

# Q1

2022

# Interim Report

Gross sales of NOK 10.1 billion, up  
4.9% y-o-y in constant currency

EBIT of NOK 183 million, up 3.6%  
y-o-y

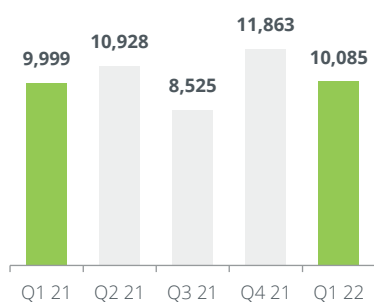
Net profit of NOK 131 million,  
up 2.4% y-o-y

Net financial position of NOK -150 million,  
compared with NOK 263 million last year

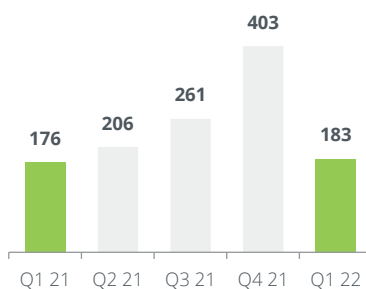
# KEY FIGURES | Q1 | 2022

NOK in million	Q1 2022	Q1 2021	Full year 2021
Gross sales*	10,085	9,999	41,316
Revenue (IFRS)*	6,906	7,185	28,491
Gross profit	2,092	2,084	8,446
EBIT	183	176	1,046
EBIT margin %	2.6%	2.5%	3.7%
Net profit	131	128	763
Earnings per share (NOK)	1.17	1.16	6.86
Diluted earnings per share (NOK)	1.16	1.13	6.70
Cash flow from operations	-696	-641	1,096
Free cash flow	-763	-717	824

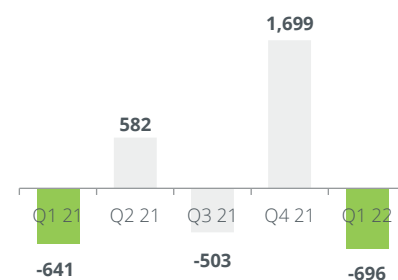
	31 Mar 2022	31 Mar 2021	31 Dec 2021
Net financial position	-150	263	822
Liquidity reserve	3,996	4,362	4,972
Working capital	-995	-1,568	-2,003
Working capital in relation to annualized gross sales (%)	-2.4%	-3.9%	-4.8%
Adjusted equity ratio (%)	28.7%	28.6%	24.0%
Number of full-time employees	7,731	7,277	7,658



**GROSS SALES** | NOK in million



**EBIT** | NOK in million



**CASH FLOW** | NOK in million  
FROM OPERATIONS

\* Atea has implemented a change in accounting policy due to an Agenda Decision approved by the IFRS Interpretations Committee on April 20. Under the Agenda Decision, revenue from the resale of software and vendor services is recognized on a net basis - see Note 1 for more information.

Gross Sales is an Alternative Performance Measure which reflects gross invoiced revenue to customers, and is comparable to previous years' revenue reporting. Revenue (IFRS) is Gross Sales, following the change in accounting policy to apply net accounting treatment to the resale of software and vendor services.

# FINANCIAL REVIEW | Q1 | 2022

## GROUP

Atea reported continued improvement in sales and EBIT in Q1 2022 from a very strong comparable period last year, despite headwinds from hardware supply shortages in the electronics industry.

Total gross sales in Q1 2022 increased by 0.9% to NOK 10,085 million. Gross sales growth in constant currency was 4.9%. Currency fluctuations had a negative impact of 3.9% on growth, as sales in foreign currencies were translated into a stronger Norwegian krone. All sales growth was organic.

Hardware gross sales fell by 6.9% from a strong comparable period last year, when Atea Denmark had an exceptionally large order from a global NGO for delivery of tablet PCs to a developing country (see Q1 2021 report for more detail).

Excluding this exceptional international order of DKK 390 million (NOK 535 million), hardware gross sales grew by 3.9% - or approximately 8.1% in constant currency. Atea's total sales adjusted for this order grew by 6.6% from last year - or approximately 10.9% in constant currency.

Atea's hardware business continued to be challenged by supply constraints in the electronics industry in the first quarter of 2022. The supply constraints had the greatest impact on shipments of networking and datacenter equipment, and the order backlog remained at a record high level for the first quarter.

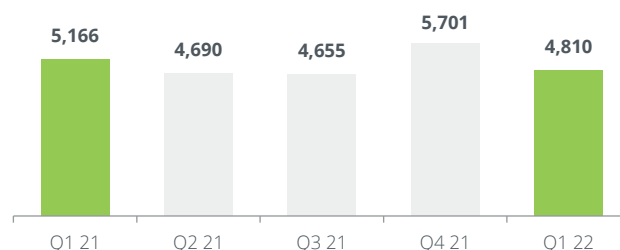
Software gross sales were up 10.9% - or approximately 15.4% in constant currency - with high growth in Norway, Sweden and Denmark offsetting lower sales in Finland. Services gross sales increased by 6.5% - or approximately 10.8% in constant currency - based on solid growth in the consulting business.

Revenue (IFRS) was NOK 6,906 million. Due to a new agenda decision from the IFRS interpretations committee, Atea has changed its IFRS accounting policy to recognize revenue from software and some vendor services on a net basis. More information regarding the impact of the accounting policy change can be found in Notes 1 and 11 of this report.

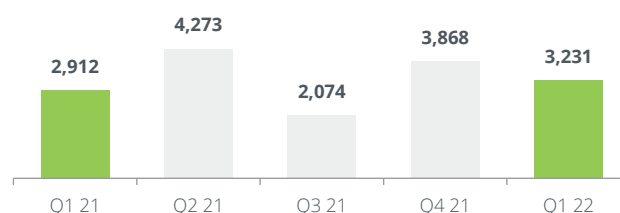
Gross profit was NOK 2,092 million, compared with NOK 2,084 million last year. Total operating expenses were NOK 1,909 million, in line with last year. The average number of full-time employees increased by 399 (5.5%) from last year.

EBIT grew by 3.6% to NOK 183 million, up from NOK 176 million last year, driven by strong growth in the Swedish and Baltics businesses.

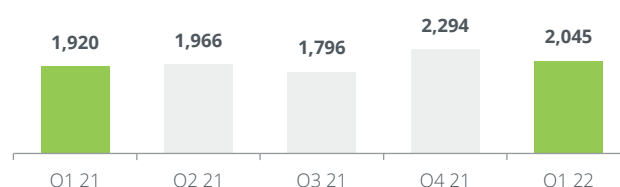
Net financial items were an expense of NOK 19 million, compared with an expense of NOK 14 million last year, based on higher interest costs. Net profit after tax was NOK 131 million, an increase of 2.4% from last year.



