Q1
2023

Interim Report

Revenue of NOK 8.7 billion, up 25.9% y-o-y

EBIT of NOK 250 million, up 37.0% y-o-y

Net profit of NOK 175 million, up 33.7% y-o-y

Cash flow from operations up NOK 901 million y-o-y

GLOBAL100 2023
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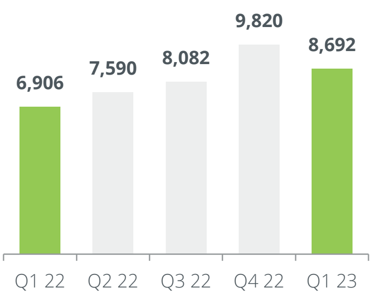
ATEA

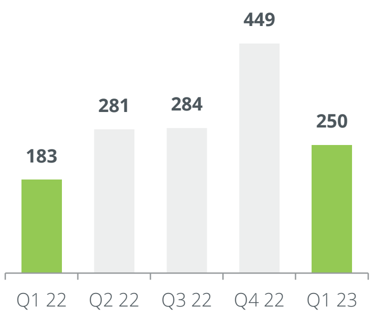
KEY FIGURES* | Q1 | 2023

NOK in million	Q1 2023	Q1 2022	Full year 2022
Gross sales	12,201	10,085	46,664
Revenue	8,692	6,906	32,397
Gross profit	2,508	2,092	9,002
EBIT	250	183	1,196
EBIT margin (%)	2.9%	2.6%	3.7%
Net profit	175	131	848
Earnings per share (NOK)	1.58	1.17	7.62
Diluted earnings per share (NOK)	1.57	1.16	7.55
Cash flow from operations	205	-696	1,030
Free cash flow	132	-763	709

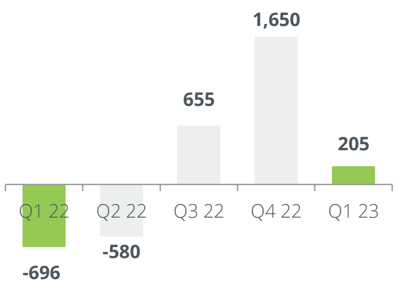
	31 Mar 2023	31 Mar 2022	31 Dec 2022
Net financial position	535	-150	304
Liquidity reserve	5,283	4,000	4,835
Working capital	-1,688	-995	-1,672
Working capital in relation to last 12 months gross sales (%)	-3.5%	-2.4%	-3.6%
Adjusted equity ratio (%)	27.4%	28.7%	22.6%
Number of full-time employees	8,202	7,731	8,073



REVENUE | NOK in million



EBIT | NOK in million



CASH FLOW | NOK in million
FROM OPERATIONS

* Alternative perfomance measures (APM) presented in the key figures table are described in Note 11 of this report.

FINANCIAL REVIEW | Q1 | 2023

GROUP

Atea continued to report very strong revenue growth across all countries and all lines of business in the first quarter of 2023. As a result, profits were up sharply from last year.

Total revenue in Q1 2023 increased by 25.9% to NOK 8,692 million. Organic sales growth in constant currency was 18.9%. Currency fluctuations had a positive impact of 5.5% on revenue growth in Q1 2023.

Hardware revenue grew by 27.8% from last year, driven by higher sales of data center equipment and networking solutions. Sales volumes were impacted by higher demand and by an easing of supply constraints from last year.

Software revenue grew by 37.8%, due to higher sales of cloud subscriptions to the private sector. Software revenue growth was very strong in Norway, Denmark and Baltics.

Services revenue was up 19.3%, with double-digit growth across all geographies. Growth was highest in the consulting business, an area in which Atea has made significant investments during the past year.

