

Veidekke ASA

First quarter 2021

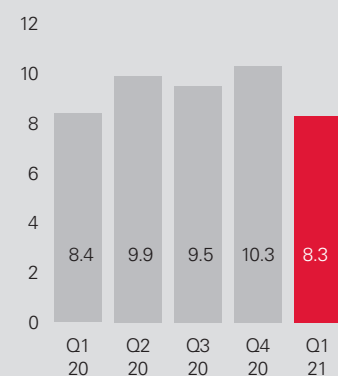


Q1 2021 HIGHLIGHTS

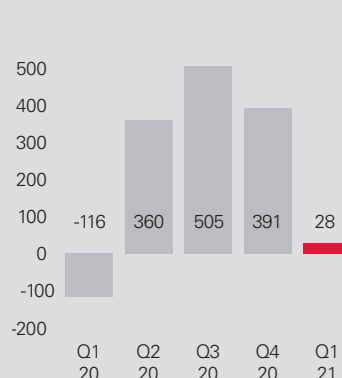
- Revenue amounted to NOK 8.3 (NOK 8.4)¹⁾ billion
- Pre-tax profit totalled NOK 28 (NOK -116) million, and the profit margin was 0.3% (-1.4%).
- The profit per share was NOK 0.0 (NOK -0.8).
- The order intake amounted to NOK 9.8 (7.2) billion, and at the end of the first quarter the order book totalled NOK 37.9 (NOK 37.2) billion.
- Cash flow from operational activities amounted to NOK -185 (230) million in the quarter.
- Net interest-bearing position totalled NOK 2.8 (NOK -2.6) billion as at 31 March 2021.

1) Last year's figures in brackets.

REVENUE NOK BILLION

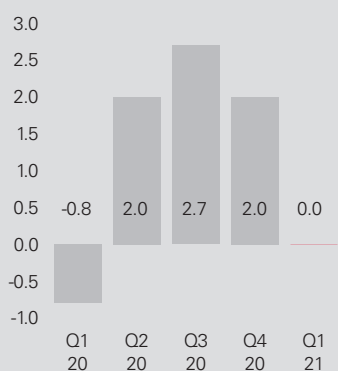


PRE-TAX PROFIT NOK MILLION

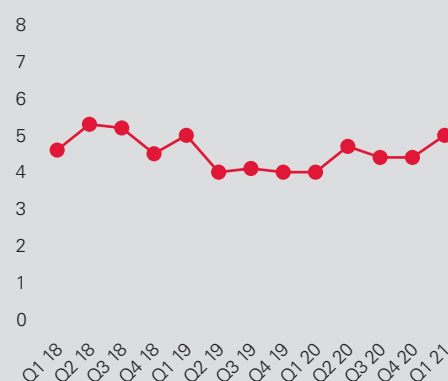


The charts reflect figures from the segment accounts for continued operations.

EARNINGS PER SHARE NOK



LTI RATE¹⁾



1) Lost-time injuries per million hours worked, own employees, 12m. rolling.

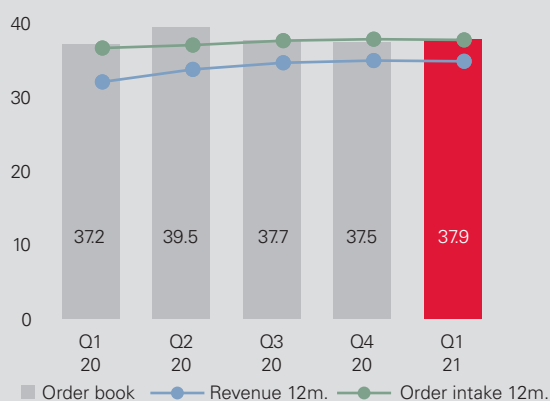
KEY FIGURES¹⁾

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
Continued operations				
Revenue, segment	8 311	8 443	38 140	36 569
Pre-tax profit, segment	28	-116	1 134	596
Veidekke Construction in Norway	113	119	532	387
Veidekke Infrastructure in Norway	-132	-207	244	168
Veidekke in Sweden	36	28	303	-25
Veidekke in Denmark/Hoffmann	43	33	200	169
Other	-31	-88	-145	-104
Profit margin	0.3%	-1.4%	3.0%	1.6%
EBITDA	248	117	2 079	1 468
Profit per share (NOK)	0.0	-0.8	5.8	3.0
Net interest bearing position ²⁾	2 791	-2 605	3 078	-2 653
Cash-flow from operations ¹⁾	-185	230	2 350	1 503
Return on equity past 12 months ²⁾	58%	26%	53%	25%
Total order book	37 931	37 209	37 460	36 704
Order intake	9 807	7 209	34 951	34 207
LTI rate	5.0	4.0	4.4	4.0
Sickness absence	5.2%	4.1%	5.1%	4.0%

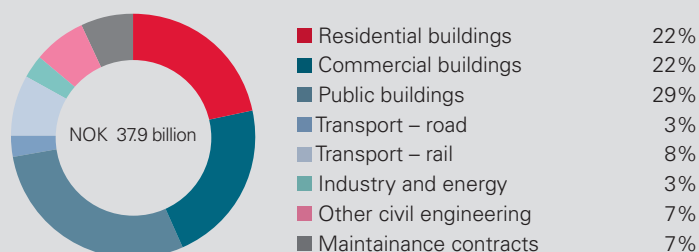
1) Continued operations.

2) Comprises continued operations and the operation sold at 1 September 2020.

CONTRACTS NOK BILLION



ORDER BOOK BY MARKET SEGMENT PER CENT



A WORD FROM THE GROUP CEO

CARRYING STRONG MOMENTUM INTO THE GREEN SHIFT

Veidekke has delivered a strong first-quarter performance in line with targets and plans. In a seasonally weak quarter for the group, we have improved our profits and profitability, and strengthened our order book, despite lower activity levels than last year.

In our capital markets update two years ago, we announced a focus on profitability over growth and more stringent risk management. The changes we have made since then have been effective, and Veidekke is on track to achieve its margin target of 4% in 2022, while still maintaining activity levels and the order book. We are confident that the implemented measures will continue to be effective when we extend the target period until 2025 and raise our profitability target to over 5%.

Today, Veidekke is a streamlined contractor with robust finances and strong positions in the Scandinavian construction, civil engineering, asphalt and road maintenance markets. We are now building on this foundation by setting clear strategic priorities intended to generate added value and ensure profitability for our clients, society and Veidekke.

Our strong financial position gives us room to manoeuvre. We are concentrating on finding an optimal balance between the financial robustness demanded by clients, growth to generate added value and an attractive dividend for shareholders.

We have made the important strategic decision that Veidekke will play an active part in achieving the green shift. Going forward, we will prioritise projects in which our expertise can help reduce negative climatic and environmental impacts. The transition to a low-emissions society will also create new market opportunities, which we expect to generate added value for clients and society, as well as Veidekke.

We also intend to continue building on Veidekke's strengths through both close cooperation with clients and suppliers




Jimmy Bengtsson, Group CEO

and early project involvement, so that we can identify the most effective solutions in view of client needs. Productivity, quality and safety are core factors in Veidekke's strong work culture.

The Covid-19 pandemic has had a limited impact on Veidekke's production thus far. However, an outbreak a couple of weeks ago forced us to close a construction site temporarily. The outbreak occurred despite very strict infection control measures, and we are therefore reviewing our procedures and their implementation to identify lessons to be learned and potential improvements.

For myself and many other Veidekke staff, the pandemic has meant an extended period of working from home. However, we do not build schools, dig tunnels, clear snow or asphalt roads from home. The loyalty, flexibility and goodwill of our skilled manual workers, apprentices, engineers and other staff has allowed production to continue and enabled Veidekke to deliver on its commitments on time. Today, I want to specially acknowledge our project staff, who keep on going to get the job done despite changing infection control restrictions.

VEIDEKKE GROUP¹⁾

Veidekke achieved revenues of NOK 8.3 billion in Q1, and a pre-tax profit of NOK 28 million. Revenues were on a par with the first quarter of last year, while profits were up from NOK -116 million. The result includes a gain of NOK 39 million on the sale of the asphalt and aggregates operation in Rogaland, Norway. The Q1 2020 quarterly result included an unrealised loss of NOK 65 million linked to financial items and foreign exchange transactions, and NOK 20 million in costs related to the divestment of the property development operation. The underlying profit for the quarter improved somewhat over last year.

The first quarter is traditionally a weak period for Veidekke due to seasonal lows in the asphalt, aggregates and some civil engineering segments. The other operations reported strong activity levels in Q1. Veidekke Infrastructure and Veidekke Denmark improved profits year-on-year, while the performances of the construction operation and Veidekke Sweden were on a par with the same quarter of last year.

