

# Q4

2023

# Interim Report

Revenue of NOK 9.4 billion, down  
4.3% y-o-y (up 7.1% for full year)

Gross profit of NOK 2.8 billion,  
up 7.1% y-o-y

EBIT of NOK 405 million, down 9.9%  
y-o-y (up 4.0% for full year)

Net financial position of NOK  
961 million, compared with  
NOK 304 million last year



ATERA

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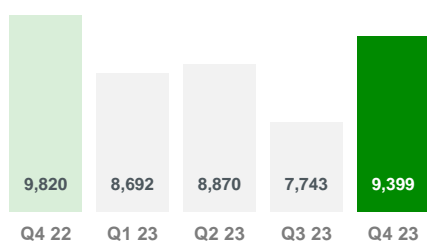
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# Key Figures\* Q4 2023

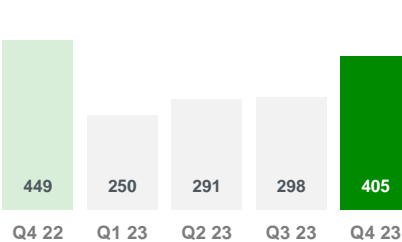
NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Gross sales	14,396	13,953	51,938	46,664
Revenue	9,399	9,820	34,704	32,397
Gross profit	2,804	2,617	10,249	9,002
EBIT	405	449	1,244	1,196
EBIT margin (%)	4.3%	4.6%	3.6%	3.7%
Net profit	250	300	800	848
Earnings per share (NOK)	2.25	2.70	7.22	7.62
Diluted earnings per share (NOK)	2.22	2.68	7.14	7.55
Cash flow from operations	1,633	1,650	1,878	1,030
Free cash flow	1,534	1,521	1,558	709

NOK in million	31 Dec 2023	31 Dec 2022
Net financial position	961	304
Liquidity reserve	5,791	4,835
Working capital	-2,115	-1,672
Working capital in relation to last 12 months gross sales (%)	-4.1%	-3.6%
Adjusted equity ratio (%)	24.4%	22.6%
Number of full-time employees, end of period	8,152	8,073

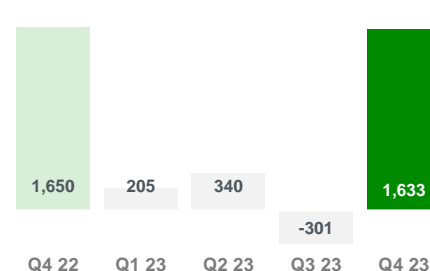
**Revenue**  
NOK in million



**EBIT**  
NOK in million



**Cash Flow**  
NOK in million



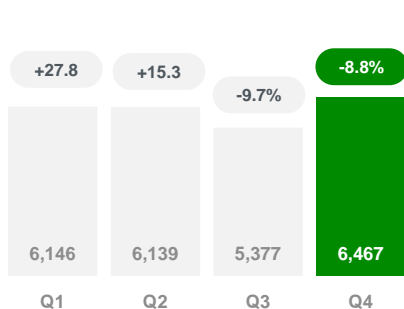
\* Alternative performance measures (APM) presented in the key figures table are described in [Note 10](#) of this report.



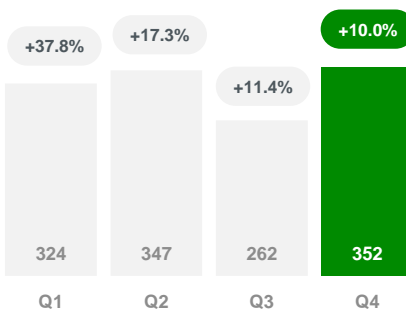
# Financial Review Q4 2023

## Group

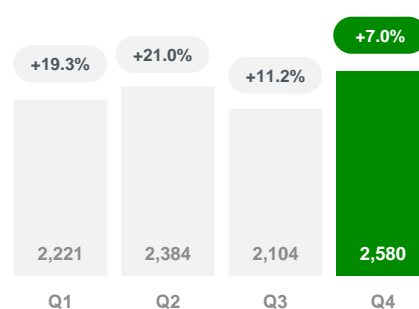
### Hardware revenue and growth NOK in million



### Software revenue and growth NOK in million



### Service revenue and growth NOK in million



**Atea reported lower financial results in the fourth quarter of 2023, compared with an exceptionally strong sales period last year. Despite a slower fourth quarter, Atea finished 2023 with record high revenue and EBIT for the full year, and very strong cash flow from operations.**

Gross sales in Q4 2023 were NOK 14.4 billion, up 3.2% from last year. Revenue (IFRS) was NOK 9.4 billion, down 4.3% from last year. Additional information on the conversion of gross sales to revenue (IFRS) can be found on page 26 ([Note 10](#)) of this report. Currency translation differences had a positive impact of 7.0% on Group revenue in Q4 2023.

Hardware revenue fell by 8.8% from an extraordinary sales period last year. Key market factors which drove higher hardware sales in Q4 last year are described on page 13 of this report. Over a two-year period since Q4 2021, hardware revenue has grown at a rate of 6.5% per year (CAGR).

Software revenue increased by 10.0% from last year, driven by higher demand from the public sector. Services revenue grew by 7.0% from last year, based on strong sales of managed service agreements.

Gross profit increased by 7.1% to NOK 2,804 million. Gross margin was 29.8% in Q4 2023, up from 26.7% last year, due to improved hardware margin and a higher proportion of software and services in the revenue mix.

Total operating expenses increased by 10.6% from last year to NOK 2,399 million. Adjusted for currency movements, operating expenses grew by 3.4% compared with last year. The average number of full-time employees in Q4 2023 was 8,162, up 1.5% from last year.

Due to higher operating expenses, EBIT in Q4 2023 fell by 9.9% to NOK 405 million.

Net financial items were an expense of NOK 94 million, up from NOK 58 million last year. The cost increase was due to a large temporary impact of currency movements on foreign currency balances. See [Note 5](#) for more information.

Income tax expenses in Q4 2023 were NOK 61 million, an effective tax rate of 19.6%. Additional information can be found in [Note 7](#) of this report. Net profit after tax was NOK 250 million, compared with NOK 300 million in Q4 last year.

### FULL YEAR 2023

Gross sales in the full year 2023 were NOK 51.9 billion, up 11.3% from last year. Revenue (IFRS) was NOK 34.7 billion, up 7.1% from last year. Currency translation differences had a positive impact of 6.6% on Group revenue in the full year 2023.

Hardware revenue increased by 4.1% from last year, driven by higher sales of networking solutions. Software revenue was up 18.3% from last year, driven by strong demand from both public and private sector customers. Services revenue grew by 14.2%, with higher sales of both consulting and managed services.

EBIT for the full year 2023 was a record high NOK 1,244 million, an increase of 4.0% from 2022. Excluding an extraordinary gain from the sale of Atea Mobil last year, EBIT grew by 7.6% (see [Note 9](#) in the Q2 2022 report for more information).

Net profit after tax was NOK 800 million, down from NOK 848 million last year, due to the impact of higher interest rates and currency effects on net financial items.

Based on Atea's EBIT growth, strong cash flow and healthy balance sheet, the Board will propose to the 2024 AGM a dividend of NOK 7.00 per share, up from NOK 6.25 last year.

# Financial Review Q4 2023



## Norway

NOK in million	Q4 2023	Q4 2022	Change %	Full year 2023	Full year 2022	Change %
Products revenue	1,686	1,828	-7.7%	5,979	5,912	1.1%
Services revenue	610	598	2.1%	2,309	2,140	7.9%
<b>Total revenue</b>	<b>2,297</b>	<b>2,425</b>	<b>-5.3%</b>	<b>8,288</b>	<b>8,052</b>	<b>2.9%</b>
Gross profit	745	741	0.4%	2,693	2,511	7.2%
Gross margin %	32.4%	30.6%	1.9%	32.5%	31.2%	1.3%
OPEX	637	606	5.2%	2,361	2,124	11.1%
<b>EBIT</b>	<b>108</b>	<b>136</b>	<b>-20.7%</b>	<b>332</b>	<b>387</b>	<b>-14.1%</b>
EBIT %	4.7%	5.6%	-0.9%	4.0%	4.8%	-0.8%

Atea Norway had lower financial results in the fourth quarter, due to a softer hardware market relative to last year.

Revenue in Q4 2023 was NOK 2,297 million, down 5.3% from last year. Hardware revenue fell by 8.0% from an exceptionally strong comparable period last year - see page 13 for more information on recent demand trends. Software revenue declined by 3.3%, with higher sales volumes on major customer projects offset by lower margins. Services revenue grew by 2.1%, based on higher sales of managed service agreements.