HARDWARE GROSS SALES AND GROWTH | NOK in million



SOFTWARE GROSS SALES AND GROWTH | NOK in million



SERVICES GROSS SALES AND GROWTH | NOK in million

# FINANCIAL REVIEW | Q1 | 2022

## NORWAY

NOK in million	Q1 2022	Q1 2021	Change %
Gross sales - products	1,995	1,684	18.4%
Gross sales - services	550	564	-2.6%
<b>Total gross sales</b>	<b>2,544</b>	<b>2,248</b>	<b>13.2%</b>
<b>Total revenue (IFRS)</b>	<b>1,747</b>	<b>1,721</b>	<b>1.5%</b>
Gross profit	603	565	6.7%
OPEX	558	515	8.4%
<b>EBIT</b>	<b>45</b>	<b>50</b>	<b>-10.8%</b>
EBIT %	2.6%	2.9%	-0.4%

Atea Norway reported solid growth in gross sales in the first quarter of 2022, driven by higher software volumes.

Gross sales in Q1 2022 were NOK 2,544 million, an increase of 13.2% from last year. Software gross sales increased by 55.2%, with large orders from the public sector. Hardware gross sales were up by 1.0%, with supply shortages impacting delivery volumes. Services gross sales were down 2.6% due to lower demand for managed services.

Revenue (IFRS) was NOK 1,747 million, an increase of 1.5% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 11.

Gross profit was NOK 603 million, up 6.7% from last year, driven by higher sales of software and consulting services.

Total operating expenses were NOK 558 million, an increase of 8.4% from last year, mainly due to higher personnel and other operating costs. The average number of full-time employees grew by 82 (4.9%) from last year, as Atea recruited new employees to further develop its services business.

Due to higher operating expenses, EBIT in Q1 2022 fell by 10.8% to 45 million. The EBIT margin was 2.6%, compared with 2.9% last year.



# FINANCIAL REVIEW | Q1 | 2022

## SWEDEN

SEK in million	Q1 2022	Q1 2021	Change %
Gross sales - products	3,599	3,076	17.0%
Gross sales - services	821	755	8.6%
<b>Total gross sales</b>	<b>4,420</b>	<b>3,832</b>	<b>15.4%</b>
<b>Total revenue (IFRS)</b>	<b>2,819</b>	<b>2,545</b>	<b>10.7%</b>
Gross profit	848	802	5.8%
OPEX	697	685	1.9%
<b>EBIT</b>	<b>151</b>	<b>117</b>	<b>28.7%</b>
EBIT %	5.3%	4.6%	0.7%

Atea Sweden reported record high sales and EBIT in the first quarter of 2022. Profit improvement was based on strong growth across all lines of business and tight control of operating expenses.

Gross sales in Q1 2022 were SEK 4,420 million, an increase of 15.4% from last year. Hardware gross sales grew by 11.5%, with solid growth across nearly all product categories. Software gross sales were up 24.1%, due to higher demand from both the public and private sectors. Services gross sales increased by 8.6%, with rapid growth in consulting services.

Revenue (IFRS) was SEK 2,819 million, an increase of 10.7% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 11.

Gross profit was SEK 848 million, up 5.8% from last year, with high revenue growth offsetting a lower margin sales mix.

Total operating expenses were SEK 697 million, up 1.9% from last year. The average number of full-time employees increased by 90 (3.6%) from last year.

Based on strong sales performance, EBIT increased by 28.7% to a record high SEK 151 million. The EBIT margin was 5.3%, up 0.7% from last year.

# FINANCIAL REVIEW | Q1 | 2022

## DENMARK

DKK in million	Q1 2022	Q1 2021	Change %
Gross sales - products	1,238	1,497	-17.3%
Gross sales - services	413	321	28.6%
<b>Total gross sales</b>	<b>1,650</b>	<b>1,818</b>	<b>-9.2%</b>
<b>Total revenue (IFRS)</b>	<b>1,215</b>	<b>1,488</b>	<b>-18.4%</b>
Gross profit	301	304	-1.0%
OPEX	313	304	2.9%
<b>EBIT</b>	<b>-12</b>	<b>0</b>	<b>N/A</b>
EBIT %	-0.9%	0.0%	-1.0%

Atea Denmark reported lower sales from a very strong comparable period last year.

Total gross sales in Denmark were DKK 1,650 million, down 9.2% from last year. Hardware gross sales fell by 26.2%, due to an exceptionally large order last year from a global NGO. See Q1 2021 report for more information. Excluding this single large order for tablet PCs of DKK 390 million, hardware sales grew by 11.5%.

Software gross sales increased by 12.4%, based on higher demand from the private sector. Services gross sales were up 28.6%, based on strong growth in the consulting business.

Revenue (IFRS) was DKK 1,215 million, a decrease of 18.4% from last year. Adjusting for the exceptional tablet PC order last year, IFRS revenue grew by 10.6%. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 11.

Gross profit was DKK 301 million, in line with last year. Total operating expenses grew by 2.9% to DKK 313 million, primarily due to higher personnel costs. The average number of full-time employees increased by 40 (2.9%) from last year.

Due to lower sales relative a strong period last year, EBIT in Q1 2022 fell to an operating loss of DKK 12 million, compared with a breakeven EBIT in Q1 last year.

# FINANCIAL REVIEW | Q1 | 2022

## FINLAND

EUR in million	Q1 2022	Q1 2021	Change %
Gross sales - products	78.3	97.0	-19.2%
Gross sales - services	8.9	9.7	-8.9%
<b>Total gross sales</b>	<b>87.2</b>	<b>106.7</b>	<b>-18.3%</b>
<b>Total revenue (IFRS)</b>	<b>60.7</b>	<b>57.0</b>	<b>6.5%</b>
Gross profit	13.3	13.3	0.3%
OPEX	11.8	11.3	5.0%
<b>EBIT</b>	<b>1.5</b>	<b>2.0</b>	<b>-26.4%</b>
EBIT %	2.4%	3.5%	-1.1%

Atea Finland reported lower gross sales and EBIT in the first quarter of 2022, compared with a very strong Q1 last year.

Total gross sales in Finland fell by 18.3% to EUR 87.2 million in Q1 2022. Hardware gross sales increased by 9.1%, driven by higher shipments of PCs. Software gross sales were down 44.9%, primarily due to the loss of a large public frame agreement in Q1 last year. Services gross sales decreased by 8.9%, due to lower demand for managed services.

Revenue (IFRS) was EUR 60.7 million, an increase of 6.5% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 11.

Total gross profit was EUR 13.3 million, in line with last year. Total operating expenses grew by 5.0% to EUR 11.8 million in Q1 2022. An increase was mostly due to higher personnel costs, as Atea recruited additional consultants to develop its services business. The average number of full-time employees grew by 40 (9.7%) from last year.

EBIT in Q1 2022 was EUR 1.5 million, down by 26.4% from strong corresponding period last year. The EBIT margin was 2.4%, compared with 3.5% last year.