The Covid-19 pandemic had a limited impact on Veidekke's production in the first quarter, although stricter infection control measures and travel restrictions affected progress on some projects.

Net interest-bearing assets amounted to NOK 2.8 billion at quarter-end, compared to NOK 3.1 billion at the beginning of the year. Quarterly cash flow was impacted by the seasonal downturn in some operational segments, but this was partially compensated for by strong liquidity in projects in Sweden and sale proceeds of NOK 135 million stemming from the divestment of the operation in Rogaland.

The Q1 order intake was NOK 9.8 billion, up from NOK 7.2 billion in Q1 2020. The order book totalled NOK 37.9 billion at quarter-end, compared to NOK 37.2 billion one year ago. There was an increase in orders for public buildings, while demand for commercial buildings fell. Two-thirds of the order book will be converted into revenue in the next 12 months.

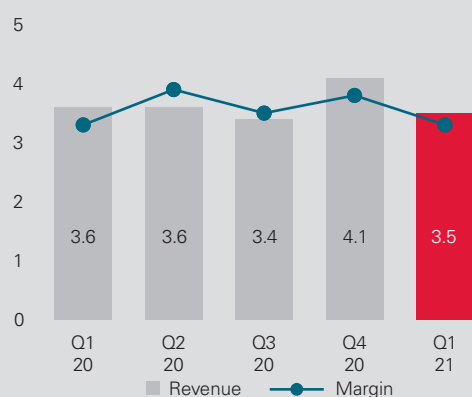
1) The comments in the report relate to figures taken from the segment accounts unless otherwise specified in the text.

VEIDEKKE CONSTRUCTION IN NORWAY

KEY FIGURES

NOK million	Q1 2021	Q1 2020	2020	2019
Revenue	3 471	3 580	14 638	14 464
Pre-tax profit	113	119	532	387
Profit margin	3.3%	3.3%	3.6%	2.7%
Order book	12 871	13 999	13 358	14 762

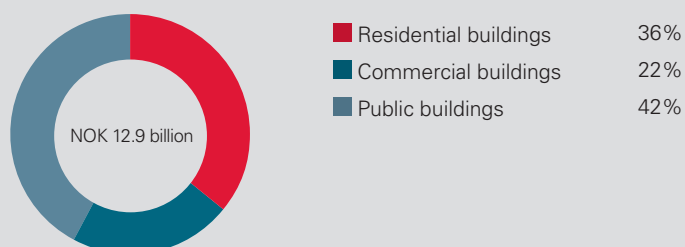
REVENUE AND PROFIT MARGIN NOK BILLION AND PER CENT



CONTRACTS NOK BILLION



ORDER BOOK BY MARKET SEGMENT PER CENT



VEIDEKKE CONSTRUCTION IN NORWAY

The Norwegian construction operation generated revenues of NOK 3.5 billion in the first quarter of 2021, compared to NOK 3.6 billion in Q1 2020. While activity was somewhat below last year's levels in Trøndelag County and some operational units in eastern Norway, activity in other units was on a par with 2020.

The Q1 pre-tax profit totalled NOK 113 million, compared to NOK 119 million in Q1 2020. Profits were somewhat higher year-on-year in Trøndelag, but somewhat lower in western Norway and some units in eastern Norway. Overall, the Q1 profit margin was 3.3%, on a par with the same quarter last year. However, there were some local variations in profitability levels.

The quarterly order intake amounted to NOK 3.0 billion. Major contracts signed during the first quarter:

- Førde Hospital for Helse Førde. Contract value NOK 730 million.
- Lumanders hage, apartments, garages and a daycare facility at Ensjø in Oslo for OBOS Nye hjem AS. Contract value NOK 512 million.
- Løren Botaniske phase 2, apartment project in Oslo for OBOS and Nordr. Contract value NOK 150 million.
- Legevakta Arendal, new emergency ward for Arendal Eiendom KF. Contract value NOK 148 million.
- Verkstedgården, apartment project in Trondheim for Nordr. Contract value NOK 120 million.

At quarter-end, the order book totalled NOK 12.9 billion, down 8% from NOK 14.0 billion last year. Demand for both commercial buildings and residential units has declined, while orders for public buildings have increased.

Veidekke Construction in Norway specialises in the construction of residential units, office buildings, schools and healthcare buildings, primarily in and around Norway's major cities. The operation is investing in sustainable construction and the transition to fossil-free construction sites, standardised processes and materials which meet a high environmental standard and have a long operating life. Projects are developed in close cooperation with clients. The operation gives high priority to training its own skilled manual workers, and has many apprentices working around the country.

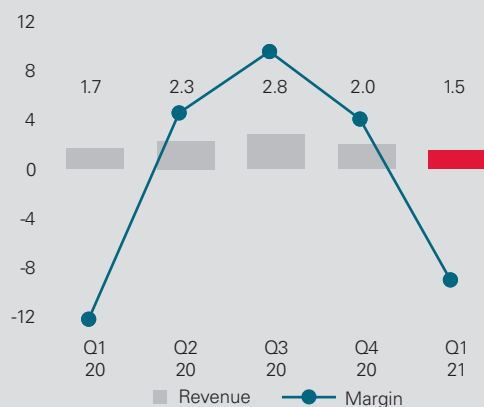


VEIDEKKE INFRASTRUCTURE IN NORWAY

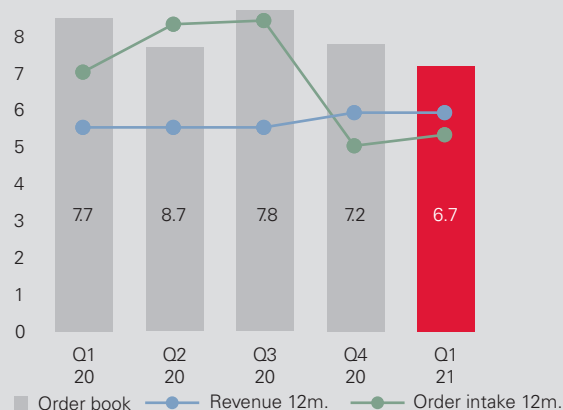
KEY FIGURES

NOK million	Q1 2021	Q1 2020	2020	2019
Revenue	1 463	1 683	8 847	9 209
Civil engineering	1 294	1 473	5 933	5 530
Asphalt, Aggregates	169	210	2 914	3 679
Pre-tax profit	-132	-207	244	168
Civil engineering	14	36	161	-5
Asphalt, Aggregates	-147	-243	83	173
Profit margin	-9.1%	-12.3%	2.8%	1.8%
Civil engineering	1.1%	2.5%	2.7%	-0.1%
Asphalt, Aggregates	-87.1%	-115.6%	2.8%	4.7%
Order book	6 669	7 661	7 206	8 454

REVENUE AND PROFIT MARGIN NOK BILLION AND PER CENT

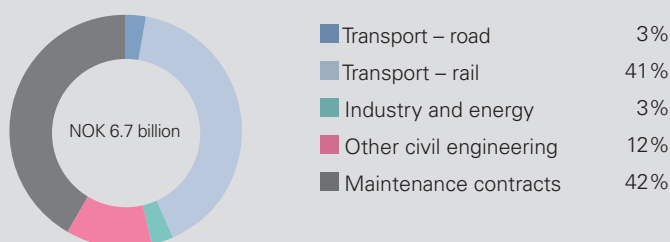


CONTRACTS¹⁾ NOK BILLION



1) Civil engineering projects and maintenance contracts

ORDER BOOK BY MARKET SEGMENT PER CENT



VEIDEKKE INFRASTRUCTURE IN NORWAY

Veidekke Infrastructure achieved revenues of NOK 1.5 billion in the first quarter, compared to NOK 1.7 billion in the same quarter last year. The pre-tax profit totalled NOK -132 million, compared to NOK -207 million in Q1 2020. The improvement on last year is primarily linked to an improved performance by the road maintenance operation, reduced costs for the asphalt operation during its seasonal downturn and the sale of the Rogaland asphalt and aggregates operation. In addition, the Q1 2020 figures included a sizable foreign exchange loss made by the asphalt operation.

The civil engineering operation generated revenues of NOK 1.3 billion in Q1, compared to NOK 1.5 billion in the corresponding quarter of last year. The profit totalled NOK 14 million, compared to NOK 36 million in Q1 2020. The decline in profits is attributable to reduced volumes due to delayed project starts. In addition, the civil engineering portfolio includes some projects with a written-down final value and a zero profit contribution. The quarterly profit margin was 1.1%, compared to 2.5% in Q1 2020.