Gross profit increased by 0.4% to NOK 745 million, driven by growth in services. Gross margin was 32.4% in Q4 2023, up from 30.6% last year.

Total operating expenses grew by 5.2% to NOK 637 million. The average number of full-time employees grew by 15 (0.9%) from last year.

EBIT in Q4 2023 was NOK 108 million, compared with NOK 136 million last year.

# Financial Review Q4 2023

## Sweden

SEK in million	Q4 2023	Q4 2022	Change %	Full year 2023	Full year 2022	Change %
Products revenue	2,352	2,974	-20.9%	9,383	10,007	-6.2%
Services revenue	994	960	3.6%	3,513	3,314	6.0%
<b>Total revenue</b>	<b>3,346</b>	<b>3,933</b>	<b>-14.9%</b>	<b>12,896</b>	<b>13,321</b>	<b>-3.2%</b>
Gross profit	984	989	-0.5%	3,718	3,514	5.8%
Gross margin %	29.4%	25.1%	4.3%	28.8%	26.4%	2.5%
OPEX	810	791	2.4%	3,066	2,887	6.2%
<b>EBIT</b>	<b>174</b>	<b>198</b>	<b>-12.0%</b>	<b>652</b>	<b>627</b>	<b>3.9%</b>
EBIT %	5.2%	5.0%	0.2%	5.1%	4.7%	0.3%

Atea Sweden reported lower EBIT in the fourth quarter, due to a decline in sales of hardware compared with last year.

Revenue in Q4 2023 was SEK 3,346 million, down 14.9% from last year. Hardware revenue fell by 22.2% from an exceptionally strong corresponding period last year - see page 13 for more information on recent demand trends. Software revenue increased by 5.2%, driven by higher demand from the public sector. Services revenue grew by 3.6%, based on higher sales of managed services.

Gross profit was SEK 984 million, down 0.5% from last year. Gross margin increased to 29.4% in Q4 2023, up from 25.1% last year, due to improved hardware margin and a higher proportion of software and services in the revenue mix.

Total operating expenses were SEK 810 million, up 2.4% from last year. The average number of full-time employees grew by 27 (1.0%) from last year.

EBIT in Q4 2023 was SEK 174 million, compared with SEK 198 million in Q4 last year.

# Financial Review Q4 2023

## Denmark

DKK in million	Q4 2023	Q4 2022	Change %	Full year 2023	Full year 2022	Change %
Products revenue	994	1,138	-12.7%	3,709	3,812	-2.7%
Services revenue	433	470	-8.0%	1,578	1,517	4.0%
<b>Total revenue</b>	<b>1,426</b>	<b>1,608</b>	<b>-11.3%</b>	<b>5,287</b>	<b>5,330</b>	<b>-0.8%</b>
Gross profit	375	382	-2.0%	1,411	1,326	6.4%
Gross margin %	26.3%	23.8%	2.5%	26.7%	24.9%	1.8%
OPEX	335	321	4.2%	1,331	1,256	6.0%
<b>EBIT</b>	<b>40</b>	<b>61</b>	<b>-34.7%</b>	<b>80</b>	<b>70</b>	<b>13.9%</b>
EBIT %	2.8%	3.8%	-1.0%	1.5%	1.3%	0.2%

Atea Denmark reported a decline in both revenue and EBIT during the fourth quarter of 2023, driven by lower sales of data center solutions and related services to the public sector.

Much of the decline can be attributed to a major public sector frame agreement which was not active in Q4 2023 and historically generates high revenue for Atea. This frame agreement became active again in February 2024 following a delay in the tendering process, with Atea awarded as a supplier for the next 2-4 years.

Revenue in Q4 2023 fell by 11.3% to DKK 1,426 million. Hardware revenue was down 14.0%, with lower sales of data center and networking solutions. Software revenue increased by 26.0%, driven by higher demand from private sector customers. Services revenue fell by 8.0%, mainly due to lower sales of hardware support services.

Gross profit was DKK 375 million, down 2.0% from last year. Gross margin was 26.3% in Q4 2023, up from 23.8% last year, primarily due to improved margins on hardware sales and a higher proportion of software in the revenue mix.

Total operating expenses grew by 4.2% to DKK 335 million due to higher personnel and marketing costs. The average number of full-time employees in Q4 2023 was unchanged from last year.

EBIT in Q4 2023 was DKK 40 million, compared with DKK 61 million last year.

# Financial Review Q4 2023

## + Finland

EUR in million	Q4 2023	Q4 2022	Change %	Full year 2023	Full year 2022	Change %
Products revenue	67.6	78.5	-13.8%	283.9	261.1	8.7%
Services revenue	13.5	12.7	6.5%	47.8	41.7	14.5%
<b>Total revenue</b>	<b>81.1</b>	<b>91.1</b>	<b>-11.0%</b>	<b>331.6</b>	<b>302.8</b>	<b>9.5%</b>
Gross profit	18.0	18.2	-1.2%	68.6	61.1	12.3%
Gross margin %	22.2%	20.0%	2.2%	20.7%	20.2%	0.5%
OPEX	14.5	13.8	5.7%	56.3	50.3	11.9%
<b>EBIT</b>	<b>3.5</b>	<b>4.5</b>	<b>-22.7%</b>	<b>12.3</b>	<b>10.8</b>	<b>14.0%</b>
EBIT %	4.3%	4.9%	-0.6%	3.7%	3.6%	0.1%

Atea Finland reported lower revenue and EBIT in the fourth quarter of 2023 due to lower product sales.

Revenue in Q4 2023 fell by 11.0% to EUR 81.1 million. Hardware revenue was down 13.2% from an exceptionally strong comparable period last year - see page 13 for more information on recent demand trends. Software revenue fell by 28.9%, mainly due to lower revenue from large public sector contracts compared with last year. Services revenue grew by 6.5%, driven by strong growth in the consulting business.

Gross profit was down 1.2% from last year to EUR 18.0 million. Total gross margin was 22.2% in Q4 2023, up from 20.0% last year, primarily due to improved hardware margins and a higher proportion of services in the revenue mix.

Total operating expenses grew by 5.7% to EUR 14.5 million in Q4 2023. The average number of full-time employees grew by 50 (9.8%) from last year.

EBIT in Q4 2023 was EUR 3.5 million, compared with EUR 4.5 million last year.



# Financial Review Q4 2023



EUR in million	Q4 2023	Q4 2022	Change %	Full year 2023	Full year 2022	Change %
Products revenue	32.4	33.8	-4.0%	96.0	97.0	-1.0%
Services revenue	14.7	13.8	6.5%	53.7	46.8	14.6%
<b>Total revenue</b>	<b>47.1</b>	<b>47.6</b>	<b>-1.0%</b>	<b>149.6</b>	<b>143.8</b>	<b>4.1%</b>
Gross profit	15.4	13.5	14.2%	49.8	43.2	15.1%
Gross margin %	32.6%	28.3%	4.3%	33.2%	30.1%	3.2%
OPEX	12.5	10.9	14.6%	42.6	36.9	15.3%
<b>EBIT</b>	<b>2.9</b>	<b>2.6</b>	<b>12.2%</b>	<b>7.2</b>	<b>6.3</b>	<b>13.8%</b>
EBIT %	6.1%	5.4%	0.7%	4.8%	4.4%	0.4%

Atea Baltics had solid growth in EBIT in the fourth quarter of 2023 due to strong performance in its services business.

Total revenue fell by 1.0% from last year to EUR 47.1 million. Hardware revenue was down 4.9%, mainly due to lower demand from the private sector. Software revenue increased by 58.9% compared to last year, driven by large public sector agreements in Estonia. Services revenue grew by 6.5%, based on strong sales of consulting and datacenter service agreements.

Gross profit grew by 14.2% from last year to EUR 15.4 million. Gross margin increased to 32.6% in Q4 2023, compared with 28.3% last year, mainly due to a higher proportion of Atea's own services in the revenue mix.

Total operating expenses were EUR 12.5 million in Q4 2023, an increase of 14.6% from last year. Growth in operating expenses was mainly due to an increase in the workforce and high salary inflation in the Baltic labor markets. The average number of full-time employees grew by 30 (4.3%) from last year.

Driven by strong demand for services, EBIT for the fourth quarter of 2023 grew by 12.2% to a record high EUR 2.9 million.

## Balance Sheet

As of 31 December 2023, Atea had total assets of NOK 18,636 million. Current assets such as cash, receivables and inventory represented NOK 11,509 million of this total. Non-current assets represented NOK 7,127 million of this total, and primarily consisted of goodwill (NOK 4,336 million), right-of-use leased assets (NOK 1,314 million) property, plant and equipment (NOK 514 million), and deferred tax assets (NOK 209 million).