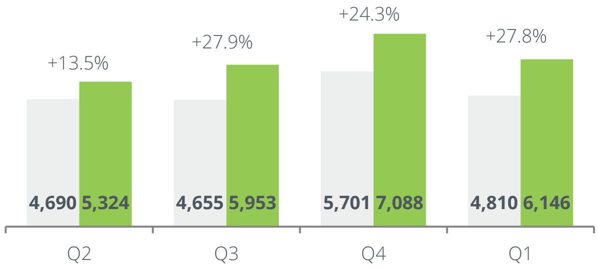
Gross profit grew by 19.9% to NOK 2,508 million. Gross margin fell from 30.3% to 28.9%, due to a shift in the sales mix to product resale and due to cost inflation. Gross margin has improved sequentially from Q3 and Q4 2022, as pricing schedules are updated to reflect higher costs.

Total operating expenses increased by 18.2% from last year to NOK 2,257 million. Adjusted for currency movements, operating expenses increased by 12.0% compared with last year. Growth in operating expenses was mostly due to an increase in the average number of full-time employees by 467 (6.1%), and by higher salary and overhead costs.

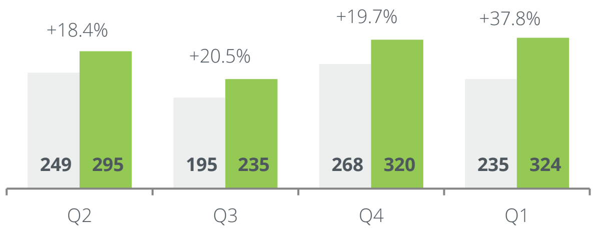
Based on high growth in revenue, EBIT in the first quarter of 2023 increased by 37.0% to a record high of NOK 250 million. The EBIT margin was 2.9%, up from 2.6% last year.

Net financial items were an expense of NOK 26 million, up from an expense of NOK 19 million last year due to higher interest costs. See Note 5 for more information.

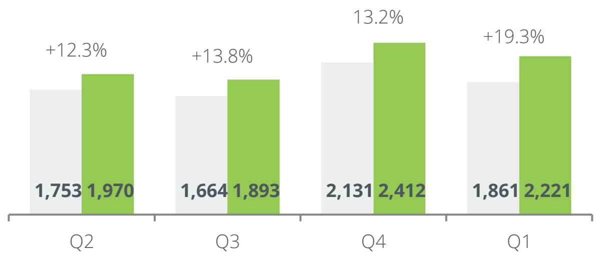
Profit before tax increased by 37.2% compared with last year, to NOK 224 million. Net profit after tax was NOK 175 million, up from NOK 131 million in Q1 last year.



HARDWARE REVENUE AND GROWTH | NOK in million



SOFTWARE REVENUE AND GROWTH | NOK in million



SERVICES REVENUE AND GROWTH | NOK in million

FINANCIAL REVIEW | Q1 | 2023

NORWAY

NOK in million	Q1 2023	Q1 2022	Change %
Products revenue	1,288	1,218	5.8%
Services revenue	586	529	10.9%
Total revenue	1,875	1,747	7.3%
Gross profit	666	603	10.4%
Gross margin %	*35.5%*	*34.5%*	*1.0%*
OPEX	611	558	9.4%
EBIT	55	45	22.9%
EBIT %	*2.9%*	*2.6%*	*0.4%*

Atea Norway reported strong growth in EBIT in the first quarter of 2023, based on higher demand for software and services.

Revenue in Q1 2023 was NOK 1,875 million, an increase of 7.3% from last year. Hardware revenue grew by 3.9% from last year, mainly due to higher sales of network solutions. Software revenue increased by 37.8%, driven by very strong sales of cloud subscriptions. Services revenue was up 10.9%, with higher demand for both consulting services and managed service agreements.

Gross profit was NOK 666 million, up 10.4% from last year. Gross margin increased to 35.5% in Q1 2023, up from 34.5% last year, due to a higher proportion of services in the revenue mix.

Total operating expenses were NOK 611 million, an increase of 9.4% from last year, driven primarily by higher salary costs. The average number of full-time employees grew by 36 (2.1%) from Q1 last year.

Based on strong sales performance and relatively low growth in operating expenses, EBIT in the first quarter of 2023 grew by 22.9% to NOK 55 million. The EBIT margin was 2.9%, up from 2.6% last year.