The asphalt and aggregates operations achieved revenues of NOK 169 million in the first quarter, down from NOK

210 million last year. The first quarter is the low season for the operation. The quarterly profit was NOK -147 million, compared to NOK -243 million in the first quarter of 2020. The quarterly result includes a gain of NOK 39 million on the sale of the Rogaland operation, while last year's result included a foreign exchange loss of NOK 30 million. Lower costs also contributed to this year's progress. To date, 1,815,000 tonnes of asphalt have been announced in this year's tendering round for the asphaltting of national and local roads, representing an increase of 18% on 2020. However, the tendering process is ongoing, and volumes may therefore change. Thus far, Veidekke has secured 45% of the available volumes.

The first-quarter order intake amounted to NOK 805 million. No major new contracts were signed during the quarter. The Q1 2020 order intake was NOK 601 million. The order intake includes civil engineering orders and road maintenance contracts.

At quarter-end, the order book totalled NOK 6.7 billion, compared to NOK 7.7 billion last year. Maintenance contracts accounted for NOK 2.8 billion of the order book, compared to NOK 2.2 billion in Q1 2020.

Veidekke Infrastructure in Norway is a national civil engineering contractor with specialist expertise in the construction of roads, railways, power plants and industrial facilities. The operation is Norway's largest asphalt producer and contractor, the country's second-largest aggregates producer and an important player in the public roads maintenance market. The operation is an important contributor to CO₂ emissions reductions through its facilitation of fossil-free construction sites, use of electrically powered machinery and application of environmentally friendly energy carriers in asphalt production.



Veidekke total: 7 951

VEIDEKKE IN SWEDEN

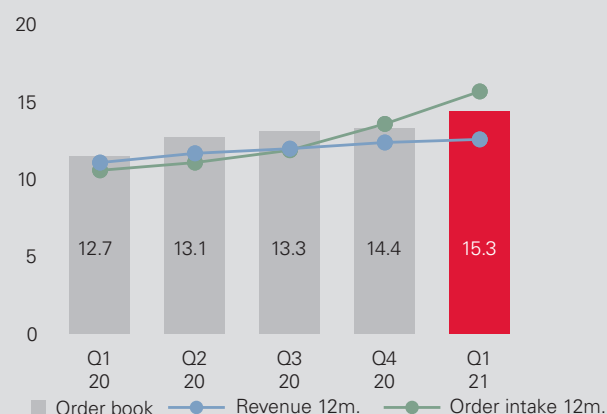
KEY FIGURES

NOK million	Q1 2021	Q1 2020	2020	2019
Revenue	2 827	2 596	12 293	10 803
Pre-tax profit	36	28	303	-25
Profit margin	1.3%	1.1%	2.5%	-0.2%
Order book	15 266	12 695	14 380	11 504

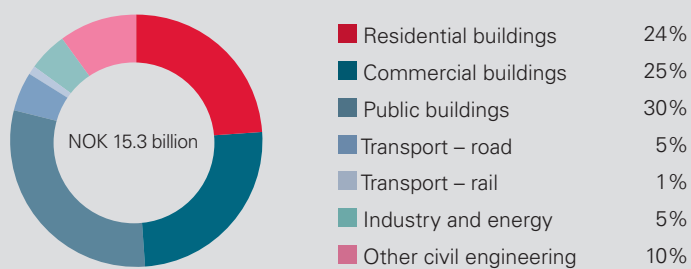
REVENUE AND PROFIT MARGIN NOK BILLION AND PER CENT



CONTRACTS NOK BILLION



ORDER BOOK BY MARKET SEGMENT PER CENT



VEIDEKKE IN SWEDEN

The Swedish operation recorded revenues of NOK 2.8 billion in the first quarter, compared to NOK 2.6 billion in the same quarter of last year. Measured in local currency, the revenue increase totalled 5%. The first-quarter profit was NOK 36 million, compared to NOK 28 million last year. The overall quarterly profit margin was 1.3%, on a par with Q1 2020.

The Swedish construction operation achieved revenues of NOK 2.0 billion in Q1, compared to NOK 1.7 billion last year. The profit margin for the quarter was 2.6%, up from 1.8% in Q1 2020. The year-on-year improvement is attributable to increased activity and profitability throughout much of the operation.

The Swedish infrastructure operation generated revenues of NOK 835 million in the first quarter, compared to NOK 918 million last year. The quarterly profit margin was -1.5%, compared to 1.3% one year ago. The decline is primarily attributable to reduced activity in the industrial operation, which achieved unusually high revenues last winter due to favourable weather conditions. This year, the operation experienced its customary seasonal downturn.

The quarterly order intake amounted to NOK 4.7 billion. Major contracts signed during the first quarter:

- World of Volvo Experience Center in Gothenburg for World of Volvo AB. Contract value NOK 1.2 billion.
- Basecamp Malmö, student housing for BaseCamp Student Real Estate in Malmö. Contract value NOK 455 million.
- Volvo Måleri, painting facility linked to Volvo's production factory in Gothenburg. Contract value NOK 264 million.
- Vasa Real, school building in Stockholm for SISAB. Contract value NOK 262 million.
- Kasernen, office premises in Gothenburg for Alecta Pension. Contract value NOK 224 million.

At the end of the first quarter, the order book stood at NOK 15.3 billion, up from NOK 12.7 billion one year ago. Measured in local currency, the order book grew by 29%. Compared to the same quarter last year, there was a drop in demand for commercial buildings and an increase in orders for public buildings and residential units.

Veidekke Sweden is a wholly-owned subsidiary with a broad portfolio of construction projects, which comprise residential units, offices, schools and cultural buildings, including substantial massive wood projects. The company's civil engineering portfolio encompasses projects focused on transport infrastructure, other infrastructure and energy, including wind farms. Veidekke Sweden also has an asphalt operation.

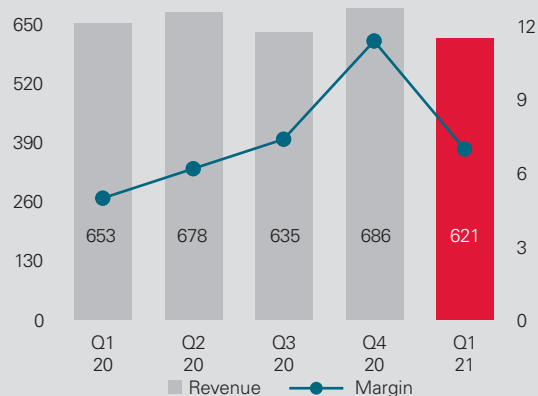


VEIDEKKE IN DENMARK/HOFFMANN

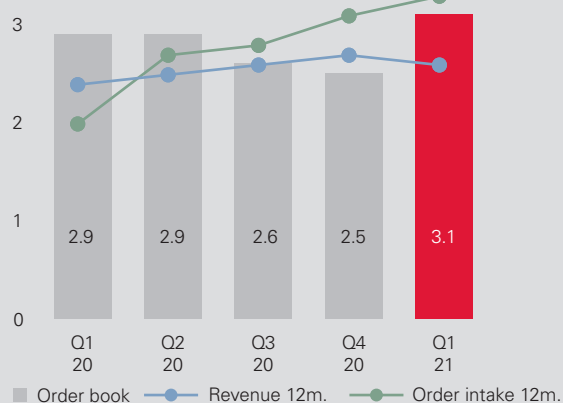
KEY FIGURES

NOK million	Q1 2021	Q1 2020	2020	2019
Revenue	621	653	2 652	2 358
Pre-tax profit	43	33	200	169
Profit margin	7.0%	5.0%	7.5%	7.2%
Order book	3 125	2 854	2 516	1 983

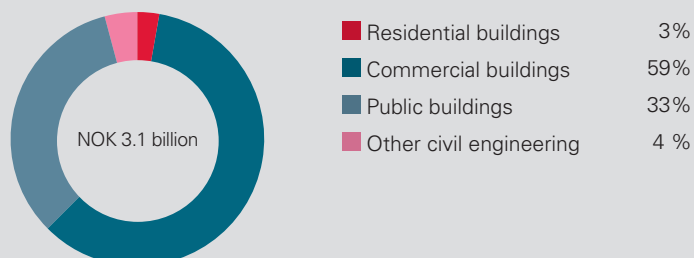
REVENUE AND PROFIT MARGIN NOK BILLION AND PER CENT



CONTRACTS NOK BILLION



ORDER BOOK BY MARKET SEGMENT PER CENT



VEIDEKKE IN DENMARK/HOFFMANN

The Danish operation achieved revenues of NOK 621 million in the first quarter, compared to NOK 653 million in the corresponding quarter last year. Measured in local currency, revenues fell by 4%. The first-quarter pre-tax profit was NOK 43 million, compared to NOK 33 million in Q1 2020. The project portfolio remains robustly profitable, with a profit margin of 7.0%, compared to 5.0% in the first quarter of last year.