Atea had total liabilities of NOK 14,437 million, and shareholders' equity of NOK 4,199 million as of 31 December 2023. Atea's policy is to maintain an equity ratio above 20%, adjusting for the impact of IFRS 16 ("adjusted equity ratio"). The adjusted equity ratio at the end of Q4 2023 was 24.4%.

Atea's financial position was cash positive of NOK 961 million at the end of Q4 2023 as defined by Atea's debt covenants. Atea's debt covenants require that the Group maintains a maximum net interest bearing debt of 2.5x pro forma EBITDA over the last twelve months. Based on the calculation of the debt covenants, Atea's net interest-bearing debt is -0.5x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 5,791 million before the debt covenant would be reached. See additional information on the liquidity reserve in [Note 10](#) of this report.

In order to reduce the volatility of its working capital and debt balances throughout the year, Atea sells specified accounts receivable through a securitization program organized by its bank. At the end of Q4 2023, Atea had sold receivables of NOK 1,872 million under the securitization program, compared with NOK 1,859 million last year. Additional information on the securitization program can be found in [Note 6](#) of this report.

## Cash Flow

Cash flow from operations was an inflow of NOK 1,633 million in the fourth quarter of 2023. Cash flow from operations was positively impacted by seasonal fluctuations in working capital.

Cash flow from investing activities was an outflow of NOK 99 million in Q4 2023, all of which was capital expenditure.

Cash flow from financing activities was an outflow of NOK 1,028 million in Q4 2023. Atea paid NOK 347 million in dividends during the quarter. Furthermore, the company made lease payments of NOK 100 million in Q4 2023 and reduced its credit balances by NOK 592 million. See additional information on Atea's debt balances in [Note 6](#) of this report.

## Shares

Atea had 9,091 shareholders on 31 December 2023 compared with 8,251 shareholders on 31 December 2022.

The 10 largest shareholders as of 31 December 2023 were:

Main Shareholders*	Shares	%
Systemintegration APS **	31,391,063	27.9%
Folketrygdfondet	8,210,886	7.3%
State Street Bank and Trust Co. ***	5,927,724	5.3%
State Street Bank and Trust Co. ***	3,984,978	3.5%
Verdipapirfond Odin Norden	3,656,029	3.3%
State Street Bank and Trust Co. ***	2,739,448	2.4%
RBC Investor Services Trust ***	2,657,864	2.4%
State Street Bank and Trust Co. ***	2,611,742	2.3%
Verdipapirfond Odin Norge	2,287,192	2.0%
Danske Capital	1,769,982	1.6%
Other	47,147,185	42.0%
<b>Total number of shares</b>	<b>112,384,093</b>	<b>100.0%</b>

\* Source: Verdipapirsentralen

\*\* Includes shares held by Lone Schøtt Kunøe

\*\*\* Includes client nominee accounts

As of 31 December 2023, Board Member Lone Schøtt Kunøe and close associates controlled a total of 28.5% of the shares, including the shares held by Systemintegration APS.

As of 31 December 2023, Atea's senior management team held 367,985 shares.

# Business Overview

## Background

Atea is the leading provider of IT infrastructure and related services to organizations within the Nordic and Baltic regions. The company is the largest player by far in its local markets, with a market share of approximately 20%. About 65% of Atea's sales are to the public sector, with the remainder of sales to private companies.

Atea's current organizational structure is the result of the merger of the leading IT infrastructure companies in Denmark, Norway, Sweden, Finland and the Baltics in 2006 and 2007. This was followed by a further acquisition and consolidation of 50 companies from 2007 - 2015.

Atea's market share in the Nordic and Baltic regions far exceeds that of other IT infrastructure providers. Today, the company has offices in 88 cities in the Nordic and Baltic regions and over 8,000 employees. This scale provides Atea with critical competitive advantages in purchasing, local market presence, breadth and depth of product offering, system integration competence, and efficient shared services and logistics functions.

The market for IT infrastructure in the Nordic and Baltic regions has grown steadily during the last several years. Since 2020, the market for IT infrastructure and related services grew by approximately 8% per year, according to preliminary estimates from IDC\*.

Atea's competence and leading market position in IT infrastructure has enabled the company to grow at a rate significantly higher than that of the market. Since 2020, Atea has averaged an organic sales growth rate of approximately 9%.

To address the needs of the Nordic and Baltic markets, Atea works closely with leading international IT companies, such as Microsoft, Cisco, HP Inc., Hewlett Packard Enterprise, IBM, Apple, Lenovo, VMware, and Dell Technologies. These companies view the Nordic region as a critical market for the early adoption of new technologies and work closely with Atea to penetrate these markets. In recent years, Atea's cooperation with its technology partners has intensified. This enables Atea to stay at the forefront of the latest IT trends, and to offer its customers new and innovative IT solutions.

## Digital Transformation

The market for information technology is in the midst of dramatic change, with profound effects on society known as the "digital transformation".

Across private enterprise and throughout the public sector, organizations are converting vast amounts of information into digital form. As information is made digital, it can be collected, processed, managed, and distributed with methods and at a scale which was previously impossible. This "digitization" enables public and private organizations to completely redefine how they provide goods and services, and how these goods and services are consumed and shared.

The resulting "digital transformation" is driving innovation in all sectors of the economy and all public services, including health, welfare, education, defense, policing and infrastructure management. Collectively, this can result in major improvements in productivity and living standards.

At the same time, the "digital transformation" places even greater demands on organizations' IT environments, as the amount of data which is being managed grows exponentially across a broadening range of devices. Furthermore, as digital information and processes become central to the definition of goods, services and of work itself, the capabilities and stability of the IT environment become essential for organizations to function. Consequently, the risk of security breaches becomes ever greater. All of this creates a level of complexity which IT departments struggle to support.

This presents a significant opportunity for Atea, as the leading provider of IT infrastructure and system integration in the Nordic and Baltic regions. Through its breadth of competency and depth of expertise, Atea helps its customers to design, implement and operate the IT infrastructure upon which they are dependent as their operations become increasingly digital.

\* International IT research company, International Data Corporation

# Business Overview

## Business Strategy

Atea's business strategy is to act as a full-service IT infrastructure partner for its customers - enabling its customers to successfully pursue their digital transformation initiatives and manage the increasing complexity of their IT environments.

In order to earn a position as a trusted IT partner, Atea provides a complete range of IT infrastructure solutions, with a highly trained service team to support its customers in capturing maximum value from their IT investments.

### Atea's solution offering:

The range of solutions which Atea provides its customers can be categorized in three major areas: "Digital Workplace", "Hybrid Platforms" and "Information Management".

"Digital Workplace" consists of all the devices and software through which users conduct work, access data and applications, and interact with each other. Examples include PCs, mobile phones and tablets, audio/video and conferencing solutions, smart displays, printers, and more.

"Hybrid Platforms" are the data center and network infrastructure through which organizations process, store, and distribute information. The category includes both on-premise infrastructure and cloud solutions, as well as "hybrid" solutions which integrate the two.

"Information management" consists of tools and methods through which organizations collect and administer data, and then derive value from this information. This includes Atea's practices within data protection, analytics/AI, and automation technologies.

### Atea's service portfolio:

Atea supports customers with the design, implementation and operation of their IT environments through a broad portfolio of services. The service portfolio can be broken into three categories: "Lifecycle Management", "Professional Services", and "Managed Services".

"Lifecycle Management": Atea's service team assists customers in all aspects of managing their IT assets throughout the lifecycle of each product they acquire. This includes services to help customers deploy, install, finance, maintain, track and dispose of their IT assets.

"Professional services": Atea's consultants advise customers in the design and integration of their IT environments, the management of their information, and how specific IT solutions can best be used to fulfill their objectives.

"Managed services": Atea is a managed service provider which helps customers operate their IT environments either on-premise or from the cloud. Atea's managed services enable customers to dedicate less time and resources on IT operations and instead focus on their core objectives.

## Sustainability

Atea's mission is to build the future with IT, together with its employees, its customers, and its vendors. The company's sustainability agenda is an essential part of the company's mission.

Atea's latest Sustainability Report, published in March 2023, can be found on [www.atea.com/esg-overview/](http://www.atea.com/esg-overview/) together with other material ESG data and documentation, which are updated throughout the year.

Atea was again recognized as one of the most sustainable corporations in the world, by Corporate Knights as part of their annual ranking called "Global 100". Atea's overall ranking increased from 49<sup>th</sup> in 2023 to 41<sup>st</sup> in 2024, placing Atea 1<sup>st</sup> in our industry (IT Services). This was made public in Davos during the World Economic Forum on January 17<sup>th</sup>, 2024.

The company has received numerous other recognitions for its leadership within sustainability.