# FINANCIAL REVIEW | Q1 | 2022

## THE BALTICS

EUR in million	Q1 2022	Q1 2021	Change %
Gross sales - products	21.0	20.3	3.1%
Gross sales - services	10.9	9.4	15.8%
<b>Total gross sales</b>	<b>31.8</b>	<b>29.7</b>	<b>7.1%</b>
<b>Total revenue (IFRS)</b>	<b>29.9</b>	<b>24.7</b>	<b>21.0%</b>
Gross profit	9.4	8.5	11.4%
OPEX	8.3	7.5	9.8%
<b>EBIT</b>	<b>1.1</b>	<b>0.9</b>	<b>24.4%</b>
EBIT %	3.8%	3.7%	0.1%

Atea Baltics reported record high EBIT during Q1 2022, based on increased sales of hardware and services.

Total gross sales were EUR 31.8 million, an increase of 7.1% from last year. Hardware gross sales increased by 23.9%, driven by higher sales of digital workplace solutions. Software gross sales were down 62.2% mainly due to lower order volumes from the public sector. Services gross sales grew by 15.8%, with higher demand for both consulting and managed services.

Revenue (IFRS) was EUR 29.9 million, an increase of 21.0% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 11.

Gross profit was EUR 9.4 million, compared with EUR 8.5 million last year. Gross profit increased mainly due to improved hardware volumes and margins.

Total operating expenses were EUR 8.3 million in Q1 2022 compared with EUR 7.5 million last year. The average number of full-time employees increased by 49 (7.8%) from last year.

EBIT in Q1 2022 was EUR 1.1 million, up 24.4% from Q1 last year. The EBIT margin was 3.8%, up from 3.7% last year.



## BALANCE SHEET

As of 31 March 2022, Atea had total assets of NOK 13,488 million. Current assets such as cash, receivables and inventory represented NOK 7,281 million of this total. Non-current assets represented NOK 6,208 million of this total, and primarily consisted of goodwill (NOK 3,858 million), property, plant and equipment (NOK 466 million), right-of-use leased assets (NOK 1,201 million) and deferred tax assets (NOK 278 million).

Atea had total liabilities of NOK 9,999 million, and shareholders' equity of NOK 3,489 million as of 31 March 2022. 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 Q1 2022 was 28.7%.

Atea's net debt balance was NOK 150 million at the end of Q1 2022 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 0.1x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 3,996 million before the debt covenant would be reached. See additional information on the liquidity reserve in Note 11 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. Since the second half of 2021, Atea's working capital requirements increased, as the company acquired inventory to secure hardware deliveries to customers during a period of supply constraints in the electronics industry. This impact is expected to be temporary and to normalize as supply chain constraints ease.

Due to increased working capital requirements, Atea sold more of its accounts receivable into a securitization program during Q1 2022 than in the previous year. At the end of Q1 2022, Atea had sold receivables of NOK 1,651 million under the securitization program, compared with NOK 739 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 outflow of NOK 696 million in the first quarter of 2022, compared with an outflow of NOK 641 million last year. Cash flow from investing activities was an outflow of NOK 67 million in Q1 2022, compared with an outflow of NOK 76 million in the corresponding quarter last year.

Cash flow from financing activities was an inflow of NOK 131 million in Q1 2022, up from an inflow of NOK 74 million last year. The difference was mainly due to an increase in the short-term debt balance in Q1 2022.

## SHARES

Atea had 8,212 shareholders on 31 March 2022 compared with 7,936 shareholders on 31 March 2021.

The 10 largest shareholders as of 31 March 2022 were:

Main Shareholders*	Shares	%
Systemintegration APS **	30,268,215	26.9%
Folketrygdfondet	8,606,101	7.7%
State Street Bank and Trust Co. ***	6,764,820	6.0%
Verdipapirfond Odin Norden	3,306,029	2.9%
State Street Bank and Trust Co. ***	3,107,221	2.8%
RBC Investor Services Trust ***	3,088,775	2.7%
State Street Bank and Trust Co. ***	2,772,046	2.5%
Verdipapirfond Odin Norge	2,191,692	2.0%
State Street Bank and Trust Co. ***	2,039,422	1.8%
The Bank of New York Mellon ***	1,650,000	1.5%
Other	48,589,772	43.2%
<b>Total number of shares</b>	<b>112,384,093</b>	<b>100.0%</b>

\* Source: Verdipapirsentralen

\*\* Includes shares held by Ib Kunøe

\*\*\* Includes client nominee accounts

As of 31 March 2022, Atea's Chairman Ib Kunøe and close associates controlled a total of 27.6% of the shares, including the shares held by Systemintegration APS.

As of 31 March 2022, Atea's senior management team held 365,781 shares.

Atea repurchased 1,000,000 of its own shares during Q1 2022. As of 31 March 2022, Atea held 1,028,126 of its own shares in treasury.

# 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%. Over 60% of Atea's sales are to the public sector, with the remainder of sales to private companies.

Atea's current organization 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 85 cities in the Nordic and Baltic region and over 7,500 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. According to estimates from IDC\*, the market for IT infrastructure and related services has grown at an average rate of approximately 5% per year during the last 5 years.

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. Over the last 5 years, the company has averaged an organic revenue growth rate of approximately 7% per year.

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, Citrix, 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.

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\* 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. Atea's sustainability agenda is an essential part of the company's mission. The company has received numerous recognitions for its leadership within sustainability.

During Q1 2022, Atea strengthened its organization within "Corporate Responsibility", thus expands its focus on further improving the performance in areas such as ESG and GRC (Governance, Risk and Compliance).

Atea's latest Corporate Sustainability & Responsibility Report, published in March 2022, can be found at [atea.com/corporate-responsibility](https://atea.com/corporate-responsibility).

### During the past year, Atea:

- was recognized as one of the most sustainable corporations in the world, by Corporate Knights as part their annual ranking called "Global 100". Atea ranked 51<sup>st</sup> overall, and 1<sup>st</sup> in our industry (IT Services).
- received the highest rating by the Governance Group in the new report "ESG 100 - How the largest 100 companies on the Oslo Stock Exchange report on ESG".
- was selected for inclusion in the Carbon Clean 200™ (Clean200), a list of 200 publicly traded companies worldwide that are leading the way among their global peers to a clean energy future.
- Was recognized as "Environmental Partner Leader" by Canalys due to our strategy and commitment to do better for our industry, people, community, and the environment.
- was awarded the highest rating in environmental and social performance by EcoVadis, an achievement that ranks Atea in the top 1% of 75,000 organizations evaluated globally.
- was among a select group of European companies, that have made the greatest progress curbing their greenhouse gas emissions. The ranking was made by the Financial Times and Statista.
- was recognized as a "Transparency Partner" by Nasdaq, an initiative focusing on improving the ESG information flow between listed companies and the investor community.
- won the Dell Technologies 2021 EMEA Excellence in Social Impact award.

In 2020, Atea launched a 10-year plan for its sustainability agenda. The plan is described in our latest corporate responsibility report, published in March 2021.

# BUSINESS OVERVIEW

## MARKET TRENDS

Over the past two years, the COVID-19 pandemic has changed how organizations function, as restrictions on travel and social distancing requirements have required employees to work from remote locations. This has accelerated the digital transformation of the workplace.

Organizations have become dependent on IT solutions to facilitate remote work, and have been forced to reconsider how they interact and transact with their customers, vendors and other stakeholders. This is driving innovation and investment in digital technologies to transform business processes and automate operations.