The quarterly order intake totalled NOK 1.4 billion and primarily comprised a major contract related to the development and construction of Northern Als Holiday Resort in Nordborg in southern Denmark. Hoffman also entered into a four-year framework agreement with the Danish Building and Property Agency.

At the end of Q1, the order book stood at NOK 3.1 billion, compared to NOK 2.9 billion last year. Measured in local currency, the order book total increased by approximately 25% following signature of the large contract during the quarter. The commercial buildings order book has shrunk by 15% since Q1 2020, while the share of public buildings has increased.

Hoffmann A/S is Veidekke's wholly-owned Danish subsidiary. The majority of the company's projects relate to commercial buildings. Hoffmann gives particular emphasis to close customer dialogue throughout all project stages, from planning and design to execution, which places the company in a strong position to help customers find the best and most sustainable solutions.



Veidekke total: 7 951

SUSTAINABILITY AT VEIDEKKE (ESG)

Veidekke views sustainable operation and sustainable solutions as critical for the company's success in the green shift. Veidekke wants to help overcome climate challenges, and is working to integrate sustainability into all parts of the construction and civil engineering supply chain and to help customers make wise green choices.

Veidekke aims to be a leading promoter of sustainability in the construction and civil engineering industry, and is focusing on topics such as:

- Greenhouse gas emissions, climate risk and other environmental factors;
- Human rights, skills development, sick leave, injuries and gender equality;
- Supplier follow-up, whistleblowing and corruption risk;
- Corporate governance and reporting.

As part of promoting sustainable development, Veidekke has adopted long-term goals. These include:

- Reduce greenhouse gas emissions in line with the Paris Agreement, with a 50% reduction by 2030 and a 90% reduction by 2050.

- Avoid serious injuries and reduce the number of injuries by 20% a year.
- Increase diversity among Veidekke's employees, including by doubling the proportion of women in operational management positions to at least 20% by 2025.

Going forward, Veidekke intends to make targeted investments to help reduce greenhouse gas emissions from its operations and realise market opportunities in the transition to a low-emissions society. Examples include measures to reduce the climate footprint of the asphalt operation and to increase the proportion of environmentally certified buildings and civil engineering projects, which currently account for one-third of Veidekke's revenues.

For further discussion of Veidekke's work on material sustainability topics, see the group's Annual and sustainability report 2020.

OCCUPATIONAL HEALTH AND SAFETY

The first-quarter LTI (lost time injury) rate was 5.0, up from 4.4 in the previous quarter and 4.0 in Q1 2020. The increase is attributable to a high number of reported injuries resulting in absence from work in the Swedish operation. The sick leave rate was 5.2%, down slightly on the preceding quarter (5.5%).

No serious injuries were reported in the first quarter.

Since Veidekke adopted its “zero serious injuries” target in 2014, the number of injuries has been reduced materially. In 2021, Veidekke will finish implementing its “Zero serious injuries within 700 days” improvement project, which was launched two years ago to reduce the number of serious occupational injuries further. The project features three programme areas:

1. PREVENTING RECURRING INJURIES AND INCIDENTS

This programme targets the improvement of processes and tools for ensuring that the entire organisation learns from undesirable incidents. The programme is currently being implemented.

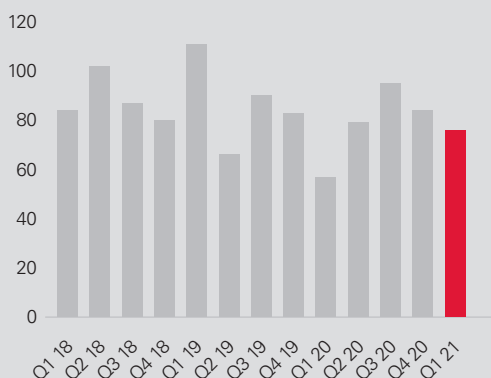
2. ELIMINATING RISKS BEFORE WORK BEGINS

This programme is designed to ensure that all activity plans seek to minimise risks, by means of improved processes, new tools and clearer requirements.

3. COLLECTIVE RESPONSIBILITY FOR SAFE BEHAVIOUR

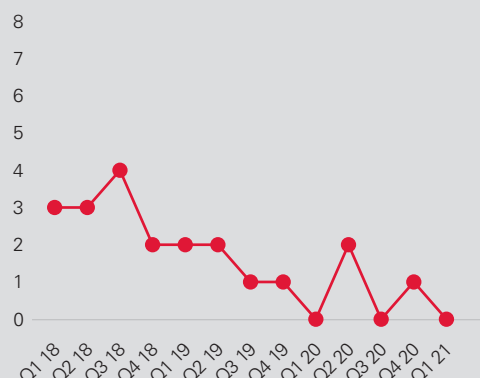
Human error causes dangerous situations and is an important contributory factor in very many accidents. Veidekke’s objective with this programme is to develop a safety culture in which all staff take responsibility for colleagues, are committed to ensuring the safety of others and thus help one another to make good decisions.

TOTAL NUMBER OF INJURIES



Number of injuries, own employees and subcontractors.

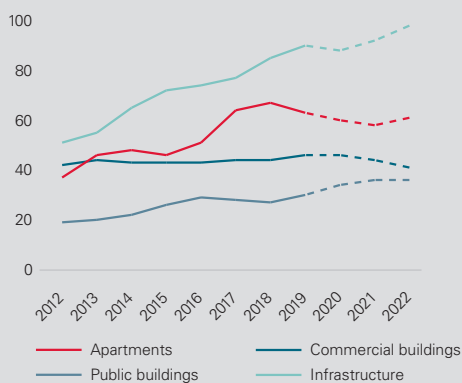
SERIOUS INJURIES



Number of injuries, own employees and subcontractors.

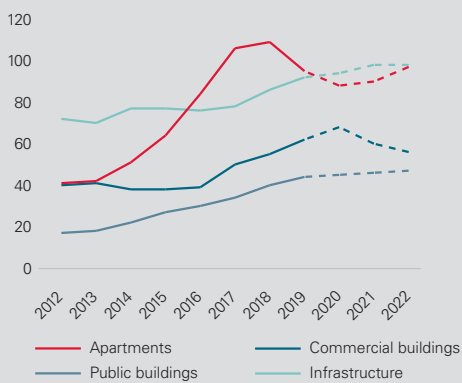
MARKET OUTLOOK

NORWAY



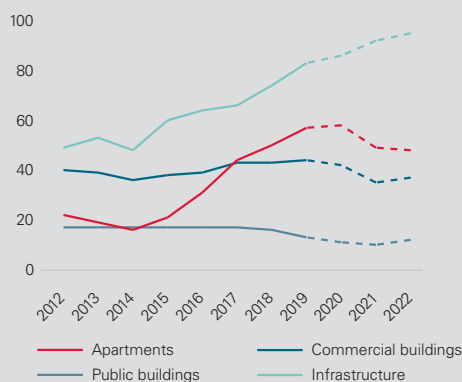
NOK billion	2020	Estimated growth*			
		2019	2020	2021	2022
Apartments and small houses	60	-6%	-5%	-3%	5%
Commercial buildings	46	4%	-1%	-3%	-7%
Public buildings	34	10%	14%	7%	-2%
Civil engineering	88	7%	-3%	4%	7%
Total contracting production	228	3%	-1%	1%	2%

SWEDEN



NOK billion	2020	Estimated growth*			
		2019	2020	2021	2022
Apartments and small houses	88	-13%	-7%	3%	8%
Commercial buildings	68	12%	9%	-12%	-6%
Public buildings	45	12%	1%	2%	2%
Civil engineering	94	7%	2%	5%	0%
Total contracting production	294	1%	0%	0%	2%

DENMARK



NOK billion	2020	Estimated growth*			
		2019	2020	2021	2022
Apartments and small houses	58	15%	2%	-15%	-2%
Commercial buildings	42	2%	-5%	-15%	4%
Public buildings	11	-16%	-19%	-10%	19%
Civil engineering	86	12%	3%	8%	3%
Total contracting production	196	8%	-1%	-5%	3%

Sources: SSB, SCB, DST and Veidekke's forecasts.

* The figures for 2019 and 2020 are estimates, while those for 2021 and 2022 are forecasts.