### During the past year:

- Atea earned the highest rating in environmental and social performance by EcoVadis for the fourth consecutive year: a platinum-level ranking Atea among the top 1% of more than 100,000 companies evaluated globally.
- Atea was ranked among Europe's Diversity Leaders by The Financial Times and Statista.
- Atea was recognized by the Financial Times and Statista as a European "Climate Leader", based on efforts to reduce greenhouse gas emissions, publication of data and transparency in reporting Scope 3 emissions.
- Atea was recognized as a Supplier Engagement Leader by CDP for our efforts to measure and reduce climate risk within our supply chain.
- Atea maintained "Prime" (highest) status by ISS ESG, one of the world's leading rating agencies in the field of sustainable investment.
- Atea was recognized as a "Transparency Partner" by Nasdaq, an initiative focusing on improving the ESG information flow between listed companies and the investor community.
- Atea had its emissions reduction target approved by the Science Based Target initiative (SBTi) in 2018, aiming to keep global temperature rise well below 2 degrees Celsius. In 2023, Atea further demonstrated its commitment to environmental sustainability by submitting an updated SBTi target to align with a 1.5-degree scenario, along with a net-zero emissions target for validation.

# Business Outlook

## Market trends

Atea is presently seeing demand from its customers normalize after a period of exceptionally high growth following the end of the COVID pandemic.

During the 12 months from Q3 2022 – Q2 2023, Atea's revenue grew by an exceptionally high rate of 22% from the prior year (19% organic growth in constant currency). Hardware revenue grew by 24%, software by 23% and services by 17%.

In prior financial reports, Atea cited the following factors that drove exceptionally high growth in customer spending during this "post-COVID pandemic" period:

- *Acceleration of digital transformation:* Increased IT investment by large enterprises seeking to transform business processes following the operational disruptions of the COVID pandemic.
- *Return to the workplace:* The need to upgrade or replace IT infrastructure in the workplace as employees returned to on-premise or hybrid work after the COVID pandemic.
- *Easing of supply constraints:* Fulfillment of an order backlog of hardware deliveries which built up during the industry supply constraints in 2021 and early-2022.
- *Price inflation:* Higher costs of products and services which were passed through to customers.

## Outlook

During Q4 2023, temporary factors which drove surplus revenue growth during the "post-COVID pandemic" period eased, and Atea's revenue development returned to its long-term trendline.

Atea's revenue in the fourth quarter fell by 4% from an exceptionally strong quarter in Q4 2022. Still, Atea's revenue in the fourth quarter represented a growth rate of 8% per year (CAGR) over a two-year trendline from Q4 2021.

During the first quarter of 2024, Atea expects slower revenue development year-over-year from a very strong comparable quarter in Q1 2023. At the same time, Atea expects higher gross margin due to an increase in the proportion of software and services in the revenue mix.

From mid-2024, Atea's revenue growth is expected to return to a higher rate as there will no longer be a comparison with the exceptionally strong revenue levels of the "post-COVID pandemic" period. This growth expectation is also supported by the market forecasts of leading technology research companies and IT infrastructure vendors.

Over the longer term, the Nordic market for IT infrastructure is expected to show steady growth in line with its long-term trend, as organizations invest further in information technology to drive productivity and innovation.

One area of rapid innovation which will drive technology investment in the coming years is artificial intelligence embedded in new and existing software applications, including Microsoft Windows 11 and M365. As organizations adopt new software applications with AI, this will drive additional spending on a broad range of IT infrastructure and support services - including hardware, software, consultancy services and managed services.

Atea is by far the market leader in the Nordic and Baltic regions and has a unique competitive position as a full-service IT infrastructure partner for its customers - enabling its customers to successfully pursue their digital transformation initiatives and manage the increasing complexity of their IT environments.

In order to fully capture Atea's scale advantages, Atea is implementing the "One Atea" program to align its operations and coordinate strategy across countries. The program has established specialist teams to drive strategy and best practice across each of its business lines, including Hardware/ lifecycle management, Software/ cloud transformation, Professional services and Managed services.

The program is also accelerating the alignment of back-office functions and supply chain operations in order to drive efficiencies through scale and improved use of automation.

Based on its unique competitive advantages in an expanding market, Atea expects to continue to grow and increase its market share in the coming years. At the same time, the company expects to steadily increase its operating profit through a combination of revenue growth, expansion within higher margin products and services, and tight control of operating expenses.



# Condensed Financial Information

## For the 12 months ended 31 december 2023

### Consolidated statement of comprehensive income

NOK in million	Note	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Revenue	2, 3, 8, 10	9,399	9,820	34,704	32,397
Cost of sales	10	-6,595	-7,202	-24,455	-23,395
<b>Gross profit</b>		<b>2,804</b>	<b>2,617</b>	<b>10,249</b>	<b>9,002</b>
Payroll and related costs	-	-1,973	-1,801	-7,396	-6,540
Other operating costs	10	-252	-208	-921	-651
<b>EBITDA</b>	10	<b>579</b>	<b>609</b>	<b>1,932</b>	<b>1,811</b>
Depreciation and amortization	-	-175	-160	-688	-615
<b>Operating profit (EBIT)</b>	2	<b>405</b>	<b>449</b>	<b>1,244</b>	<b>1,196</b>
Net financial items	5	-94	-58	-223	-112
<b>Profit before tax</b>	-	<b>311</b>	<b>391</b>	<b>1,021</b>	<b>1,084</b>
Tax	7	-61	-91	-221	-235
<b>Profit for the period</b>		<b>250</b>	<b>300</b>	<b>800</b>	<b>848</b>

#### Earnings per share

Earnings per share (NOK)	4	2.25	2.70	7.22	7.62
Diluted earnings per share (NOK)	4	2.22	2.68	7.14	7.55

<b>Profit for the period</b>		<b>250</b>	<b>300</b>	<b>800</b>	<b>848</b>
Currency translation differences	-	44	-51	289	73
Items that may be reclassified subsequently to profit or loss	-	44	-51	289	73
Other comprehensive income	-	44	-51	289	73
<b>Total comprehensive income for the period</b>		<b>294</b>	<b>249</b>	<b>1,090</b>	<b>922</b>
<b>Total comprehensive income for the period attributable to:</b>					
Shareholders of Atea ASA		294	249	1,090	922

## Consolidated statement of financial position

NOK in million	Note	31 Dec 2023	31 Dec 2022
<b>Assets</b>			
Property, plant and equipment		514	541
Right-of-use assets		1,314	1,253
Deferred tax assets	7	209	207
Goodwill		4,336	4,132
Other intangible assets		572	452
Other long-term receivables		182	135
<b>Non-current assets</b>		<b>7,127</b>	<b>6,719</b>
Inventories		785	1,198
Trade receivables		6,946	6,701
Other receivables		2,191	2,318
Cash and cash equivalents		1,587	922
<b>Current assets</b>		<b>11,509</b>	<b>11,138</b>
<b>Total assets</b>		<b>18,636</b>	<b>17,858</b>
<b>Equity and liabilities</b>			
Share capital and premium	4	680	680
Other reserves		1,806	1,518
Retained earnings		1,712	1,531
<b>Equity</b>		<b>4,199</b>	<b>3,728</b>
Interest-bearing long-term liabilities	6	588	0
Long-term leasing liabilities		1,093	1,055
Other long-term liabilities		168	116
Deferred tax liabilities		151	145
<b>Non-current liabilities</b>		<b>2,000</b>	<b>1,316</b>
Trade payables		8,202	8,100
Interest-bearing current liabilities	6	5	586
Current leasing liabilities		418	363
Tax payable		200	265
Provisions		55	50
Other current liabilities		3,558	3,449
<b>Current liabilities</b>		<b>12,437</b>	<b>12,813</b>
<b>Total liabilities</b>		<b>14,437</b>	<b>14,129</b>
<b>Total equity and liabilities</b>		<b>18,636</b>	<b>17,858</b>