As employees return to on-premise work, many changes in work patterns from the COVID pandemic will persist. Based on practices established during the pandemic, organizations will continue to drive the use of digital communications as a substitute for travel and physical meetings, and further innovate in their use of information technology to transform their operations.

We expect that the transition to a hybrid model of remote and on-premise work will result in strong customer demand for IT products and services during the coming years. Specifically, we see the following drivers of demand growth across our three solution areas:

### Digital workplace

- Most organizations have postponed major workplace investments since the start of the pandemic, and will need to refresh older equipment.
- To facilitate greater use of virtual meetings from office locations, there will be increased spending on digital collaboration tools and video conference rooms.
- Demand for onsite technical services will increase as customers require support to implement and maintain digital workplace solutions.
- Sustainability and circular economy have become a key purchase criteria for customers, driving demand for asset management and IT recycling services.
- Device lifecycle management concepts - where the customer pays a service fee for the vendor to provide and manage equipment, and take back equipment at the end of life - will continue to grow in popularity.

### Hybrid platforms

- Many office networks are due for upgrades, as on-premise investments were deferred during the pandemic.
- Network upgrades are also necessary to facilitate greater use of virtual meeting rooms, and eventually to support device connectivity with the new WiFi 6 standard.

- Demand for software and infrastructure provided through the public cloud will continue to grow, despite restrictions for use by some public sector customers.

- Hybrid cloud managed services - which integrate IT operations from on-premise data centers and public cloud solutions - will see continued growth in demand. Customers plan to continue to utilize their private data centers while taking advantage of the flexibility and software offerings of the public cloud.

### Information management

- The pandemic has increased focus on digital solutions to transform business processes, driving demand for automation solutions and consulting services.
- Data analytics tools and consulting services are also in high demand, as organizations seek to capture insights from data to adapt their business models and improve their operating performance.
- Spending on IT security services and data protection solutions continues to grow as threats of cyberattacks increase.

## SUPPLY CHAIN CONSTRAINTS

The COVID-19 pandemic has created supply constraints for many hardware products, resulting in longer delivery cycles. Rapid shifts in demand for electronic devices during the pandemic have caused shortages of key components, and semiconductor fabricators have not had surplus capacity to respond. While new semiconductor capacity is now being built, the current supply shortage is expected to continue to impact the IT hardware market for much of 2022.

At present, the supply shortages have had the greatest impact on shipments of servers, storage and networking equipment, as well as audio/video solutions, resulting in longer lead times for delivery to customers. As a consequence, Atea has a very high order backlog exiting the first quarter of 2022, with a large proportion of the order backlog coming from these product categories. Hardware supply shortages will continue to lead to longer delivery times during 2022, but this impact should diminish throughout the year.

# BUSINESS OVERVIEW

## BUSINESS OUTLOOK

As the Nordic IT infrastructure market continues to grow, Atea is very well-positioned for revenue and profit growth during the coming years, driven by the following key factors:

### 1. Strong competitive advantages

Atea has a unique competitive position as the largest IT infrastructure provider in the Nordics, and has the highest level of strategic partnership with top IT vendors. This creates critical competitive advantages in purchasing and vendor support, and allows Atea to stay at the forefront of the latest IT trends and product releases.

Atea's position as a full service IT infrastructure partner is also unique in the Nordics. As enterprise IT becomes more business critical and complex, customers increasingly seek a partner with the service competence to support the design, implementation and operations of their IT environments.

With a staff of over 4000 IT service personnel spread across 85 cities in the Nordic and Baltic regions, Atea enables its customers to manage the increasing complexity of their IT environments and successfully transform their enterprise through the use of information technology.

### 2. Strategy to leverage scale

The Atea Group was formed through the merger of 50 IT companies from 2006 – 2015, which were consolidated into national business units. There remains a significant opportunity for Atea to strengthen its business capabilities and improve profitability through closer integration of its operations across borders.

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 will establish 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 backoffice functions and supply chain operations in order to drive efficiencies through scale and improved use of automation.

### 3. Turnaround in Denmark

Atea is by far the largest IT infrastructure provider in Denmark, with a market leadership position comparable to that in other countries. From 2014 – 2020, Atea's EBIT margin in Denmark fell from being the highest in the Atea Group to a large operating loss. The decline in profitability was driven by legal issues resulting in reputational damage with customers and a court conviction in 2018.

Atea Denmark was reorganized under new management at the start of 2020, and the business has shown a solid recovery since that time, despite slightly lower results in the Q1 2022. In 2021, Atea Denmark's sales grew by 16.8%, with improvement across all business lines. EBIT has also increased, from a loss of DKK 64 million in 2020 to a profit of DKK 41 million in the full year 2021.

Atea Denmark's reputation in the Danish market has greatly recovered. In April 2021, Atea regained its position as the most trusted brand in Denmark among IT infrastructure resellers in the highly regarded Computerworld survey of IT professionals.

Atea's business in Denmark still has a long gap to reach the profit margins in other Atea countries, but the overall trend has been positive. As the Danish business continues to recover and normalize, this will support higher profit growth in the Atea Group.

### 4. Industry consolidation

The IT infrastructure market is consolidating across all global markets, as scale becomes a critical competitive advantage to serve customers with increasingly complex requirements. Atea has historically been a leader in driving market consolidation in the Nordic region through M&A, but has been less active in recent years.

Based on its competitive position in the Nordic market, Atea sees business opportunities to selectively acquire companies at a reasonable price if synergies can be achieved through integration with the Atea Group. Atea has the capability to finance acquisitions through its balance sheet, as the Group maintains a low debt balance relative to its earnings.

In March 2022, Atea announced that Atea Denmark has entered an agreement to acquire KMD's hardware- and infrastructure software business. The acquired business sells hardware and standard software to customers primarily in the Danish market. The business has 24 employees across three office locations in Denmark. Closing of the agreement is pending approval from the competition authorities.

In April 2022, Atea announced that Atea Finland had acquired Gambit Labs Ab Oy, an IT services provider based in Vaasa, Finland. The acquired business specializes in information management solutions, including data analytics, machine learning and related system development. The business had revenue of approximately 4 million Euro in the fiscal year ending March 2022.

In sum, Atea is well positioned to drive revenue and profit growth in a growing IT infrastructure market, based on its unique competitive position in the Nordic region, its ongoing business recovery in Denmark, and based on programs to fully leverage its scale advantages both through internal integration and through potential acquisitions.

