Executive Vice President, responsible for building construction operations in Norway
Øivind Larsen	Executive Vice President, responsible for civil engineering operations in Norway
Jimmy Bengtsson	Executive Vice President, responsible for construction operations in Sweden, and corporate procurement. Country manager Sweden
Jørgen Wiese Porsmyr	Executive Vice President, responsible for residential, commercial and project development in Scandinavia and for construction operations in Denmark
Terje Larsen	CFO and Executive Vice President, responsible for Accounting & Finance, IT, Strategy and Legal
Anne Thorbjørnsen	Interim Executive Vice President, responsible for HR and HSE
Lars Erik Lund	Executive Vice President, responsible for Communications and Public Affairs

**Investor Relations:**

Financial Director Jørgen G. Michelet  
Telephone: +47 917 43 856  
E-mail: [jorgen.michelet@veidekke.no](mailto:jorgen.michelet@veidekke.no)

**Financial calendar:**

Second quarter: 15 August 2019  
Third quarter: 14 November 2019







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# TOGETHER, WE ARE BUILDING THE FUTURE

Veidekke is one of Scandinavia's largest construction and property development companies. The company undertakes all types of building construction and civil engineering contracts, maintains public roads and produces asphalt and aggregates. The company is characterised by involvement and local knowledge. Turnover is NOK 36 billion, and half of the 8,600 employees own shares in the company. Veidekke is listed on the Oslo Stock Exchange and has always posted a profit since it was founded in 1936.

Veidekke – local presence,  
Scandinavian strength.

[veidekke.com/en](http://veidekke.com/en)

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