## Consolidated statement of cash flow

NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit before tax	311	391	1,021	1,084
Adjusted for:				
Depreciation and amortisation	175	160	688	615
Share based compensation	17	21	64	53
Gains/Losses on disposals of PPE and intangible assets	0	1	0	-72
Net interest expenses	54	51	196	133
Other non-cash adjustments	0	-2	0	0
Taxes paid	-85	-56	-251	-240
Net interest paid	-64	-51	-196	-133
<b>Cash earnings</b>	<b>407</b>	<b>516</b>	<b>1,521</b>	<b>1,439</b>
Change in trade receivables	-2,810	-2,828	193	-1,537
Change in inventories	69	176	487	-10
Change in trade payables	3,074	3,254	-347	1,510
Other changes in working capital	894	533	23	-372
<b>Cash flow from operating activities</b>	<b>1,633</b>	<b>1,650</b>	<b>1,878</b>	<b>1,030</b>
Purchase of PPE and intangible assets	-100	-131	-322	-397
Sale of PPE and intangible assets	1	2	2	76
Acquisition of subsidiaries/businesses	-	-35	-	-119
<b>Cash flow from investing activities</b>	<b>-99</b>	<b>-164</b>	<b>-320</b>	<b>-441</b>
Dividend paid	-347	-303	-693	-612
Payment from changes in treasury shares	10	-96	27	-170
Proceeds from new shares issue	-	-	-	23
Payments of lease liabilities	-100	-81	-362	-315
Change in debt	-592	-899	-55	85
<b>Cash flow from financing activities</b>	<b>-1,028</b>	<b>-1,379</b>	<b>-1,082</b>	<b>-989</b>
<b>Net cash flow</b>	<b>506</b>	<b>108</b>	<b>476</b>	<b>-400</b>
Cash and cash equivalents at the start of the period	1,019	817	922	1,353
Foreign exchange effect on cash held in a foreign currency	62	-4	190	-31
<b>Cash and cash equivalents at the end of the period</b>	<b>1,587</b>	<b>922</b>	<b>1,587</b>	<b>922</b>

## Consolidated statement of changes in equity

NOK in million	Note	31 Dec 2023	31 Dec 2022
<b>Equity at start of period - 1 January</b>		<b>3,728</b>	<b>3,507</b>
Currency translation differences		289	73
<b>Other comprehensive income</b>		<b>289</b>	<b>73</b>
Profit for the period		800	848
<b>Total recognised income for the year</b>		<b>1,090</b>	<b>922</b>
Employee share-option schemes		33	54
Dividend		-693	-612
Changes related to own shares	4	42	-166
Issue of share capital	4	0	23
<b>Equity at end of period</b>		<b>4,199</b>	<b>3,728</b>

## Note 1

### General information and accounting policies

The condensed interim financial statements for the twelve months ending 31 December 2023 were approved for publication by the Board of Directors on 7 February 2024. These Group financial statements have not been subject to audit or review.

Atea ASA is a public limited company incorporated and domiciled in Norway whose shares are listed on the Oslo Børs (part of Euronext). Atea (the Group) consists of Atea ASA (the Company) and its subsidiaries. Atea is the leading provider of IT infrastructure and related services to organizations within the Nordic and Baltic regions.

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group's Annual Report for 2022, which has been prepared according to IFRS as adopted by EU. There are no changes in accounting policy effective from 1 January 2023 which has an impact on the Group accounts.

In the interim financial statements for 2023, judgements, estimates and assumptions have been applied that may affect the use of accounting principles, book values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2023 and the major sources of uncertainty in the statements are similar to those found in the Annual accounts for 2022.

The Board confirms that these interim financial statements have been prepared on a going concern basis. As a result of rounding differences numbers or percentages may not add up to the total.

The carrying amounts of Financial assets and Financial liabilities recognized in the Consolidated statement of financial position approximate their fair values, according to Management's assessment.

## Note 2

### Operating segment information

Atea is located in 88 cities in Norway, Sweden, Denmark, Finland, and the Baltic countries of Lithuania, Latvia and Estonia, with over 8,000 employees. For management and reporting purposes, the Group is organized by these geographical areas. The performance of these geographical areas is evaluated on a regular basis by Atea's Executive Team, consisting of among others the Managing Directors of each geographical segment.

In addition to the geographical areas, the Group operates Shared Services functions (Atea Logistics, Atea Global Services, Atea Group Functions, Atea Service Center AB and AppXite) and central administration. These costs are reported separately as Group Shared Service and Group cost.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

### Revenue

NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	2,296.6	2,425.5	8,288.2	8,051.9
Sweden	3,397.8	3,738.2	12,844.8	12,663.2
Denmark	2,224.2	2,232.5	8,105.4	7,237.1
Finland	945.8	941.0	3,788.3	3,059.0
The Baltics	546.3	490.1	1,709.6	1,452.4
Group Shared Services	2,459.1	2,251.9	8,799.1	8,790.9
Eliminations*	-2,470.8	-2,259.3	-8,831.4	-8,857.2
<b>Atea Group</b>	<b>9,399.2</b>	<b>9,819.8</b>	<b>34,704.0</b>	<b>32,397.2</b>

\* Most of Atea's internal revenue is related to Group Shared Services, which consists of Atea Logistics, Atea Global Services, Atea Group Functions and AppXite.



## Note 2

### Operating segment information (CONT'D)

#### EBIT

NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	107.5	135.7	332.4	387.1
Sweden	176.7	188.2	649.5	596.4
Denmark	61.7	83.3	122.7	95.4
Finland	40.1	45.7	140.2	108.8
The Baltics	33.3	26.4	81.8	63.5
Group Shared Services	18.6	12.6	37.3	58.9
Group cost	-33.4	-42.9	-119.7	-114.0
<b>Operating profit (EBIT)</b>	<b>404.5</b>	<b>448.8</b>	<b>1,244.2</b>	<b>1,196.2</b>
Net financial items	-93.9	-57.6	-223.1	-112.3
<b>Profit before tax</b>	<b>310.7</b>	<b>391.2</b>	<b>1,021.1</b>	<b>1,083.9</b>

#### Quarterly revenue and gross profit

NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Product revenue	6,819.4	7,408.3	25,415.9	24,262.1
Services revenue	2,579.8	2,411.5	9,288.0	8,135.0
<b>Total revenue</b>	<b>9,399.2</b>	<b>9,819.8</b>	<b>34,704.0</b>	<b>32,397.2</b>
Gross profit	2,803.7	2,617.4	10,249.3	9,002.2

#### Quarterly revenue and gross profit

NOK in million	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Product revenue	6,819.4	5,639.5	6,486.2	6,470.9	7,408.3	6,188.9	5,619.8	5,045.1
Services revenue	2,579.8	2,103.8	2,383.6	2,220.8	2,411.5	1,892.7	1,969.9	1,860.8
<b>Total revenue</b>	<b>9,399.2</b>	<b>7,743.4</b>	<b>8,869.8</b>	<b>8,691.6</b>	<b>9,819.8</b>	<b>8,081.7</b>	<b>7,589.8</b>	<b>6,906.0</b>
Gross profit	2,803.7	2,282.2	2,655.9	2,507.5	2,617.4	2,081.5	2,211.6	2,091.7

## Note 2

### Operating segment information (CONT'D) – Local Currency

#### Revenue

Local currency in million		Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	NOK	2,296.6	2,425.5	8,288.2	8,051.9
Sweden	SEK	3,346.3	3,933.5	12,896.4	13,321.3
Denmark	DKK	1,426.3	1,608.2	5,286.6	5,329.6
Finland	EUR	81.1	91.1	331.6	302.8
The Baltics	EUR	47.1	47.6	149.6	143.8
Group Shared Services	NOK	2,459.1	2,251.9	8,799.1	8,790.9
Eliminations*	NOK	-2,470.8	-2,259.3	-8,831.4	-8,857.2
<b>Atea Group</b>	<b>NOK</b>	<b>9,399.2</b>	<b>9,819.8</b>	<b>34,704.0</b>	<b>32,397.2</b>

#### EBIT

Local currency in million		Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	NOK	107.5	135.7	332.4	387.1
Sweden	SEK	174.1	198.0	652.1	627.4
Denmark	DKK	40.0	61.3	80.0	70.2
Finland	EUR	3.5	4.5	12.3	10.8
The Baltics	EUR	2.9	2.6	7.2	6.3
Group Shared Services	NOK	18.6	12.6	37.3	58.9
Group cost	NOK	-33.4	-42.9	-119.7	-114.0
<b>Operating profit (EBIT)</b>	<b>NOK</b>	<b>404.5</b>	<b>448.8</b>	<b>1,244.2</b>	<b>1,196.2</b>
Net financial items	NOK	-93.9	-57.6	-223.1	-112.3
<b>Profit before tax</b>	<b>NOK</b>	<b>310.7</b>	<b>391.2</b>	<b>1,021.1</b>	<b>1,083.9</b>

\* Most of Atea's internal revenue is related to Group Shared Services, which consists of Atea Logistics, Atea Global Services, Atea Group Functions and AppXite.

# Note 3

## Disaggregation of revenue

Information about the main revenue streams and the timing of the revenue recognition is described in Note 2 – Summary of significant accounting principles – in the Annual report for 2022.

The Group has disclosed geographical information about revenue from external customers.

In addition, the Group has disclosed revenue based on two main categories: products (hardware and software) and services.

In the table below, the revenue from the operating segment information in [Note 2](#) is disaggregated to the main categories of revenue.