FINANCIAL REVIEW | Q1 | 2023

SWEDEN

SEK in million	Q1 2023	Q1 2022	Change %
Products revenue	2,391	2,054	16.4%
Services revenue	843	765	10.1%
Total revenue	3,234	2,819	14.7%
Gross profit	945	848	11.4%
Gross margin %	*29.2%*	*30.1%*	*-0.9%*
OPEX	772	697	10.6%
EBIT	173	151	14.8%
EBIT %	*5.3%*	*5.3%*	*0.0%*

Atea Sweden reported record-high revenue and EBIT in the first quarter of 2023, driven by strong growth across all lines of business.

Revenue in Q1 2023 was SEK 3,234 million, an increase of 14.7% from last year. Organic growth was 14.2%, with the remaining growth coming from the acquired operations of Human IT in September 2022.

Hardware revenue was up 16.5%, driven by high deliveries of network and security solutions to the public sector. Software revenue grew by 15.1%, based on higher demand from the private sector. Services revenue increased by 10.1%, with strong growth in the consulting business.

Gross profit was SEK 945 million, up 11.4% from last year. Total gross margin was 29.2% in Q1 2023, slightly below last year, due to a shift in the revenue mix toward product resale.

Total operating expenses were SEK 772 million, up 10.6% from last year, mainly due to growth in the workforce. The average number of full-time employees grew by 178 (7.0%) from Q1 last year.

Based on higher sales, EBIT grew by 14.8% to a record high SEK 173 million in Q1 2023. The EBIT margin was 5.3%, in line with last year.

FINANCIAL REVIEW | Q1 | 2023

DENMARK

DKK in million	Q1 2023	Q1 2022	Change %
Products revenue	1,183	882	34.1%
Services revenue	383	333	14.9%
Total revenue	1,565	1,215	28.8%
Gross profit	357	301	18.3%
Gross margin %	*22.8%*	*24.8%*	*-2.0%*
OPEX	347	313	10.8%
EBIT	10	-12	N/A
EBIT %	*0.6%*	*-0.9%*	*N/A*

Atea Denmark reported solid progress in its turnaround during the first quarter of 2023, with strong growth across all lines of business.

Revenue in Q1 2023 was DKK 1,565 million, an increase of 28.8% from last year. Hardware revenue grew by 33.3% from last year, driven by higher shipments of data center and networking solutions to the public sector. Software revenue was up 57.4%, with increased demand from the private sector. Services revenue increased by 14.9%, based on new managed service contracts and higher sales of third-party consulting services.

Gross profit was DKK 357 million, an increase of 18.3% from last year. Total gross margin was 22.8% in Q1 2023, compared with 24.8% last year, due to a lower proportion of services in the revenue mix.

Total operating expenses grew by 10.8% to DKK 347 million. The increase was due to higher personnel costs in the services business. The average number of full-time employees increased by 90 (6.4%) from last year.

Based on rapid sales growth, EBIT in Q1 2023 increased to DKK 10 million, compared with an operating loss of DKK 12 million last year. Atea Denmark's EBIT in Q1 2023 represents its highest operating profit in a first quarter since 2016.

FINANCIAL REVIEW | Q1 | 2023

FINLAND

EUR in million	Q1 2023	Q1 2022	Change %
Products revenue	76.9	52.0	47.9%
Services revenue	11.6	8.7	33.1%
Total revenue	88.5	60.7	45.8%
Gross profit	16.8	13.3	26.8%
Gross margin %	*19.0%*	*21.9%*	*-2.9%*
OPEX	14.7	11.8	24.1%
EBIT	2.2	1.5	48.5%
EBIT %	*2.5%*	*2.4%*	*0.0%*

Atea Finland reported another quarter of exceptionally high revenue and profit growth in Q1 2023.

Total revenue in Finland increased by 45.8% to EUR 88.5 million. Organic growth was 42.9%, with the remaining growth coming from the acquisition of Gambit Group in April 2022.

Hardware revenue grew by 49.0%, driven by high deliveries of PCs under new public sector frame agreements. Sales of datacenter and networking equipment were also strong. Software revenue increased by 13.3%, based on higher demand for cloud solutions from the private sector. Services revenue was up 33.1%, based on rapid growth in the consulting business, including the acquisition of Gambit.