KEY DEVELOPMENTS DURING THE QUARTER

- Economic activity in Scandinavia is expected to recover strongly in 2021 as a result of mass vaccination, reduced infection rates and normalisation of economic framework conditions. Aggressive economic stimulus packages from the authorities, particularly related to credit supply, will facilitate continued high investment among households and businesses.
- Production in the construction sector is expected to drop by 1% in 2021, but will remain at a high level from a historical perspective. Both registered new building starts and order intakes reported by major contractors indicate continuing stable activity levels. Veidekke anticipates moderate production growth in 2022 – estimated at 2%–3% – in Sweden, Denmark and Norway.
- Sales figures for new residential units have been strong in recent quarters, and the sector appears to have bottomed out in several of Veidekke's metropolitan areas. The number of new project starts is forecast to grow moderately in 2021, with resulting growth in residential production in 2022.
- The number of new commercial building starts declined significantly in 2020, as expected in a period of high economic uncertainty and rising unemployment. However, the drop in demand was smaller than feared, and the number of new project starts generally remained stable throughout the autumn. Activity levels in the public buildings segment are expected to remain high in 2021 and 2022, particularly in Norway and Sweden. National budgets for 2021 indicate a strong civil engineering market in 2021 and 2022, with particularly strong growth in the railway construction segment in Norway and Sweden. In the industrial segment, the market is forecast to be significantly stronger in 2021 than in 2020.

Veidekke calculates market data for the Scandinavian contracting market based on data on reported civil engineering production and new-build starts provided by the national statistics agencies in Norway (Statistics Norway), Sweden (Statistics Sweden) and Denmark (Statistics Denmark). Production forecasts for the contracting market reflect activity in projects initiated as at Q4 2020, as well as demand and new project starts during the forecast period. Distinctive industry characteristics, such as long construction periods, mean that it normally takes one to two years for cyclical economic developments with a visible impact on demand – for example for residential units – to affect production in the contracting sector.

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 31 million.

FINANCIAL SITUATION

Net interest-bearing assets amounted to NOK 2.8 billion at quarter-end, compared to NOK -2.6 billion a year ago. Cash flow from operational activities totalled NOK -185 million in the first quarter, having been impacted by seasonal downturns in the asphalt and aggregates segments and parts of the civil engineering operation. The statement of financial position totalled NOK 16.5 billion at quarter-end, compared to NOK 22.8 billion at the end of Q1 2020.

Veidekke refinanced its existing borrowing facilities with DNB and SEB in December 2020. The agreement with Veidekke's main bank, DNB, includes a rolling NOK 1,750 million, 364-day facility. Veidekke's NOK 750 million credit facility with SEB features a three-year maturity and two one-year extension options. The credit facility includes sustainability targets. As at the end of Q1, Veidekke had not drawn on any of its available credit totalling NOK 2.5 billion.

SHAREHOLDER INFORMATION

Largest shareholders at 31 March 2021	Ownership share %
Obos bbl	18.6%
Folketrygdfondet	10.8%
BNP Paribas Securities Services	3.7%
Skandinaviska Enskilda Banken AB	2.6%
Must Invest AS	2.2%
Verdipapirfondet Odin Norge	2.1%
MP Pensjon PK	2.0%
Danske Invest	1.8%
State Street Bank and Trust Company 1	1.7%
State Street Bank and Trust Company 2	1.5%
10 largest shareholders, total ownership	47.0%
Employees, total ownership	12.0%
Others	41.0%
Total	100.0%

A total of 5.9 million Veidekke shares were traded in the first quarter of 2021. The share price ranged from NOK 98.9 to NOK 123.6, and was NOK 118.6 at 31 March. The foreign shareholding was 27%.

RELATED PARTY TRANSACTIONS

Veidekke is regularly involved in transactions with related parties in the course of its ordinary operations, including contracts for the development of specific projects. There were no other significant related-party transactions in the first quarter of 2021. For a more detailed description of related-party transactions, see Veidekke's Annual and sustainability report 2020.

RISKS

The risk profile is currently dominated by strong uncertainty linked to the Covid-19 pandemic. Thus far, the pandemic has had a limited impact on Veidekke's production and earnings, and the total order intake has been satisfactory. However, extraordinary infection control measures – including travel restrictions – may affect production capacity and deliveries of goods and components, and the market outlook is characterised by greater uncertainty than normal. The order book totalled NOK 37.9 billion at quarter-end, providing a robust basis for future activity. However, due to the ongoing Covid-19 pandemic, there is uncertainty about the future order intake, and private-sector demand in particular.

Veidekke's business primarily involves the execution of individual projects. Projects vary greatly in terms of complexity, size, duration and risk, and systematic risk management in all parts of the business and during all project phases is therefore of crucial importance. This encompasses matters such as project selection, processes, tender quality, project follow-up and project execution.

Having the necessary expertise to ensure optimal assignment execution is key when deciding which projects to tender for.

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

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 2020.

Oslo, 5 May 2021

The board of directors of Veidekke ASA

Svein Richard Brandtzæg
Chair

Gro Bakstad

Ingalill Berglund

Ingolv Høyland

Daniel Kjørberg Siraj

Hanne Rønneberg

Per-Ingemar Persson

Inge Ramsdal

Odd Andre Olsen

Arve Fludal

Jimmy Bengtsson
Group CEO

INCOME STATEMENT

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
Revenue	8 311	8 443	38 140	36 569
Operating expenses	-8 067	-8 331	-36 022	-35 034
Share of net income from joint ventures	5	5	4	-67
Operating profit before depreciation (EBITDA)	248	117	2 122	1 468
Depreciation/impairment	-219	-226	-910	-887
Operating profit (EBIT)	29	-109	1 213	581
Financial income	21	16	80	56
Financial costs	-22	-72	-91	-54
Pre-tax profit, continued operations	28	-165	1 202	582
Tax expenses	-6	37	-279	-142
Post-tax profit, continued operations	22	-128	922	440
of which non-controlling interests	21	14	81	48
Post-tax profit, discontinued operations	-	48	1 266	522
of which non-controlling interests	-	-	-	-
Post-tax profit for the period	22	-79	2 189	962
Profit per share (NOK), continued operations	0.0	-1.1	6.2	2.9
Profit per share (NOK), discontinued operations	0.0	0.4	9.4	3.9
Profit per share (NOK), continued and discontinued operations	0.0	-0.7	15.6	6.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
Post-tax profit for the period	22	-79	2 189	962
Revaluation of pensions	-	-	-37	14
Net items that will not be reclassified subsequently to profit or loss	-	-	-37	14
Currency translation differences	-70	200	40	-36
Fair value adjustment of financial assets	31	-47	-47	11
Net items that may be reclassified subsequently to profit or loss	-38	153	-7	-25
Total comprehensive income	-17	74	2 144	951
of which non-controlling interests	19	17	84	48

STATEMENT OF FINANCIAL POSITION¹⁾

Figures in NOK million	31.03.2021	31.03.2020 ¹⁾	31.12.2020	31.12.2019 ¹⁾
ASSETS				
Non-current assets				
Goodwill	1 758	1 852	1 824	1 790
Other intangible assets	106	87	130	94
Land and buildings	1 329	1 321	1 318	1 253
Plant and machinery	2 265	2 575	2 411	2 644
Investments in joint ventures	222	196	197	219
Financial assets	582	468	571	535
Total non-current assets	6 262	6 500	6 452	6 535
Current assets				
Residential projects	26	62	32	53
Inventories	553	630	580	544
Trade and other receivables, contract assets	6 263	5 769	6 718	5 683
Financial investments	538	-	540	-
Cash and cash equivalents	2 904	725	3 219	241
Total current assets	10 284	7 186	11 089	6 522
Total assets discontinued operations	-	9 147	-	8 920
Total assets	16 546	22 833	17 541	21 977
EQUITY AND LIABILITIES				
Equity				
Share capital	67	67	67	67
Other equity	2 728	3 813	2 785	3 740
Non-controlling interests	17	55	25	142
Total equity	2 813	3 935	2 877	3 949
Non-current liabilities				
Pensions and deferred tax liabilities	1 118	855	1 136	908
Bonds	600	1 600	600	1 600
Amounts due to credit institutions	188	1 944	198	1 507
Other non-current liabilities	1 050	1 154	1 097	1 161
Total non-current liabilities	2 957	5 554	3 031	5 177
Current liabilities				
Debt to credit institutions	26	11	29	12
Trade payables and warranty provisions	6 243	6 260	7 113	6 957
Public duties and taxes payable	1 006	1 084	1 102	751
Other current liabilities and contract liabilities	3 501	3 494	3 389	2 800
Total current liabilities	10 776	10 848	11 633	10 520
Total liabilities related to discontinued operations	-	2 496	-	2 331
Total equity and liabilities	16 546	22 833	17 541	21 977

1) In the balance sheet as at 31 December 2019 and 31 March 2020, all items relating to the property development operation are presented as assets and liabilities related to discontinued operations.