# CONDENSED FINANCIAL INFORMATION

## FOR THE 3 MONTHS ENDED 31 MARCH 2022

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK in million	Note	Q1 2022	Q1 2021	Full year 2021
Revenue (IFRS)*	1,2,3,8,11	6,906	7,185	28,491
Cost of sales	1,11	-4,814	-5,101	-20,045
<b>Gross profit</b>	<b>11</b>	<b>2,092</b>	<b>2,084</b>	<b>8,446</b>
Payroll and related costs		-1,613	-1,581	-6,130
Other operating costs	11	-149	-171	-656
<b>EBITDA</b>	<b>11</b>	<b>330</b>	<b>331</b>	<b>1,660</b>
Depreciation and amortization		-147	-155	-614
<b>Operating profit (EBIT)</b>	<b>2</b>	<b>183</b>	<b>176</b>	<b>1,046</b>
Net financial items	5	-19	-14	-104
<b>Profit before tax</b>		<b>163</b>	<b>162</b>	<b>942</b>
Tax	7	-33	-34	-179
<b>Profit for the period</b>		<b>131</b>	<b>128</b>	<b>763</b>
<b>Earnings per share</b>				
- earnings per share (NOK)	4	1.17	1.16	6.86
- diluted earnings per share (NOK)	4	1.16	1.13	6.70
<b>Profit for the period</b>		<b>131</b>	<b>128</b>	<b>763</b>
Currency translation differences		-120	-185	-183
Items that may be reclassified subsequently to profit or loss		-120	-185	-183
<b>Other comprehensive income</b>		<b>-120</b>	<b>-185</b>	<b>-183</b>
<b>Total comprehensive income for the period</b>		<b>10</b>	<b>-58</b>	<b>580</b>
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of Atea ASA		10	-58	580

\* A bridge from Gross Sales to IFRS revenue is included in APM Note 11.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK in million	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>				
Property, plant and equipment		466	511	493
Right-of-use assets		1,201	1,201	1,200
Deferred tax assets	7	278	299	276
Goodwill		3,858	3,940	3,942
Other intangible assets		332	285	328
Investment in associated companies		0	17	0
Long-term subleasing receivables		53	62	53
Other long-term receivables		19	19	29
<b>Non-current assets</b>		<b>6,208</b>	<b>6,336</b>	<b>6,321</b>
Inventories		1,491	1,061	1,191
Trade receivables		3,120	3,380	5,189
Other receivables		1,973	1,907	1,916
Short term subleasing receivables		62	101	71
Other financial assets		5	11	7
Cash and cash equivalents		629	796	1,353
<b>Current assets</b>		<b>7,281</b>	<b>7,257</b>	<b>9,727</b>
<b>Total assets</b>		<b>13,488</b>	<b>13,593</b>	<b>16,048</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital and premium	4	680	592	657
Other reserves		1,324	1,442	1,444
Retained earnings		1,486	1,458	1,429
<b>Equity</b>		<b>3,489</b>	<b>3,492</b>	<b>3,530</b>
Interest-bearing long-term liabilities	6	475	475	475
Long-term sublease liabilities		53	62	53
Long-term leasing liabilities		997	977	986
Other long-term liabilities		144	113	190
Deferred tax liabilities		135	154	141
<b>Non-current liabilities</b>		<b>1,803</b>	<b>1,782</b>	<b>1,844</b>
Trade payables		4,874	4,912	6,574
Interest-bearing current liabilities	6	265	7	8
Current sublease liabilities		62	101	71
Current leasing liabilities		274	289	284
Tax payable		50	149	136
Provisions		118	90	172
Other current liabilities		2,538	2,766	3,417
Other financial liabilities		14	5	12
<b>Current liabilities</b>		<b>8,196</b>	<b>8,319</b>	<b>10,674</b>
<b>Total liabilities</b>		<b>9,999</b>	<b>10,101</b>	<b>12,518</b>
<b>Total equity and liabilities</b>		<b>13,488</b>	<b>13,593</b>	<b>16,048</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK in million	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
Equity at start of period - 1 January		3,530	3,384	3,384
Currency translation differences		-120	-185	-183
Other comprehensive income		-120	-185	-183
Profit for the period		131	128	763
Total recognised income for the year		10	-58	580
Employee share-option schemes		7	9	49
Dividend		-	-	-555
Changes related to own shares	4	-81	67	-81
Issue of share capital	4	23	89	155
Equity at end of period		3,489	3,492	3,530

## CONSOLIDATED STATEMENT OF CASH FLOW

NOK in million	Q1 2022	Q1 2021	Full year 2021
Profit before tax	163	162	942
Adjusted for:			
Depreciation and amortisation	147	155	614
Share based compensation	7	9	49
Gains/Losses on disposals of PPE and intangible asset	0	0	-44
Net interest expenses	23	14	84
Taxes paid	-95	-35	-151
Net interest paid	-20	-12	-80
Cash earnings	224	293	1,413
Change in trade receivables	1,923	2,191	306
Change in inventories	-340	-317	-446
Change in trade payables	-1,545	-1,754	-40
Other changes in working capital	-959	-1,054	-136
Cash flow from operating activities	-696	-641	1,096
Purchase of PPE and intangible assets	-68	-76	-328
Sale of PPE and intangible assets	1	0	56
Acquisition of subsidiaries/businesses	-	-	-1
Cash flow from investing activities	-67	-76	-273
Dividend paid	-	-	-555
Payment from changes in treasury shares	-81	67	-106
Proceeds from new shares issue	23	89	155
Proceeds from sublease	5	35	75
Payments of sublease liabilities	-5	-35	-75
Payments of lease liabilities	-78	-80	-327
Change in debt	267	-2	-37
Cash flow from financing activities	131	74	-870
Net cash flow	-632	-642	-47
Cash and cash equivalents at the start of the period	1,353	1,605	1,605
Foreign exchange effect on cash held in a foreign currency	-92	-167	-205
Cash and cash equivalents at the end of the period	629	796	1,353

# NOTE 1

## GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for three months ending 31 March 2022 were approved for publication by the Board of Directors on 27 April 2022. 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 Stock Exchange. 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 region.

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 2021, which has been prepared according to IFRS as adopted by EU. There is one change in accounting policy

effective from 1 January 2022 that has impact on the Group accounts. See new agenda decision from IASB Interpretation Committee (IC) below.

In the interim financial statements for 2022, 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 2022 and the major sources of uncertainty in the statements are similar to those found in the Annual accounts for 2021.

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.

### Change in accounting policy due to Agenda Decision from IFRS Interpretations Committee: Application of principal / agent criteria in IFRS 15 revenue from contracts with customers

With reference to Note 2 in the 2021 Annual Report.

On April 20, the IFRS Interpretations Committee approved an Agenda Decision which provides guidance as to how a software reseller might apply the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers" to the resale of standard software to a customer.

The decision has implications for whether revenue from the resale of standard software is recognized on a gross or net basis under IFRS 15. The decision can also be applied to the resale of standard vendor services such as extended warranties.

In its historic accounts, Atea has determined that it acts as a principal in the resale of standard software and vendor services and has recognized revenue from these products and 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 from the IFRS interpretations committee, Atea has determined that it acts as an agent in the resale of standard software and vendor services under the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers". For this reason, Atea has implemented a change to its accounting policy and recognized revenue from these products and services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

The decision to change its accounting policy to conform with the Agenda Decision of the IFRS Interpretations Committee requires a restatement of prior years' accounts under IAS 8.

The changes have been applied retrospectively. The impact on Atea's financial statements is:

For financial year 2021:

- Revenue is reduced by NOK 12.8 billion
- Cost of sales is reduced by NOK 12.8 billion
- Gross profit, operating profit, net profit after tax, balance sheet and cash flow statement are unchanged.