Gross profit increased by 26.8% from last year to EUR 16.8 million. Gross margin was 19.0% in Q1 2023, down from 21.9% last year, due to a higher proportion of product resale in the revenue mix and due to pressure on hardware margins.

Total operating expenses grew by 24.1% to EUR 14.7 million in Q1 2023, mainly due to an increase in the workforce. The average number of full-time employees grew by 88 (19.5%) from Q1 last year, including 50 full-time employees from the acquisition of Gambit Group.

Based on strong sales performance, EBIT for the first quarter grew by 48.5% to a record high EUR 2.2 million. The EBIT margin was 2.5%, in line with last year.

FINANCIAL REVIEW | Q1 | 2023

THE BALTICS

EUR in million	Q1 2023	Q1 2022	Change %
Products revenue	20.3	19.3	5.3%
Services revenue	12.5	10.6	17.9%
Total revenue	32.8	29.9	9.7%
Gross profit	11.3	9.4	19.9%
Gross margin %	*34.4%*	*31.5%*	*2.9%*
OPEX	10.0	8.3	21.1%
EBIT	1.3	1.1	11.1%
EBIT %	*3.8%*	*3.8%*	*0.0%*

Atea Baltics reported higher revenue and EBIT during the first quarter of 2023, based on increased demand for software and services.

Total revenue grew by 9.7% from last year to EUR 32.8 million. Hardware revenue was on the same level as last year. Software revenue grew to EUR 1.1 million, compared with EUR 0.2 million last year, mainly due to large public sector agreements in Lithuania and Estonia. Services revenue increased by 17.9%, with solid growth in managed service agreements and third-party consulting services.

Gross profit increased by 19.9% from last year to EUR 11.3 million. Gross margin was 34.4% in Q1 2023, up from 31.5% last year, mostly due to a higher proportion of services in the revenue mix.

Total operating expenses were EUR 10.0 million in Q1 2023, an increase of 21.1% from last year. Growth in operating expenses was primarily due to an increase in the workforce and salary inflation in the Baltic labor markets. The average number of full-time employees increased by 33 (4.8%) from Q1 last year.

EBIT for the first quarter of 2023 grew by 11.1% to a record high EUR 1.3 million. The EBIT margin was 3.8%, in line with last year.

BALANCE SHEET

As of 31 March 2023, Atea had total assets of NOK 16,836 million. Current assets such as cash, receivables and inventory represented NOK 9,740 million of this total. Non-current assets represented NOK 7,096 million of this total, and primarily consisted of goodwill (NOK 4,367 million), property, plant and equipment (NOK 553 million), right-of-use leased assets (NOK 1,296 million) and deferred tax assets (NOK 211 million).

Atea had total liabilities of NOK 12,622 million, and shareholders' equity of NOK 4,214 million as of 31 March 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 Q1 2023 was 27.4%.

Atea's net financial position was cash positive of NOK 535 million at the end of Q1 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 - 0.3x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 5,283 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. At the end of Q1 2023, Atea had sold receivables of NOK 1,849 million under the securitization program, compared with NOK 1,651 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 NOK 205 million in the first quarter of 2023, compared with an outflow of NOK 696 million last year. Cash from operations in Q1 2023 was significantly better than last year due to a stable inventory balance and due to increased collection of receivables compared with last year.

Cash flow from investing activities was an outflow of NOK 73 million in Q1 2023, all of which was capital expenditure. This compares with an outflow of NOK 67 million in Q1 last year, as Atea had higher investments in its data centers and in workplace equipment.

Cash flow from financing activities was an outflow of NOK 179 million in Q1 2023, up from an inflow of NOK 131 million last year. The difference was based on a reduction in the utilization of revolving credit lines during the quarter. See additional information on Atea's debt balances in Note 6 of this report.

SHARES

Atea had 8,319 shareholders on 31 March 2023 compared with 8,212 shareholders on 31 March 2022.