STATEMENT OF CASH FLOWS

CONTINUED OPERATIONS

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
Pre-tax profit, continued operations	28	-165	1 202	582
Tax paid	-34	-33	-81	-79
Depreciation/impairment	219	226	909	887
Other operational items	-397	202	319	112
Cash flow from operating activities	-185	230	2 350	1 503
Acquisition/disposal of property, plant and equipment	-93	-123	-682	-493
Other investing activities	108	33	-119	-94
Short-term bond fund investment	-	-	-540	-
Change in interest-bearing receivables	-16	8	50	21
Cash flow from investing activities	-1	-82	-1 291	-567
Change in interest-bearing liabilities	-5	411	-2 321	1 286
Dividend paid	-	-	-3 037	-669
Capital increase	-	-	-	115
Change in liabilities, discontinued operations	-	-79	4 158	-1 899
Other financial items	-123	-1	-67	318
Cash flow from financing activities	-128	331	-1 266	-848
Total cash flow from continued operations	-313	479	-208	88
Cash flow from discontinued operations	-	8	3 103	-107
Change in cash and cash equivalents	-313	487	2 895	-20
Cash and cash equivalents, start of period	3 219	318	318	341
Exchange rate adjustment foreign cash balances	-3	5	7	-6
Cash and cash equivalents, end of period	2 904	809	3 219	318
Cash and cash equivalents, continued operations	2 904	725	3 219	241
Cash and cash equivalents, discontinued operations	-	85	-	77
Total cash and cash equivalents	2 904	809	3 219	318

TOTAL OPERATIONS (CONTINUED AND DISCONTINUED OPERATIONS)

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
Pre-tax profit, total operations	28	-114	2 451	1 096
Gains from sale of operations	-39	-	-1 153	5
Depreciation/impairment	219	228	613	628
Other operational items	-393	-119	359	63
Cash flow from operating activities	-185	-4	2 270	1 791
Acquisition/disposal of property, plant and equipment	-93	-124	-682	-537
Sale of subsidiaries	135	-	6 968	-
Other investing activities	-43	96	-621	-53
Cash flow from investing activities	-1	-28	5 664	-590
Change in interest-bearing liabilities	-5	556	-1 561	-266
Dividend paid	-	-	-3 037	-669
Capital increase	-	-	-	115
Other financial items	-123	-36	-442	-401
Cash flow from financing activities	-128	519	-5 039	-1 221
Change in cash and cash equivalents	-313	487	2 895	-20
Cash and cash equivalents, start of period	3 219	318	318	341
Exchange rate adjustment foreign cash balances	-3	5	7	-4
Cash and cash equivalents, end of period	2 904	809	3 219	318

NET INTEREST-BEARING POSITION

Figures in NOK million	31.03.2021	31.03.2020	31.12.2020	31.12.2019
Cash and cash equivalents	2 904	770	3 219	283
Interest-bearing assets (short-term)	538	-	540	-
Interest-bearing assets (long-term)	163	187	145	195
Interest-bearing liabilities	-814	-3 563	-827	-3 131
Net interest-bearing position	2 791	-2 605	3 078	-2 653
Cash in housing cooperatives	-	39	-	35
Interest bearing debt, housing cooperatives	-	-835	-	-678
Net interest-bearing position incl. housing cooperatives	2 791	-3 401	3 078	-3 296

OTHER KEY FIGURES

Figures in NOK million	31.03.2021	31.03.2020	31.12.2020	31.12.2019
Order backlog (NOK million)	37 931	37 209	37 460	36 704
Equity ratio	17 %	17 %	16 %	18 %
Return on equity	58 %	26 %	53 %	25 %
Number of employees (Total operations)	7 951	8 499	8 082	8 557

BUSINESS SEGMENTS

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
CONSTRUCTION IN NORWAY				
Revenue	3 471	3 580	14 638	14 464
Operating expenses	-3 325	-3 431	-13 976	-13 973
Share of net income from joint ventures	-	-	-	-
Depreciation/impairment	-41	-42	-168	-150
Operating profit (EBIT)	106	107	494	341
Net financial items	7	12	38	46
Pre-tax profit (EBT)	113	119	532	387
Total assets, segment	6 890	6 594	6 924	6 600
INFRASTRUCTURE IN NORWAY				
Revenue	1 463	1 683	8 847	9 209
Operating expenses	-1 474	-1 735	-8 103	-8 502
Share of net income from joint ventures	-1	-1	5	17
Depreciation/impairment	-112	-115	-457	-483
Operating profit (EBIT)	-124	-168	292	241
Net financial items	-8	-38	-48	-73
Pre-tax profit (EBT)	-132	-207	244	168
Total assets, segment	4 507	5 110	5 066	5 177
SWEDEN				
Revenue	2 827	2 596	12 293	10 803
Operating expenses	-2 743	-2 528	-11 779	-10 558
Share of net income from joint ventures	-	1	-24	-108
Depreciation/impairment	-48	-46	-198	-166
Operating profit (EBIT)	36	22	292	-29
Net financial items	-1	6	12	4
Pre-tax profit (EBT)	36	28	303	-25
Total assets, segment	5 330	4 104	4 523	3 679
DENMARK				
Revenue	621	653	2 652	2 358
Operating expenses	-572	-613	-2 429	-2 160
Share of net income from joint ventures	-	-	-	-
Depreciation/impairment	-6	-8	-29	-31
Operating profit (EBIT)	43	31	194	167
Net financial items	-	1	6	2
Pre-tax profit (EBT)	43	33	200	169
Total assets, segment	1 786	1 762	1 828	1 391

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
OTHER OPERATIONS¹⁾				
Revenue	40	-	49	7
Operating expenses	-64	-40	-142	-94
Share of net income from joint ventures	5	6	23	24
Depreciation/impairment	-12	-15	-56	-57
Operating profit (EBIT)	-31	-49	-127	-120
Net financial items	-	-54	-19	22
Pre-tax profit (EBT)	-30	-103	-146	-98
GROUP ELIMINATIONS CONTINUED OPERATIONS				
Revenue	-112	-70	-339	-271
Operating expenses	110	70	339	266
Share of net income from joint ventures	-	-	-	-
Depreciation/impairment	-	-	-	-
Operating profit (EBIT)	-1	-	1	-5
Net financial items	-	15	-	-
Pre-tax profit (EBT)	-1	15	1	-5
TOTAL VEIDEKKE GROUP SEGMENT ACCOUNTS CONTINUED OPERATIONS				
Revenue	8 311	8 443	38 140	36 569
Operating expenses	-8 067	-8 279	-36 090	-35 021
Share of net income from joint ventures	5	5	4	-67
Depreciation/impairment	-219	-226	-910	-887
Operating profit (EBIT)	29	-57	1 145	594
Net financial items	-1	-59	-11	2
Pre-tax profit (EBT)	28	-116	1 134	596
Total assets, segment	16 546	19 485	17 541	18 616

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

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
PROPERTY DEVELOPMENT (UNTIL AUGUST 2020)				
Revenue	-	761	1 893	3 053
Operating expenses	-	-720	-1 748	-2 850
Share of net income from joint ventures	-	68	179	175
Depreciation/impairment	-	-2	-4	-6
Operating profit (EBIT)	-	108	320	372
Net financial items	-	-2	-2	-16
Pre-tax profit (EBT)	-	106	318	356
ELIMINATIONS BETWEEN PROPERTY DEVELOPMENT AND CONTINUED OPERATIONS, GAIN FROM SALE OF PROPERTY DEVELOPMENT OPERATIONS				
Revenue	-	-175	-721	-844
Operating expenses	-	169	721	843
Share of net income from joint ventures	-	-	-	-
Depreciation/impairment	-	-	-	-
Gain from sale of property development operations	-	-	591	-
Operating profit (EBIT)	-	-6	591	-1
Net financial items	-	-	-	-10
Pre-tax profit (EBT)	-	-6	591	-11
TOTAL VEIDEKKE GROUP SEGMENT ACCOUNTS (CONTINUED AND DISCONTINUED OPERATIONS)				
Revenue	8 311	9 029	39 313	38 779
Operating expenses	-8 067	-8 830	-37 117	-37 028
Share of net income from joint ventures	5	73	183	108
Depreciation/impairment	-219	-228	-914	-893
Gain from sale of property development operations	-	-	591	-
Operating profit (EBIT)	29	44	2 056	965
Net financial items	-1	-61	-13	-24
Pre-tax profit (EBT)	28	-16	2 043	941
Tax expenses	-6	13	-290	-155
Post-tax profit	22	-4	1 753	786
Total assets, segment	16 546	22 467	17 541	21 608