For Q1 2021:

- Revenue is reduced by NOK 2.8 billion
- Cost of sales is reduced by NOK 2.8 billion
- Gross profit, operating profit, net profit after tax, balance sheet and cash flow statement are unchanged.

Atea will continue to report gross invoiced sales by product line and country in future financial reports as an Alternative Performance Measure (APM).

Amended historic income statements from 2015 – 2021 can be found at the following location:  
[www.atea.com/investors/financial-reports/](http://www.atea.com/investors/financial-reports/)

## NOTE 2

### OPERATING SEGMENT INFORMATION

Atea is located in 85 cities in Norway, Sweden, Denmark, Finland, and the Baltic countries of Lithuania, Latvia and Estonia, with over 7,500 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.

### NOK

Revenue (IFRS) NOK in million	Q1 2022	Q1 2021	Full year 2021
Norway	1,746.9	1,721.0	7,255.2
Sweden	2,672.4	2,582.4	11,067.7
Denmark	1,622.0	2,054.2	6,774.3
Finland	602.9	584.9	2,312.4
The Baltics	297.0	253.6	1,253.5
Group Shared Services	2,071.2	1,709.5	7,303.3
Eliminations*	-2,106.4	-1,720.5	-7,475.2
<b>Atea Group</b>	<b>6,906.0</b>	<b>7,185.1</b>	<b>28,491.2</b>

\*Most of Atea's internal sales are 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)

#### NOK

<b>EBIT</b> <b>NOK in million</b>	<b>Q1</b> <b>2022</b>	<b>Q1</b> <b>2021</b>	<b>Full year</b> <b>2021</b>
Norway	44.9	50.4	363.2
Sweden	142.9	118.8	526.1
Denmark	-15.4	0.3	55.8
Finland	14.6	20.5	86.1
The Baltics	11.3	9.4	57.9
Group Shared Services	6.6	9.5	66.0
Group cost	-22.2	-32.5	-109.1
<b>Operating profit (EBIT)</b>	<b>182.7</b>	<b>176.4</b>	<b>1,046.0</b>
Net financial items	-19.5	-14.4	-103.7
<b>Profit before tax</b>	<b>163.3</b>	<b>162.0</b>	<b>942.3</b>

<b>Quarterly revenue (IFRS) and gross profit</b> <b>NOK in million</b>	<b>Q1</b> <b>2022</b>	<b>Q1</b> <b>2021</b>	<b>Full year</b> <b>2021</b>
Product revenue	5,045.1	5,400.4	21,159.0
Services revenue	1,860.8	1,784.7	7,332.3
<b>Total revenue (IFRS)</b>	<b>6,906.0</b>	<b>7,185.1</b>	<b>28,491.2</b>
Gross profit	2,091.7	2,084.0	8,446.4

<b>Quarterly revenue (IFRS) and gross profit</b> <b>NOK in million</b>	<b>Q1</b> <b>2022</b>	<b>Q4</b> <b>2021</b>	<b>Q3</b> <b>2021</b>	<b>Q2</b> <b>2021</b>	<b>Q1</b> <b>2021</b>
Product revenue	5,045.1	5,968.9	4,850.6	4,939.0	5,400.4
Services revenue	1,860.8	2,130.6	1,663.6	1,753.4	1,784.7
<b>Total revenue (IFRS)</b>	<b>6,906.0</b>	<b>8,099.5</b>	<b>6,514.2</b>	<b>6,692.5</b>	<b>7,185.1</b>
Gross profit	2,091.7	2,356.2	1,917.1	2,089.2	2,084.0

## NOTE 2

### OPERATING SEGMENT INFORMATION (CONT'D)

#### LOCAL CURRENCY

Revenue (IFRS)		Q1	Q1	Full year
Local currency in million		2022	2021	2021
Norway	NOK	1,746.9	1,721.0	7,255.2
Sweden	SEK	2,819.0	2,545.5	11,046.7
Denmark	DKK	1,215.1	1,488.4	4,957.1
Finland	EUR	60.7	57.0	227.5
The Baltics	EUR	29.9	24.7	123.3
Group Shared Services	NOK	2,071.2	1,709.5	7,303.3
Eliminations*	NOK	-2,106.4	-1,720.5	-7,475.2
<b>Atea Group</b>	<b>NOK</b>	<b>6,906.0</b>	<b>7,185.1</b>	<b>28,491.2</b>

EBIT		Q1	Q1	Full year
Local currency in million		2022	2021	2021
Norway	NOK	44.9	50.4	363.2
Sweden	SEK	150.7	117.1	525.1
Denmark	DKK	-11.5	0.2	40.8
Finland	EUR	1.5	2.0	8.5
The Baltics	EUR	1.1	0.9	5.7
Group Shared Services	NOK	6.6	9.5	66.0
Group cost	NOK	-22.2	-32.5	-109.1
<b>Operating profit (EBIT)</b>	<b>NOK</b>	<b>182.7</b>	<b>176.4</b>	<b>1,046.0</b>
Net financial items	NOK	-19.5	-14.4	-103.7
<b>Profit before tax</b>	<b>NOK</b>	<b>163.3</b>	<b>162.0</b>	<b>942.3</b>

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



## NOTE 3

### DISAGGREGATION OF REVENUE (IFRS)

Information about the main revenue streams and the timing of the revenue recognition are described in Note 2- Summary of significant accounting principles – in the Annual report for 2021.

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.

<b>Hardware revenue (IFRS)</b>		<b>Q1</b>	<b>Q1</b>	<b>Full year</b>
<b>Local currency in million</b>		<b>2022</b>	<b>2021</b>	<b>2021</b>
Norway	NOK	1,153.1	1,142.1	4,938.6
Sweden	SEK	1,935.9	1,736.1	7,713.3
Denmark	DKK	852.5	1,154.7	3,529.4
Finland	EUR	50.3	46.1	183.2
The Baltics	EUR	19.1	15.4	80.6
Group Shared Services	NOK	1,875.7	1,569.2	6,706.9
Eliminations*	NOK	-1,882.1	-1,531.6	-6,665.3
<b>Atea Group</b>	<b>NOK</b>	<b>4,809.7</b>	<b>5,166.3</b>	<b>20,212.4</b>

<b>Software revenue (IFRS)</b>		<b>Q1</b>	<b>Q1</b>	<b>Full year</b>
<b>Local currency in million</b>		<b>2022</b>	<b>2021</b>	<b>2021</b>
Norway	NOK	65.0	57.4	241.9
Sweden	SEK	117.8	110.4	445.6
Denmark	DKK	29.5	28.2	124.7
Finland	EUR	1.7	2.2	7.2
The Baltics	EUR	0.2	0.2	1.2
Group Shared Services	NOK	0.8	0.5	2.9
Eliminations*	NOK	0.0	0.0	0.0
<b>Atea Group</b>	<b>NOK</b>	<b>235.4</b>	<b>234.1</b>	<b>946.5</b>