The 10 largest shareholders as of 31 March 2023 were:

Main Shareholders*	**Shares**	**%**
Systemintegration APS **	31,251,063	27.8%
Folketrygdfondet	7,946,034	7.1%
State Street Bank and Trust Co. ***	6,382,633	5.7%
State Street Bank and Trust Co. ***	3,784,381	3.4%
Verdipapirfond Odin Norden	3,656,029	3.3%
RBC Investor Services Trust ***	3,066,073	2.7%
State Street Bank and Trust Co. ***	2,871,538	2.6%
State Street Bank and Trust Co. ***	2,364,354	2.1%
Verdipapirfond Odin Norge	2,191,692	2.0%
Atea ASA	1,651,205	1.5%
Other	47,219,091	42.0%
Total number of shares	112,384,093	100.0%

* Source: Verdipapirsentralen
** Includes shares held by Ib Kunøe
*** Includes client nominee accounts

As of 31 March 2023, Atea's Chairman Ib Kunøe and close associates controlled a total of 28.4% of the shares, including the shares held by Systemintegration APS.

As of 31 March 2023, Atea's senior management team held 367,281 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. According to preliminary estimates from IDC* , the market for IT infrastructure and related services grew by approximately 8% during the last three 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. The company has averaged an organic revenue growth rate of approximately 10% during the last three years.

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.

* 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 at https://www.atea.com/esg-overview/, together with other material ESG data. The report contains information and progress updates regarding Atea's 10-year plan for driving its sustainability agenda.

In Q1 2023, Atea was recognized as a Supplier Engagement Leader by the CDP, a non-profit organization that runs the world's leading environmental disclosure platform, for our efforts to measure and reduce climate risk within our supply chain. Atea was also 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 51st in 2022 to 49th in 2023, placing Atea 1st in our industry (IT Services).

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 third consecutive year: a platinum-level ranking, placing Atea among the top 1% of more than 100,000 companies evaluated globally.
- Atea earned an A- rating in CDP's annual climate change questionnaire, widely recognized as the gold standard of corporate environmental transparency. This places Atea in the Leadership Band among global companies analyzed by the CDP.
- Atea maintained "Prime" (highest) status by ISS ESG, one of the world's leading rating agencies in the field of sustainable investment.
- Atea received an ESG Risk Rating of 17.8 from Sustainalytics, a leading independent ESG research, ratings and data firm, and was assessed to be at LOW risk of experiencing material financial impacts from ESG factors.
- Atea 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.
- 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.

BUSINESS OVERVIEW

MARKET TRENDS

The market for IT infrastructure has been very strong in the Nordic and Baltic regions during the past year, despite an uncertain macroeconomic outlook.

Customer demand for IT infrastructure has historically been resilient during economic downturns. Organizations have become dependent on their IT infrastructure as their operations become increasingly digital. This means that customers require a continued level of IT spending simply to maintain a stable operation of their IT environments.

At the same time, organizations seek to reduce operating costs during economic downturns. This often leads to investment in new, labor-saving IT solutions, which further drives spending on IT infrastructure.

The following factors have led to a particularly robust growth in the market for IT infrastructure in the past year:

Acceleration of digital transformation

The COVID pandemic changed how organizations function, as social distancing requirements and travel restrictions required employees to work from remote locations for a prolonged period. This has accelerated the digital transformation of the workplace.

During the COVID pandemic, organizations were forced to implement IT solutions so that their employees could interact and transact digitally with their customers, vendors and other stakeholders. This stimulated innovation and investment in information technology to transform business processes and automate operations. Even after the end of pandemic restrictions, this acceleration in the digital transformation trend has continued.

Return to the workplace

Many organizations postponed on-premise IT investments during the COVID pandemic, as access to most offices was restricted. As employees have returned to the workplace during the past year, there has been a major need to upgrade or replace older IT infrastructure.

In addition, many changes in work patterns from the COVID pandemic have persisted and are impacting the return to the workplace, driving increased demand for IT.

Based on practices established during the pandemic, organizations are continuing to expand their use of digital communications as a substitute for travel and physical meetings, and are making a transition to a hybrid model of remote and on-premise work. In particular, this drives investment in digital collaboration tools and video meeting rooms, as well as network upgrades to facilitate their use at the workplace.