RECONCILIATION OF SEGMENT ACCOUNTS AND FINANCIAL ACCOUNTS

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
TOTAL VEIDEKKE GROUP SEGMENTS (CONTINUED AND DISCONTINUED OPERATIONS)				
Revenue	8 311	9 029	39 313	38 779
Operating expenses	-8 067	-8 830	-37 117	-37 028
Share of net income from joint ventures	5	73	183	108
Depreciation/impairment	-219	-228	-914	-893
Gain from sale of property development operations	-	-	591	-
Operating profit (EBIT)	29	44	2 056	965
Net financial items	-1	-61	-13	-24
Pre-tax profit (EBT)	28	-16	2 043	941
Income tax expenses	-6	13	-290	-155
Post-tax profit	22	-4	1 753	786
Total assets, segment	16 546	22 467	17 541	21 608

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
IFRS 15-ADJUSTMENTS, DEVELOPMENT OF RESIDENTIAL UNITS IN NORWAY AND SWEDEN^{1) 2)}				
Revenue	-	-316	-408	653
Operating expenses	-	220	362	-524
Share of net income from joint ventures	-	-2	21	26
Depreciation/impairment	-	-	-	-
Gain from sale of property development operations	-	-	433	-
Operating profit (EBIT)	-	-97	408	155
Net financial items	-	-	-	-
Pre-tax profit (EBT)	-	-97	408	155
Income tax expenses	-	22	28	21
Post-tax profit	-	-75	436	176

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 2021	Q1 2020	2020	2019
SEPARATION OF DISCONTINUED OPERATIONS				
Revenue	-	-271	-765	-2 862
Operating expenses	-	279	733	2 518
Share of net income from joint ventures	-	-66	-200	-201
Depreciation/impairment	-	2	4	6
Gain from sale of property development operations	-	-	-1 024	-
Operating profit (EBIT)	-	-56	-1 252	-539
Net financial items	-	5	2	26
Pre-tax profit (EBT)	-	-51	-1 249	-513
Income tax expenses	-	3	-17	-9
Post-tax profit	-	-48	-1 266	-522
Total assets	-	-	-	-

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
TOTAL VEIDEKKE GROUP FINANCIAL ACCOUNTS (CONTINUED OPERATIONS)				
Revenue	8 311	8 443	38 140	36 569
Operating expenses	-8 067	-8 331	-36 022	-35 034
Share of net income from joint ventures	5	5	4	-67
Depreciation/impairment	-219	-226	-910	-887
Operating profit (EBIT)	29	-109	1 213	581
Net financial items	-1	-56	-11	2
Pre-tax profit (EBT)	28	-165	1 202	582
Income tax expenses	-6	37	-279	-142
Post-tax profit	22	-128	922	440
Total assets group	16 546	19 857	17 541	21 608

STATEMENT OF CHANGES IN EQUITY

Figures in NOK million	EQUITY HOLDERS OF VEIDEKKE ASA							MINORITY		
	Share capital	Other paid-in capital ¹⁾	Reeval. of pensions	Currency translation differences	Other retained earnings	Fair value adjustments ²⁾	Other comprehensive income, discount. operations	Total	Non-controlling interests	Total
Equity at 1 January 2020	67	419	-9	-17	3 405	-93	34	3 807	142	3 949
Profit					-94			-94	14	-79
Other comprehensive income				99		-47	99	151	2	153
Transactions, non-controlling interests					16			16	-20	-4
Change, non-controlling interests, housing cooperatives in Sweden								-	-85	-85
Equity at 31 March 2020	67	419	-9	82	3 327	-140	133	3 880	55	3 935
Equity at 1 January 2020	67	419	-9	-17	3 405	-93	34	3 807	142	3 949
Profit for the year					2 108			2 108	81	2 189
Other comprehensive income			-37	71	15	-63	-34	-48	3	-45
IFRS 2 – share-based transactions employees					4			4		4
Transactions, non-controlling interests					18			18	-48	-30
Change, non-controlling interests, housing cooperatives in Sweden									-119	-119
Dividend					-3 037			-3 037	-35	-3 071
Equity at 31 December 2020	67	419	-46	54	2 514	-156	-	2 853	25	2 877
Equity at 1 January 2021	67	419	-46	54	2 514	-156	-	2 853	25	2 877
Profit					1			1	21	22
Other comprehensive income				-68		31		-36	-2	-38
IFRS 2 – share-based transactions employees					-25			-25		-25
Transactions, non-controlling interests					3			3	-14	-11
Dividend								-	-12	-12
Equity at 31 March 2021	67	419	-46	-13	2 493	-125	-	2 796	17	2 813

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

2) Fair value adjustment of shares held for sale and hedging instruments that qualify for hedge accounting.

NOTE 1. GENERAL INFORMATION

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

On 1 September 2020, Veidekke's board of directors transferred the group's property development operation to

new owners. The decision to sell the property development operation has influenced the presentation of both the profit and loss account and the balance sheet. Reference is made to Note 2 Accounting principles. Through the sale of the property development operation, Veidekke has become a streamlined construction business.

Accounting figures in quarterly accounts are not audited.

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 2020.

The decision to divest the property development operation has had far-reaching effects on the presentation of Veidekke's accounts. As a result of the decision, the accounting standard "IFRS 5 Non-current assets held for sale" became applicable, and the property development operation was reported on separately in the accounts. The purpose of the accounting standard is to present accounting figures for continued operations separately from operations which have been sold or offered for sale. This means that the accounting figures presented can be compared to previous periods, when the property development operation was not yet sold.

The accounting standard IFRS 5 Non-current assets held for sale

Veidekke will present a disposal group as being held for sale if the balance sheet value will largely be recovered through a sale transaction and such a transaction is highly likely to occur within one year. The disposal group is valued at the lower of balance sheet value and actual value, less sale costs. An operation held for sale is an operational unit which has been disposed of or which is classified as held for sale and represents a separate and material operation. The post-tax profit/loss of an operation held for sale is presented on a separate line in the profit and loss account, recalculated for earlier periods. Internal transactions between continued operations and operations held for sale are eliminated on the line in the accounts entitled Post-tax profit/loss, discontinued operations. This ensures that continued operations reflect, to the greatest possible degree, the position of this part of the business after completion of the sale.

NOTE 3. SEGMENT INFORMATION

BUSINESS AREAS

	Construction in Norway		Infrastructure in Norway		Sweden	
Figures in NOK million	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20
INCOME STATEMENT						
Revenue	3 471	3 580	1 463	1 683	2 827	2 596
Operating expenses	-3 325	-3 431	-1 474	-1 735	-2 743	-2 528
Share of net income from joint ventures	-	-	-1	-1	-	1
Depreciation	-41	-42	-112	-115	-48	-46
Operating profit	106	107	-124	-168	36	22
Net financial items	7	12	-8	-38	-1	6
Profit before tax	113	119	-132	-207	36	28
STATEMENT OF FINANCIAL POSITION AT 31 MARCH						
Non-current assets	1 308	1 302	2 431	2 704	1 657	1 682
Current assets	2 249	2 081	2 056	2 375	2 684	1 943
Receivables, discontinued operations	-	-	-	-	-	-
Cash and cash equivalents	3 333	3 211	20	31	988	480
Total assets	6 890	6 594	4 507	5 110	5 330	4 104
Equity	1 277	1 307	807	395	724	667
Non-current liability	886	771	1 467	2 033	630	629
Current liabilities	4 727	4 516	2 234	2 682	3 976	2 808
Total equity and liabilities	6 890	6 594	4 507	5 110	5 330	4 104
KEY FIGURES						
Number of employees	2 909	3 092	2 282	2 403	2 191	2 247
Order backlog	12 871	13 999	6 669	7 661	15 266	12 695
- due for completion within 12 months	8 899	9 719	4 907	3 091	9 263	8 412

Denmark		Other operations		Eliminations		Group, continued operations	
At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20
621	653	40	-	-112	-70	8 311	8 443
-572	-613	-64	-40	110	70	-8 067	-8 279
-	-	5	6	-	-	5	5
-6	-8	-12	-15	-	-	-219	-226
43	31	-31	-49	-1	-	29	-57
-	1	-	-54	-	15	-1	-59
43	33	-30	-103	-1	15	28	-116
232	282	2 808	3 249	-2 174	-2 713	6 262	6 506
264	22	5 335	863	-5 209	-126	7 380	7 157
-	-	-	-	-	5 097	-	5 097
1 290	1 457	682	2 043	-3 410	-6 497	2 904	725
1 786	1 762	8 826	6 154	-10 793	-4 240	16 546	19 485
442	467	1 743	1 833	-2 180	-1 771	2 813	2 899
107	97	3 310	4 146	-3 443	-2 098	2 957	5 577
1 236	1 198	3 772	175	-5 170	-371	10 776	11 009
1 786	1 762	8 826	6 154	-10 793	-4 240	16 546	19 485
443	479	126	88	-	-	7 951	8 309
3 125	2 854	-	-	-	-	37 931	37 209
1 899	1 993	-	-	-	-	24 968	23 215