### Hardware revenue

Local currency in million		Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	NOK	1,593.5	1,731.7	5,643.0	5,599.9
Sweden	SEK	2,204.1	2,833.3	8,841.9	9,506.8
Denmark	DKK	945.1	1,099.4	3,525.6	3,669.4
Finland	EUR	65.5	75.4	275.6	252.5
The Baltics	EUR	31.7	33.3	93.1	95.7
Group Shared Services	NOK	2,175.7	2,019.8	7,743.2	7,952.2
Eliminations*	NOK	-2,147.5	-2,004.4	-7,680.6	-7,913.7
<b>Atea Group</b>	<b>NOK</b>	<b>6,466.9</b>	<b>7,088.0</b>	<b>24,130.0</b>	<b>23,175.6</b>

### Software revenue

Local currency in million		Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	NOK	92.8	96.0	335.8	312.3
Sweden	SEK	147.7	140.4	541.4	500.4
Denmark	DKK	48.6	38.6	183.0	143.1
Finland	EUR	2.2	3.0	8.2	8.6
The Baltics	EUR	0.7	0.4	2.9	1.3
Group Shared Services	NOK	1.0	1.5	4.6	4.3
Eliminations*	NOK	-2.4	0.5	-1.2	2.9
<b>Atea Group</b>	<b>NOK</b>	<b>352.5</b>	<b>320.3</b>	<b>1,285.9</b>	<b>1,086.6</b>

\* Most of Atea's internal revenue is related to Group Shared Services, which consists of Atea Logistics, Atea Global Services, Atea Group Functions and AppXite.

## Note 3

### Disaggregation of revenue (CONT'D)

#### Services revenue

Local currency in million		Q4 2023	Q4 2022	Full year 2023	Full year 2022
Norway	NOK	610.3	597.8	2,309.5	2,139.6
Sweden	SEK	994.5	959.8	3,513.1	3,314.1
Denmark	DKK	432.6	470.2	1,578.0	1,517.1
Finland	EUR	13.5	12.7	47.8	41.7
The Baltics	EUR	14.7	13.8	53.7	46.8
Group Shared Services	NOK	282.3	230.6	1,051.3	834.4
Eliminations*	NOK	-320.8	-255.4	-1,149.7	-946.5
<b>Atea Group</b>	<b>NOK</b>	<b>2,579.8</b>	<b>2,411.5</b>	<b>9,288.0</b>	<b>8,135.0</b>

## Note 4

### Share capital and premium

NOK in million, except number of shares	Number of shares		Share capital			
	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total
At 1 January 2023	112,384,093	-1,786,498	112	-2	569	680
Changes related to own shares**		553,445		1		1
At 31 December 2023	112,384,093	-1,233,053	112	-1	569	680

#### Average number of shares outstanding

The average number of shares outstanding during 2023 was 110,916,807. This number is used in the calculation of Basic Earnings per Share.

When calculating Fully Diluted Earnings per Share, the average number of shares outstanding during 2023 was 112,171,512. The difference relates to the dilution effect of the Employee Share Option program and Employees share savings program.

Based on the number of share options outstanding, the strike price of the options, the average share price during 2023 and the remaining vesting period of the options, the dilution impact of the share option program and Employee Share Option program is 1,254,705 shares. This calculation is in accordance with IAS 33 Earnings per Share.

\* Most of Atea's internal revenue is related to Group Shared Services, which consists of Atea Logistics, Atea Global Services, Atea Group Functions and AppXite.

\*\* This is related to share based compensation for the employees.

## Note 4

### Share capital and premium (CONT'D)

31 Dec 2023	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				110,916,807
<u>Dilution effect of share options</u>				
<b>Total share options</b>				
Fully vested, with adjusted strike price below share price	2,018,839	77	77	1,022,042
Unvested*, with adjusted strike price below share price	2,134,332	101	117	226,598
Unvested*, with adjusted strike price above share price	4,213,164	118	137	-
<b>All Share options</b>	<b>8,366,335</b>	<b>104</b>	<b>108</b>	<b>1,248,639</b>
Dilution effect of Employees share savings program:				6,065
<b>Total dilution effect:</b>				<b>1,254,705</b>
<b>Fully diluted EPS calculation**</b>				<b>112,171,512</b>

## Note 5

### Net financial items

NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Interest income	9	2	24	7
Other financial income	0	1	0	1
<b>Total financial income</b>	<b>9</b>	<b>3</b>	<b>24</b>	<b>8</b>
Interest costs on loans	-43	-38	-146	-78
Interest costs on leases	-19	-16	-74	-61
Foreign exchange effects	-38	-5	-21	30
Other financial expenses	-2	-3	-7	-11
<b>Total financial expenses</b>	<b>-103</b>	<b>-61</b>	<b>-247</b>	<b>-121</b>
<b>Total net financial items</b>	<b>-94</b>	<b>-58</b>	<b>-223</b>	<b>-112</b>

\* Adjusted nominal strike price includes fair value of services to be provided during remainder of vesting period, in accordance with IFRS 2 Share-based Payment

\*\* Based on an average share price of NOK 131 from January 1 – December 31, 2023



## Note 6

### Borrowing

#### Credit facilities

Atea has the following credit facilities with lenders, in addition to smaller equipment lease agreements:

##### EIB loan

Atea ASA has entered into an unsecured loan agreement for NOK 588 million with the European Investment Bank in May 2023. The loan has a term of 6 years, and a rate of interest of NIBOR 6M + 1.148%.

##### Receivables facility

Atea has a revolving credit facility of NOK 1,100 million secured by other receivables through a securitization program. Pricing on the facility is IBOR 3M + 1.00%.

##### Overdraft facility

Atea Group has an overdraft facility of NOK 300 million through its primary bank. The facility has standard terms and conditions for this type of financing.

##### Money market line

Atea Group has secured access to a revolving credit line of NOK 600 million through the money market. The facility has standard terms and conditions for this type of financing.

#### Overview of facilities used:

#### Trade finance facility

In May 2023 and in May 2022, Atea entered into a short-term uncommitted revolving trade finance facility with Deutsche Bank in the amount of up to USD 110 million in May 2023. Under the agreement, Deutsche Bank extends payables to one vendor on behalf of Atea ASA and its subsidiaries at a rate of interest of CME SOFR + 2.00%.

Payment extensions under the trade finance facility are reported on the balance sheet as interest-bearing current liabilities. On the cash flow statement, payment extensions under the trade finance facility are treated as a credit line and reported as Cash Flow from Financing Activities when drawn and when repaid.

Atea has no outstanding interest-bearing current liabilities as of 31 December 2023 and 31 December 2022 related to the trade finance facility. The total effect on the cash flow statement and balance sheet is NOK 0 for the full year 2023 and 2022.

#### Sale of receivables

In December 2021, Atea ASA and its subsidiaries in Norway, Sweden and Denmark renewed a securitization contract organized by its primary bank which enables Atea to sell specified accounts receivable at an implicit discount rate of IBOR 3M + 0.60%. This securitization contract is separate from the Receivables facility described above.

The securitization contract has a three-year term, and the maximum balance of accounts receivable which may be sold at any time during the term is NOK 1,900 million.

NOK in million	Available facility	Utilized facility	
	31 Dec 2023	31 Dec 2023	31 Dec 2022
<b>Long-term</b>			
EIB loan	588	588	-
Long-term interest-bearing leasing liabilities*		25	24
<b>Short-term</b>			
Receivables facility	1,100	-	95
Overdraft facility	300	-	-
Money market line	600	-	-
EIB loan	-	-	475
Current interest-bearing leasing liabilities*		8	7
Other		5	16
<b>Total debt</b>		<b>625</b>	<b>617</b>
Securitization - sale of receivables	1,900	1,872	1,859
<b>Total borrowing utilized</b>		<b>2,498</b>	<b>2,476</b>

\* Total debt does not include incremental net lease liabilities due to the adoption of IFRS 16 from 1 January 2019, as defined by Atea loans covenants. See [Note 10](#) for more information.

## Note 7

### Taxes

NOK in million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit before tax	311	391	1,021	1,084
Tax payable expenses	-81	-70	-220	-185
Deferred tax asset changes due to tax loss carry forward used	-11	-19	-40	-51
Other deferred tax changes	30	-2	39	0
<b>Total tax expenses</b>	<b>-61</b>	<b>-91</b>	<b>-221</b>	<b>-235</b>
<b>Effective rate</b>	<b>19.6%</b>	<b>23.4%</b>	<b>21.6%</b>	<b>21.7%</b>

The increase in tax payable expenses in 2023 compared with 2022 was primarily driven by higher non-deductible expenses. Change in deferred tax is related to tax loss carry forward used and other temporary differences.

At the year end of 2023, the tax value of the tax loss carried forward within the Group was NOK 212 million from which NOK 211 million was recognized as Deferred Tax Assets on the balance sheet.