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

## NOTE 3

### DISAGGREGATION OF REVENUE (IFRS) (CONT'D)

Services revenue (IFRS)		Q1	Q1	Full year
Local currency in million		2022	2021	2021
Norway	NOK	528.7	521.6	2,074.7
Sweden	SEK	765.3	698.9	2,887.8
Denmark	DKK	333.1	305.5	1,303.0
Finland	EUR	8.7	8.7	37.1
The Baltics	EUR	10.6	9.0	41.6
Group Shared Services	NOK	194.6	139.7	593.4
Eliminations*	NOK	-224.2	-188.9	-809.9
<b>Atea Group</b>	<b>NOK</b>	<b>1,860.8</b>	<b>1,784.7</b>	<b>7,332.3</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 2022	112,130,609	-608,567	112	-1	546	657
Issue of Share capital**	253,484	-	0	-	23	23
Changes related to own shares ***	-	-419,619	-	0	-	0
<b>At 31 March 2022</b>	<b>112,384,093</b>	<b>-1,028,186</b>	<b>112</b>	<b>-1</b>	<b>569</b>	<b>680</b>

#### Average number of shares outstanding

The average number of shares outstanding during the first quarter of 2022 was 111,645,599. 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 the first quarter of 2022 was 113,102,636. The difference relates to the dilution effect of the Employee Share Option program.

Based on the number of share options outstanding, the strike price of the options, the average share price during the first quarter of 2022, and the remaining vesting period of the options, the dilution impact of the share option program is 1,457,037 shares. This calculation is in accordance with IAS 33 Earnings per Share.

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

\*\*Issue of share capital is related to share options for the Management and selected employees

\*\*\*Related to share options for the Management and selected employees.

The sales price for the shares was NOK 53 million (with remaining NOK 52 million affecting Retained earnings)

The purchase price for the shares was NOK 134 million (with remaining NOK 133 million affecting Retained earnings).

## NOTE 4

### SHARE CAPITAL AND PREMIUM (CONT'D)

31 March 2022	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				111,645,599
<u>Dilution effect of share options</u>				
Total share options				
Fully vested, with adjusted strike price below share price	1,138,453	93	93	527,608
Unvested*, with adjusted strike price below share price	3,245,997	94	103	929,429
Unvested*, with adjusted strike price above share price	2,045,832	141	167	-
All Share options	6,430,282	108	108	1,457,037
Fully diluted EPS calculation**				113,102,636

## NOTE 5

### NET FINANCIAL ITEMS

NOK in million	Q1 2022	Q1 2021	Full year 2021
Interest income	0	4	6
Interest income, subleasing	2	4	6
Other financial income	0	0	3
Total financial income	2	9	14
Interest costs on loans	-10	-6	-38
Interest costs on leases	-13	-13	-52
Interest expenses, subleasing	-2	-4	-6
Foreign exchange effects	6	1	-15
Other financial expenses	-3	-2	-8
Total financial expenses	-21	-23	-118
Total net financial items	-19	-14	-104

\* 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 143 from January 1 - March 31, 2022

## 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 475 million with the European Investment Bank in May 2018. The loan has a term of 5 years, and a rate of interest of NIBOR 6M + 0.99%.

#### 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.

#### 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.

Overview of facilities used:

NOK in million	Available facility	Utilized facility	
	31 Mar 2022	31 Mar 2022	31 Mar 2021
Long-term			
EIB loan	475	475	475
Long-term interest-bearing leasing liabilities*		29	39
Short-term			
Receivables facility	1,100	261	-
Overdraft facility	300	-	-
Money market line	600	-	-
Current interest-bearing leasing liabilities*		10	12
Other		4	7
<b>Total debt</b>		<b>779</b>	<b>532</b>
Securitization - sale of receivables	1,900	1,651	739
<b>Total borrowing utilized</b>		<b>2,430</b>	<b>1,271</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 11 for more information.

## NOTE 7

### TAXES

NOK in million	Q1 2022	Q1 2021	Full year 2021
Profit before tax	163	162	942
Tax payable expenses	-37	-32	-148
Deferred tax asset changes due to tax loss carry forward used	-3	-3	-35
Other deferred tax changes	7	0	3
<b>Total tax expenses</b>	<b>-33</b>	<b>-34</b>	<b>-179</b>
Effective rate	19.9%	21.2%	19.0%

Income tax expense is recognized based on management's estimate of its weighted average tax rate. The estimated effective tax rate during the Q1 of 2022 is 19.9%. Deferred tax changes mainly include tax loss carryforwards used and other deferred tax items which are recognized on the balance sheet during the period.

At the year end of 2021, the tax value of the tax loss carried forward within the Group was NOK 275 million from which NOK 269 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

### RISKS AND UNCERTAINTIES

Reference is made to Board of Directors' report 2021, as included in the 2021 Annual Report. The Board of Directors' report 2021 provides an analysis of risk factors for Atea.

The war in Ukraine does not directly impact Atea's operations. Atea's business is based in the Nordic and Baltic countries. Atea has no employees or operations in Ukraine or Russia. It remains to be seen what the political and

macroeconomic consequences of this crisis will be. So far, the said events have not resulted in any material negative effects on the operations and expectations after the end of the reporting period. For more information how Atea is responding, see [www.atea.com/corporate-responsibility/](http://www.atea.com/corporate-responsibility/)

There are no material changes to these risk factors as of the date of this interim report.

## NOTE 10

### EVENTS AFTER THE BALANCE SHEET DATE

#### Acquisition of Gambit Labs Ab Oy

On April 4, 2022, Atea announced that Atea Finland has acquired Gambit Labs Ab Oy, an IT services provider based in Vaasa, Finland. The acquired business specializes in information management solutions, including data analytics, machine learning and related system development. The parties have agreed that transaction terms shall remain confidential. Gambit Labs had revenue of approximately 4 million Euro in the fiscal year ending March 2022, representing a growth rate of over 50% from the prior year.

#### Sale of mobile service provider business

On April 7, 2022 Atea announced that Atea Norway has entered an agreement to sell its mobile service provider business, to Nortel AS. The sale price was NOK 72.5 million.

Atea Norway will recognize a net positive EBIT impact of NOK 40 million from the sale in Q2 2022, after provisions for seller's guarantees and other liability provisions in Atea Norway.

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

## NOTE 11

### 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 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.

Atea uses the following APMs:

### GROSS SALES AND REVENUE (IFRS)

As stated in Note 1, 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). Atea will continue to report Gross invoiced sales in its financial statements as an APM.

The bridge from Gross sales to revenue (IFRS) is provided below. 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.