BUSINESS AREAS

Figures in NOK million	Group, continued operations		Property development		Eliminations between continued operations and Property development, gains from sale		Group	
	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20	At 31 Mar 21	At 31 Mar 20
INCOME STATEMENT								
Revenue	8 311	8 443	-	761	-	-175	8 311	9 029
Operating expenses	-8 067	-8 279	-	-720	-	169	-8 067	-8 830
Share of net income from joint ventures	5	5	-	68	-	-	5	73
Depreciation	-219	-226	-	-2	-	-	-219	-228
Gain from sale of property development operations	-	-	-	-	-	-	-	-
Operating profit	29	-57	-	108	-	-6	29	44
Net financial items	-1	-59	-	-2	-	-	-1	-61
Profit before tax	28	-116	-	106	-	-6	28	-16
STATEMENT OF FINANCIAL POSITION								
Non-current assets	6 262	6 506	-	1 465	-	-	6 262	7 971
Current assets	7 380	7 157	-	7 371	-	-802	7 380	13 727
Receivables, discontinued operations	-	5 097	-	-	-	-5 097	-	-
Cash and cash equivalents	2 904	725	-	45	-	-	2 904	770
Total assets	16 546	19 485	-	8 881	-	-5 899	16 546	22 467
Equity	2 813	2 899	-	2 514	-	-987	2 813	4 425
Non-current liability	2 957	5 577	-	4 237	-	-4 158	2 957	5 657
Current liabilities	10 776	11 009	-	2 130	-	-754	10 776	12 385
Total equity and liabilities	16 546	19 485	-	8 881	-	-5 899	16 546	22 467
KEY FIGURES								
Number of employees	7 951	8 309	-	190	-	-	7 951	8 499
Order backlog	37 931	37 209	-	-	-	-	37 931	37 209
- due for completion within 12 months	24 968	23 215	-	-	-	-	24 968	23 215

NOTE 4. OPERATING INCOME

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

Figures in NOK million	Construction in Norway	Infrastructure in Norway	Sweden	Denmark	Other	Group
Service area						
Apartments and small houses	1 242	-	810	29	-	2 081
Commercial buildings	1 264	-	843	438	-	2 545
Public buildings	963	-	589	100	-	1 652
Transport infrastructure – road	-	52	96	-	-	148
Transport infrastructure – rail	-	433	91	-	-	523
Industry and energy	-	340	178	-	-	518
Other civil engineering	2	303	222	54	-	580
Maintenance contracts (maintenance and operation)	-	335	-	-	-	335
Other / Eliminations	-	-	-	-	-71	-71
Total 31 March 2021	3 471	1 463	2 827	621	-71	8 311

Figures in NOK million	Construction in Norway	Infrastructure in Norway	Sweden	Denmark	Other	Group
Service area						
Apartments and small houses	1 318	-	560	1	-	1 879
Commercial buildings	1 127	-	865	539	-	2 531
Public buildings	995	-	382	54	-	1 431
Transport infrastructure – road	-	83	221	59	-	363
Transport infrastructure – rail	-	712	221	-	-	933
Industry and energy	-	305	118	-	-	423
Other civil engineering	140	229	229	-	-	598
Maintenance contracts (maintenance and operation)	-	354	-	-	-	354
Other / Eliminations	-	-	-	-	-70	-70
Total 31 March 2020	3 580	1 683	2 596	653	-70	8 443

NOTE 5. ESTIMATES

Veidekke's operations comprise construction projects. Accounting for project activities is largely based on estimates. Significant judgements used in applying the group's accounting policies as well as main sources of estimate uncertainty are the same at the end of Q1 2021 as in the 2020 annual accounts.

NOTE 6. NON-CURRENTS ASSETS

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
PROPERTY, PLANT, EQUIPMENT AND OTHER INTANGIBLE ASSETS				
Carrying amount at start of period	3 859	3 990	3 990	3 489
Implementation of IFRS 16 Leases at 1 Jan 2019	-	-	-	945
Carrying amount at start of period after implementation of IFRS 16	3 859	3 990	3 990	4 434
Additions	233	179	818	718
Additions from acquisitions of operations	11	-	1	4
Depreciation / amortisation	-219	-228	-909	-893
Currency translation differences, etc.	-56	95	76	-20
Disposals of non-current assets	-128	-47	-116	-149
Separation of non-current assets held for sale	-	-5	-	-103
Carrying amount at end of period	3 700	3 983	3 859	3 990
Other intangible assets	106	87	130	94
Land and buildings	1 329	1 321	1 318	1 253
Plant and machinery	2 265	2 575	2 411	2 644
Carrying amount at end of period	3 700	3 983	3 859	3 990

Figures in NOK million	Q1 2021	Q1 2020	2020	2019
GOODWILL				
Carrying amount at start of period	1 824	1 790	1 790	1 807
Additions	-	-	-	3
Impairment	-	-	-	-
Currency translation differences	-56	94	83	-20
Disposals	- 11	-31	-49	-
Carrying amount at end of period	1 758	1 852	1 824	1 790

NOTE 7. 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 8. ACQUISITIONS, SALES OF OPERATIONS

In the first quarter of 2021, Infrastructure Norway sold its asphalt and aggregates operation in Rogaland. The decision to divest was based on an assessment of the group's asphalt and aggregates positions in Norway, and on the fact that Veidekke has not achieved satisfactory profitability from the Rogaland asphalt operation.

The divested operation had a revenue of NOK 125 million in 2020, with a slightly negative result. The operation was sold for NOK 135 million, resulting in an accounting profit before tax of NOK 39 million. The transaction has been recognised under Infrastructure in the first quarter 2021 accounts.

NOTE 9. 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 2020.

NOTE 10. DIVIDENDS

The annual general meeting on 5 May 2021 approved a dividend payment of NOK 5.75 per share for the financial year 2020, amounting to NOK 776 million in total. The dividend will be recognised in the accounts for the second quarter 2021.

NOTE 11. LOAN AGREEMENT COVENANTS

Veidekke has a NOK 1.75 billion overdraft facility with DNB (rolling 364-day maturity) and a NOK 0.75 billion credit facility with SEB (three-year maturity and two one-year extension options). Both facilities remained unutilised as at 31 March 2021.

Cash and cash equivalents amounted to NOK 2.9 billion, including NOK 1.3 billion invested in a money market fund. Veidekke has also invested NOK 0.5 billion in a bond fund, and this investment has been classified as Financial investments in the Statement of financial position.

NOTE 12. EVENTS AFTER THE REPORTING DATE

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

NOTE 13. ALTERNATIVE PERFORMANCE MEASURES

Veidekke generally reports its financial results in line with International Financial Reporting Standards (IFRS). In addition, 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 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 Infrastructure's Road maintenance unit.

Invested capital

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

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

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

Return on equity

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

$$\frac{\text{Post-tax profit last 12 months}}{\text{Average equity last 12 months}}$$

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

INFORMATION ABOUT THE COMPANY

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

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

Board of directors:

Svein Richard Brandtzæg, chair

Gro Bakstad

Ingalill Berglund

Ingolv Høyland

Daniel Kjørberg Siraj

Hanne Rønneberg

Per-Ingemar Persson

Inge Ramsdal, elected among employees

Odd Andre Olsen, elected among employees

Arve Fludal, elected among employees

Corporate management:

Jimmy Bengtsson Group CEO

Jørgen Wiese Porsmyr Executive Vice President, CFO

Terje Larsen Executive Vice President Risk Management and IT

Lars Erik Lund Executive Vice President Strategy and Sustainability

Kristina Andreasson Executive Vice President Communications and Branding

Anne Thorbjørnsen Executive Vice President HR and HSE

Hans Olav Sørle Executive Vice President Veidekke Construction in Norway

Øivind Larsen Executive Vice President Veidekke Infrastructure in Norway

Mats Nyström Executive Vice President Veidekke Sweden

Investor relations:

Jørgen Wiese Porsmyr, CFO

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Second quarter: 19 August 2021

Third quarter: 11 November 2021

Fourth quarter: 9 February 2022

Cover image: Torvbråten school in Asker municipality was voted School Building of the Year 2021 in Norway. The school, which opened in January 2021, was built by Veidekke to the Nordic Ecolabel standard. Photo: Hundven-Clements Photography

TOGETHER, WE ARE BUILDING THE FUTURE

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. Its annual turnover is approximately NOK 38 billion, and 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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