## Note 8

### Seasonality of operations

Atea's revenue and cash flow are affected by the seasonality of demand for IT infrastructure investments.

Demand for IT infrastructure among Atea's customers peaks in the fourth quarter of the year, leading to higher revenue and cash flow for Atea in the fourth quarter.

## Note 9

### Events after the balance sheet date

On February 7, 2024, the Board of Atea ASA resolved to propose a dividend of NOK 7.00 per share at the next Annual General Meeting to be held on April 25, 2024. The dividend will be split into two equal payments of NOK 3.50 which will take place in May and November 2024.

For Norwegian tax purposes, the dividend shall be considered as repayment of paid in capital. Further details on the dividend payment will be provided in the Notice to the Annual General Meeting.

There were no other significant events after the balance sheet date which could affect the evaluation of the reported accounts.

# Note 10

## Alternative performance measures

The financial information is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. Additionally, it is management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of Atea's performance. As defined in ESMA's guidelines on alternative

**Atea uses the following APMs:**

performance measures (APM), an APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the International Financial Reporting Standards as adopted by EU.

## Gross sales and revenue

As stated in Note 2 in the Annual report for 2022, Atea has implemented a change to its accounting policy to comply with new guidance from the IFRS interpretations committee. In its financial reporting through 2021, Atea has recognized revenue from the resale of standard software and vendor services on a gross basis (with gross invoiced sales reported as revenue, and costs of the resold products reported as cost of goods).

Under the new guidance, Atea will recognize revenue from these products and services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

The bridge from gross sales to revenue is provided below. Further information about historical figures can be found at [www.atea.com/accounting-policy-change-2022](http://www.atea.com/accounting-policy-change-2022). The change in accounting policy only affects revenue and cost of sales, and has no impact on Gross profit, operating profit, net profit after tax, balance sheet and cash flow statement.

### Q4 2023

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,594	2,240	1,474	764	367	6,467
Software	1,365	2,461	963	282	59	5,144
Services	668	1,085	707	174	189	2,784
<b>Gross sales</b>	<b>3,627</b>	<b>5,787</b>	<b>3,144</b>	<b>1,220</b>	<b>615</b>	<b>14,396</b>
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	1,272	2,311	887	257	51	4,792
Services IFRS 15 adjustments	58	78	33	18	18	204
<b>Total IFRS 15 adjustments</b>	<b>1,330</b>	<b>2,389</b>	<b>919</b>	<b>275</b>	<b>69</b>	<b>4,996</b>
Hardware	1,594	2,240	1,474	764	367	6,467
Software	93	150	76	25	8	352
Services	610	1,008	674	157	171	2,580
<b>Revenue</b>	<b>2,297</b>	<b>3,398</b>	<b>2,224</b>	<b>946</b>	<b>546</b>	<b>9,399</b>

# Note 10

## Gross sales and revenue (CONT'D)

### Q4 2022

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,732	2,693	1,527	779	343	7,088
Software	1,056	2,075	833	292	50	4,343
Services	624	971	654	140	158	2,523
<b>Gross sales</b>	<b>3,412</b>	<b>5,738</b>	<b>3,013</b>	<b>1,211</b>	<b>551</b>	<b>13,953</b>
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	960	1,942	779	261	46	4,022
Services IFRS 15 adjustments	26	59	2	9	15	111
<b>Total IFRS 15 adjustments</b>	<b>986</b>	<b>2,000</b>	<b>781</b>	<b>270</b>	<b>61</b>	<b>4,134</b>
Hardware	1,732	2,693	1,527	779	343	7,088
Software	96	133	54	31	5	320
Services	598	912	652	131	143	2,412
<b>Revenue</b>	<b>2,425</b>	<b>3,738</b>	<b>2,232</b>	<b>941</b>	<b>490</b>	<b>9,820</b>

### Full year 2023

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	5,643	8,807	5,406	3,149	1,064	24,130
Software	4,046	8,268	4,082	1,230	303	17,891
Services	2,472	3,763	2,522	597	661	9,917
<b>Gross sales</b>	<b>12,162</b>	<b>20,837</b>	<b>12,009</b>	<b>4,976</b>	<b>2,027</b>	<b>51,938</b>
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	3,711	7,729	3,801	1,136	270	16,605
Services IFRS 15 adjustments	163	264	103	52	48	629
<b>Total IFRS 15 adjustments</b>	<b>3,874</b>	<b>7,992</b>	<b>3,904</b>	<b>1,188</b>	<b>318</b>	<b>17,235</b>
Hardware	5,643	8,807	5,406	3,149	1,064	24,130
Software	336	539	281	94	33	1,286
Services	2,309	3,499	2,419	546	613	9,288
<b>Revenue</b>	<b>8,288</b>	<b>12,845</b>	<b>8,105</b>	<b>3,788</b>	<b>1,710</b>	<b>34,704</b>

## Note 10

### Gross sales and revenue (CONT'D)

#### Full year 2022

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	5,600	9,037	4,983	2,551	966	23,176
Software	3,501	7,094	2,971	986	138	14,782
Services	2,261	3,341	2,260	452	500	8,706
<b>Gross sales</b>	<b>11,362</b>	<b>19,472</b>	<b>10,214</b>	<b>3,989</b>	<b>1,605</b>	<b>46,664</b>
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	3,188	6,618	2,777	899	125	13,696
Services IFRS 15 adjustments	122	190	200	31	27	571
<b>Total IFRS 15 adjustments</b>	<b>3,310</b>	<b>6,809</b>	<b>2,977</b>	<b>930</b>	<b>153</b>	<b>14,266</b>
Hardware	5,600	9,037	4,983	2,551	966	23,176
Software	312	476	194	87	13	1,087
Services	2,140	3,150	2,060	421	473	8,135
<b>Revenue</b>	<b>8,052</b>	<b>12,663</b>	<b>7,237</b>	<b>3,059</b>	<b>1,452</b>	<b>32,397</b>

### Pro forma accounts

Pro forma gross sales, revenue and EBITDA include gross sales, revenue and EBITDA from business combinations during 2023 and 2022 in both the current and prior full year. Pro forma financial results are used to calculate organic growth as well as loan covenant requirements (see below).

Pro forma gross sales and revenue in constant currency exclude the effect of foreign currency rate fluctuations. Growth in constant currency is translating gross sales and revenue recognized during the current period using exchange rates for the previous period.

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
Gross sales	14,396	13,953	51,938	46,664
Adjustment for acquisitions	-	0	-	46
<b>Pro forma gross sales</b>	<b>14,396</b>	<b>13,953</b>	<b>51,938</b>	<b>46,709</b>
Pro forma gross sales on last year currency	13,499	14,035	48,805	47,861
<b>Pro forma growth in constant currency</b>	<b>-3.3%</b>		<b>4.5%</b>	



# Note 10

## Pro forma accounts (CONT'D)

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
Revenue	9,399	9,820	34,704	32,397
Adjustment for acquisitions	-	0	-	46
<b>Pro forma revenue</b>	<b>9,399</b>	<b>9,820</b>	<b>34,704</b>	<b>32,443</b>
Pro forma revenue on last year currency	8,782	9,862	32,555	33,202
<b>Pro forma growth in constant currency</b>	<b>-10.6%</b>		<b>0.3%</b>	

EBITDA is defined as Operating profit (EBIT) before depreciation and amortization. Pro forma EBITDA is used as the basis for loan covenant requirements.

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
EBITDA	579	609	1,932	1,811
Adjustment for acquisitions	-	0	-	1
<b>Pro forma EBITDA</b>	<b>579</b>	<b>609</b>	<b>1,932</b>	<b>1,812</b>

## Gross profit and gross margin

Gross profit is defined as revenue less cost of sales. The Group's revenue is recognized either gross or net depending on sales streams. The cost of sales includes products and services bought from suppliers and resold to customers.

Cost of sales includes all direct expenses for goods and services directly connected to the sales. Direct costs related to services include leasing, outsourcing, and freight.

Gross margin % is defined as gross profit divided by revenue.

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
Revenue	9,399	9,820	34,704	32,397
Cost of sales	-6,595	-7,202	-24,455	-23,395
<b>Gross profit</b>	<b>2,804</b>	<b>2,617</b>	<b>10,249</b>	<b>9,002</b>
<b>Gross margin %</b>	<b>29.8%</b>	<b>26.7%</b>	<b>29.5%</b>	<b>27.8%</b>

# Note 10

## Gross sales margin

Gross sales margin % is defined as gross profit divided by gross sales.