Q1 2022						
NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,153	1,835	1,138	500	190	4,810
Software	842	1,577	514	278	18	3,231
Services	550	778	551	88	108	2,045
Gross sales	2,544	4,190	2,203	866	316	10,085
Hardware	1,153	1,835	1,138	500	190	4,810
Software	65	112	39	17	2	235
Services	529	725	445	86	105	1,861
Revenue (IFRS)	1,747	2,672	1,622	603	297	6,906



## NOTE 11

### GROSS SALES AND REVENUE (IFRS) (CONT'D)

#### Q1 2021

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,142	1,761	1,594	473	158	5,166
Software	542	1,359	473	522	50	2,912
Services	564	766	443	100	96	1,920
<b>Gross sales</b>	<b>2,248</b>	<b>3,887</b>	<b>2,509</b>	<b>1,095</b>	<b>305</b>	<b>9,999</b>
Hardware	1,142	1,761	1,594	473	158	5,166
Software	57	112	39	23	3	234
Services	522	709	422	89	93	1,785
<b>Revenue (IFRS)</b>	<b>1,721</b>	<b>2,582</b>	<b>2,054</b>	<b>585</b>	<b>254</b>	<b>7,185</b>

#### Full year 2021

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	4,939	7,728	4,823	1,862	819	20,212
Software	2,694	6,313	2,817	1,180	150	13,127
Services	2,240	3,128	1,977	412	436	7,976
<b>Gross sales</b>	<b>9,872</b>	<b>17,169</b>	<b>9,617</b>	<b>3,454</b>	<b>1,404</b>	<b>41,316</b>
Hardware	4,939	7,728	4,823	1,862	819	20,212
Software	242	446	170	73	12	947
Services	2,075	2,893	1,781	377	423	7,332
<b>Revenue (IFRS)</b>	<b>7,255</b>	<b>11,068</b>	<b>6,774</b>	<b>2,312</b>	<b>1,254</b>	<b>28,491</b>

## NOTE 11

### PRO FORMA ACCOUNTS

Pro forma gross sales, revenue (IFRS) and EBITDA includes gross sales, revenue (IFRS) and EBITDA from companies acquired during 2022 and 2021 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 (IFRS) in constant currency excludes the effect of foreign currency rate fluctuations. Growth in constant currency is translating gross sales and revenue (IFRS) recognized during the current period using exchange rates for the previous period.

NOK in million	Q1 2022	Q1 2021	Full year 2021
Gross sales	10,085	9,999	41,316
Adjustment for acquisitions	-	-	-
Pro forma gross sales	10,085	9,999	41,316
Pro forma gross sales on last year currency	10,493	9,925	42,450
Pro forma growth in constant currency	4.9%		7.5%

NOK in million	Q1 2022	Q1 2021	Full year 2021
Revenue (IFRS)	6,906	7,185	28,491
Adjustment for acquisitions	-	-	-
Pro forma revenue (IFRS)	6,906	7,185	28,491
Pro forma revenue (IFRS) on last year currency	7,180	7,139	29,277
Pro forma growth in constant currency	-0.1%		6.9%

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	Q1 2022	Q1 2021	Full year 2021
EBITDA	330	331	1,660
Adjustment for acquisitions	-	0	-
Pro forma EBITDA	330	331	1,660

### GROSS PROFIT

Gross profit is defined as revenue (IFRS) less cost of sales. The Group's revenue (IFRS) is recognized either gross or net depending on sales streams. 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.

NOK in million	Q1 2022	Q1 2021	Full year 2021
Revenue (IFRS)	6,906	7,185	28,491
Cost of sales	-4,814	-5,101	-20,245
Gross profit	2,092	2,084	8,446

## NOTE 11

### GROSS SALES MARGIN

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

Gross sales and gross sales margin % NOK in million	Q1 2022	Q1 2021	Full year 2021
Gross sales – products	8,040	8,079	33,339
Gross sales – services	2,045	1,920	7,976
<b>Total gross sales</b>	<b>10,085</b>	<b>9,999</b>	<b>41,316</b>
Product gross profit	880	869	3,607
Total services gross profit	1,212	1,214	4,840
<b>Total products and services gross profit</b>	<b>2,092</b>	<b>2,084</b>	<b>8,446</b>
Product margin	10.9%	10.8%	10.8%
Services margin	59.3%	63.2%	60.7%
<b>Gross sales margin %</b>	<b>20.7%</b>	<b>20.8%</b>	<b>20.4%</b>

### OPERATING EXPENSES

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

NOK in million	Q1 2022	Q1 2021	Full year 2021
Payroll and related costs	1,613	1,581	6,130
Other operating costs	149	171	656
Depreciation and amortization	147	155	614
<b>Total operating expenses</b>	<b>1,909</b>	<b>1,908</b>	<b>7,400</b>

## NOTE 11

### 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	Q1 2022	Q1 2021	Full year 2021
Cash flow from operations	-696	-641	1,096
Acquisition of subsidiaries/businesses	-	-	-1
Purchase of PPE and intangible assets	-68	-76	-328
Sale of PPE and intangible assets	1	0	56
Capital expenditures through cash	-67	-76	-273
Free cash flow	-763	-717	824

### 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 recognise 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 Mar 2022	31 Mar 2021	31 Dec 2021
Interest-bearing long-term liabilities	-475	-475	-475
Interest-bearing long-term leasing liabilities	-29	-39	-30
Interest-bearing current liabilities	-265	-7	-8
Interest-bearing current leasing liabilities	-10	-12	-18
Cash and cash equivalents	629	796	1,353
Net financial position	-150	263	822
Long-term ROU assets leasing liabilities	-967	-938	-956
Current ROU assets leasing liabilities	-264	-278	-266
Long-term subleasing liabilities	-53	-62	-53
Short-term subleasing liabilities	-62	-101	-71
Long-term subleasing receivables	53	62	53
Short-term subleasing receivables	62	101	71
Incremental net lease liabilities due to IFRS 16 adoption	-1,231	-1,216	-1,222

## NOTE 11

### LIQUIDITY 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 Mar 2022	31 Mar 2021	31 Dec 2021
Last 12 months pro forma EBITDA	1,658	1,640	1,660
Debt covenant ratio	2.5	2.5	2.5
Net debt limit	4,146	4,099	4,150
Net financial position	-150	263	822
Liquidity reserve	3,996	4,362	4,972
Net debt / pro forma EBITDA	0.1	-0.2	-0.5

### 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 Mar 2022	31 Mar 2021	31 Dec 2021
Inventories	1,491	1,061	1,191
Trade receivables	3,120	3,380	5,189
Other receivables	1,973	1,907	1,916
Trade payables	-4,874	-4,912	-6,574
VAT, taxes and government fees	-725	-847	-1,102
Provisions	-118	-90	-172
Other current liabilities	-1,863	-2,068	-2,450
Working capital	-995	-1,568	-2,003
Securitization effect	1,651	739	1,848
Working capital before securitization	655	-829	-154
Year to date gross sales	10,085	9,999	41,316
Proforma gross sales – last 12 months	41,402	40,459	41,316
Working capital in relation to last 12 months gross sales	-2.4%	-3.9%	-4.8%

## NOTE 11

### 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 Mar 2022	31 Mar 2021	31 Dec 2021
Total assets	13,488	13,593	16,048
Deduct: incremental lease assets due to IFRS 16 adoption			
Right-of-use assets	-1,201	-1,201	-1,200
Long-term subleasing receivables	-53	-62	-53
Short-term subleasing receivables	-62	-101	-71
Adjusted total assets	12,172	12,227	14,724
Equity	3,489	3,492	3,530
Equity ratio	28.7%	28.6%	24.0%



# Q1

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## 2022

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