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
Gross sales – products	11,611	11,431	42,021	37,958
Gross sales – services	2,784	2,523	9,917	8,706
<b>Total gross sales</b>	<b>14,396</b>	<b>13,953</b>	<b>51,938</b>	<b>46,664</b>
Product gross profit	1,229	1,181	4,444	4,029
Total services gross profit	1,575	1,437	5,805	4,973
<b>Total products and services gross profit</b>	<b>2,804</b>	<b>2,617</b>	<b>10,249</b>	<b>9,002</b>
Product margin	10.6%	10.3%	10.6%	10.6%
Services margin	56.6%	57.0%	58.5%	57.1%
<b>Gross sales margin %</b>	<b>19.5%</b>	<b>18.8%</b>	<b>19.7%</b>	<b>19.3%</b>

## Operating expenses

Operating expenses include payroll and related costs, other operating expenses, depreciation and amortization costs.

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
Payroll and related costs	1,973	1,801	7,396	6,540
Other operating costs	252	208	921	651
Depreciation and amortization	175	160	688	615
<b>Total operating expenses</b>	<b>2,399</b>	<b>2,169</b>	<b>9,005</b>	<b>7,806</b>

# Note 10

## Free cash flow

Free cash flow is defined as cash flow from operations, less capital expenditures. Capital expenditure is a net of cash payments to acquire or develop property, plant and equipment, intangible assets and proceeds from sale of assets.

The company's dividend policy is to distribute approximately 70-100 percent of net profit after tax to shareholders in the form of a dividend. Any dividends proposed by the Board of directors to the annual general meeting shall be justified based on the company's dividend policy and its capital requirements.

NOK in million	Q4 2023	Q4 2022	Full Year 2023	Full Year 2022
<b>Cash flow from operations</b>	<b>1,633</b>	<b>1,650</b>	<b>1,878</b>	<b>1,030</b>
Purchase of PPE and intangible assets	-100	-131	-322	-397
Sale of PPE and intangible assets	1	2	2	76
<b>Capital expenditures through cash</b>	<b>-99</b>	<b>-129</b>	<b>-320</b>	<b>-322</b>
<b>Free cash flow</b>	<b>1,534</b>	<b>1,521</b>	<b>1,558</b>	<b>709</b>

## Net financial position

Net financial position consists of both current and non-current interest-bearing liabilities, less cash and cash equivalents.

Net financial position is one of the key metrics used in Atea to assess both the cash position and its indebtedness. It is also used in Atea's covenants on debt agreements.

Net financial position does not include incremental net lease liabilities due to the adoption of IFRS 16 from 1 January 2019. IFRS 16 requires lessees to recognize most lease contracts on their balance sheet, including subleases and lease liabilities for Right-of-Use (ROU) assets (such as facility rental contracts). Atea's financial covenants specifically exclude incremental net lease liabilities due to the adoption of IFRS 16 from the definition of net financial position.

NOK in million	31 Dec 2023	31 Dec 2022
Interest-bearing long-term liabilities	-588	-
Interest-bearing long-term leasing liabilities	-25	-24
Interest-bearing current liabilities	-5	-586
Interest-bearing current leasing liabilities	-8	-7
Cash and cash equivalents	1,587	922
<b>Net financial position</b>	<b>961</b>	<b>304</b>
Long-term ROU assets leasing liabilities	-1,023	-994
Current ROU assets leasing liabilities	-350	-310
<b>Incremental net lease liabilities due to IFRS 16 adoption</b>	<b>-1,372</b>	<b>-1,304</b>

# Note 10

## Liquidity reserve

Liquidity reserve is a metric used to assess maximum additional borrowing that is allowed by Atea's debt covenants as of the balance sheet date. Liquidity reserve does not show committed loans reserve.

Liquidity reserve is calculated as the difference between Atea's net debt limit according to its debt covenants and Atea's net debt on the balance sheet date.

Atea's debt covenants require that Atea limit its net debt on a Group level to 2.5x pro forma EBITDA for the last 12 months.

NOK in million	31 Dec 2023	31 Dec 2022
Last 12 months pro forma EBITDA	1,932	1,812
Debt covenant ratio	2.5	2.5
<b>Net debt limit</b>	<b>4,830</b>	<b>4,531</b>
Net financial position	961	304
<b>Liquidity reserve</b>	<b>5,791</b>	<b>4,835</b>
<b>Net debt / pro forma EBITDA</b>	<b>-0.5</b>	<b>-0.2</b>

### Liquidity reserve breakdown:

NOK in million	31 Dec 2023	31 Dec 2022
Unutilised short-term overdraft facilities	2,000	1,905
Draft limitation, debt covenant	3,791	2,930
<b>Liquidity reserve</b>	<b>5,791</b>	<b>4,835</b>

# Note 10

## Net working capital

Net working capital is defined as non-interest-bearing current assets net of cash and cash equivalents less non-interest-bearing current liabilities. The net working capital balance impacts how

much funding is needed for business operations. Net working capital is positively affected by the securitization program, see [Note 6](#) for more details.

NOK in million	31 Dec 2023	31 Dec 2022
Inventories	785	1,198
Trade receivables	6,946	6,701
Other receivables	2,115	2,268
Trade payables	-8,202	-8,100
Tax payable	-200	-265
Provisions	-55	-50
Other current liabilities	-3,505	-3,424
<b>Working capital</b>	<b>-2,115</b>	<b>-1,672</b>
Securitization effect	1,872	1,859
<b>Working capital before securitization</b>	<b>-243</b>	<b>187</b>
Year to date gross sales	51,938	46,664
<b>Working capital in relation to last 12 months gross sales</b>	<b>-4.1%</b>	<b>-3.6%</b>

## Adjusted equity ratio

Atea's adjusted equity ratio is defined as its equity as a percentage of its adjusted total assets. Atea's adjusted total assets are calculated by deducting incremental lease assets due to the adoption of IFRS 16 (such as right-of-use assets and sublease receivables) from the total asset balance.

In accordance with Atea's risk management guidelines, Atea's adjusted equity ratio should be above 20%.

NOK in million	31 Dec 2023	31 Dec 2022
Total assets	18,636	17,858
Deduct: incremental lease assets due to IFRS 16 adoption		
Right-of-use assets	-1,314	-1,253
Long-term subleasing receivables	-46	-36
Short-term subleasing receivables	-60	-45
Adjusted total assets	17,216	16,523
Equity	4,199	3,728
<b>Adjusted equity ratio (%)</b>	<b>24.4%</b>	<b>22.6%</b>

# Q4

## 2023

### Holding

Atea ASA

Karvesvingen 5  
Box 6472 Etterstad  
NO-0605 Oslo  
Tel: +47 22 09 50 00  
Org.no 920 237 126  
investor@atea.com  
atea.com

### Denmark

Atea A/S

Lautrupvang Street 6  
DK-2750 Ballerup  
Tel: +45 70 25 25 50  
Org.no 25511484  
info@atea.dk  
atea.dk

### Latvia

Atea SIA

Unijas iela 15  
LV-1039 Riga  
Tel: +371 67 819050  
Org.no 40003312822  
info@atea.lv  
atea.lv

### Global Shared Services

Atea Global Services SIA

Mukusalas Street 15  
LV-1004 Riga  
Org.no 50203101431  
AGS\_info@atea.com  
ateaglobal.com

### Norway

Atea AS

Karvesvingen 5  
Box 6472 Etterstad  
NO-0605 Oslo  
Tel: +47 22 09 50 00  
Org.no 976 239 997  
info@atea.no  
atea.no

### Finland

Atea Finland OY

Rajatorpantie 8  
FI-01600 Vantaa  
Tel: +358 (0)10 613 611  
Org.no 091 9156-0  
customer@atea.fi  
atea.fi

### Estonia

Atea AS

Järvevana tee 7b  
EE-10112 Tallinn  
Tel: +372 610 5920  
Org.no 10088390  
info@atea.ee  
atea.ee

### Group Functions

Atea Group Functions A/S

Lautrupvang Street 6  
DK-2750 Ballerup  
Org.no 39097060  
info@atea.dk

### Sweden

Atea Sverige AB

Kronborgsgränd 1  
Box 18  
SE-164 93 Kista  
Tel: +46 (0) 8 477 47 00  
Org.no 556448-0282  
info@atea.se  
atea.se

### Lithuania

Atea UAB

J. Rutkausko Street 6  
LT-05132 Vilnius  
Tel: +370 5 239 7899  
Org.no 122 588 443  
info@atea.lt  
atea.lt

### Group Logistics

Atea Logistics AB

Nylandavägen 8A  
Box 159  
SE-351 04 Växjö  
Tel: +46 (0)470 77 16 00  
Org.no 556354-4690  
customer.care@atea.se

### Appxite

Appxite SIA

Matrozu Street 15  
LV-1048 Riga  
Org.no 40003843899  
info@appxite.com  
appxite.com