Easing of supply constraints

The electronics industry faced production and logistics constraints during the COVID pandemic, resulting in long and uncertain lead times for delivery to customers. The supply constraints eased greatly during the past year as semiconductor fabricator capacity has expanded and as consumer demand for electronics has fallen.

As supply constraints have eased, this has enabled higher shipments of IT hardware to customers. In nearly all hardware categories, delivery times have normalized. Within networking equipment, delivery times remain longer than normal but have greatly improved in recent months, allowing Atea to deliver high volumes of networking equipment.

Price inflation

A combination of high demand, supply disruption, and cost growth has driven price inflation across the global economy, including within the IT sector. This price inflation is also reflected in higher market growth rates.

In Norway, the consumer price index grew by 6.5% during the last twelve months through March 2023 according to government statistics. Atea estimates that this is approximately consistent with the general cost inflation for IT infrastructure products and services during this period.

In most cases, Atea can quickly adjust its prices to compensate for cost inflation and maintain a stable margin. In some cases, there will be temporary delays in Atea's ability to pass on higher costs to its customers, based on the structure of customer agreements. These temporary delays were a factor behind the decline in Atea's hardware margin during the first quarter.

BUSINESS OVERVIEW

BUSINESS OUTLOOK

As the Nordic IT infrastructure market continues to expand, Atea is very well-positioned for continued growth in revenue and profitability.

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.

Atea has a solid base of long-term customers, with about 65% of its sales to the public sector and a majority of its remaining revenue from large corporations. These organizations are highly dependent on their IT infrastructure and have a strong financial position to continue to invest in information technology throughout the economic cycle.

Atea expects sales growth rates to remain strong in 2023, but to transition to a longer-term trend during the course of the year. The company's revenue forecast is supported by a high order backlog of nearly NOK 5.5 billion at the end of Q1 2023.

Atea's forecast is based on an assumption that price inflation will ease during the coming year. An easing of inflation would contribute to lower reported growth in sales and operating costs in 2023 but would be supportive of higher gross margins and EBIT margins.

During 2022, Atea added over 400 employees to support its growth plans, primarily within the services business. Atea is a highly attractive employer in the Nordic IT market, based on its work culture, customer engagement, and partnership with leading IT companies. As a result, Atea has been able to recruit employees in a tight labor market for IT professionals.

The company plans to slow its rate of hiring in 2023 and take active measures to enhance productivity. 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 in higher margin products and services, and tight control of operating expenses.

CONDENSED FINANCIAL INFORMATION

FOR THE 3 MONTHS ENDED 31 MARCH 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK in million	Note	Q1 2023	Q1 2022	Full year 2022
Revenue	2,3,8,11	8,692	6,906	32,397
Cost of sales	11	-6,184	-4,814	-23,395
Gross profit		2,508	2,092	9,002
Payroll and related costs		-1,870	-1,613	-6,540
Other operating costs	11	-220	-149	-651
EBITDA	11	418	330	1,811
Depreciation and amortization		-168	-147	-615
Operating profit (EBIT)	2	250	183	1,196
Net financial items	5	-26	-19	-112
Profit before tax		224	163	1,084
Tax	7	-49	-33	-235
Profit for the period		175	131	848
Earnings per share				
- earnings per share (NOK)	4	1.58	1.17	7.62
- diluted earnings per share (NOK)	4	1.57	1.16	7.55

Profit for the period		175	131	848
Currency translation differences		310	-120	73
Items that may be reclassified subsequently to profit or loss		310	-120	73
Other comprehensive income		310	-120	73
Total comprehensive income for the period		485	10	922
Total comprehensive income for the period attributable to:				
Shareholders of Atea ASA		485	10	922

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK in million	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Property, plant and equipment		553	466	541
Right-of-use assets		1,296	1,201	1,253
Deferred tax assets	7	211	278	207
Goodwill		4,367	3,858	4,132
Other intangible assets		501	332	452
Other long-term receivables		168	72	135
Non-current assets		7,096	6,208	6,719
Inventories		1,266	1,491	1,198
Trade receivables		4,676	3,120	6,701
Other receivables		2,746	2,040	2,318
Cash and cash equivalents		1,053	629	922
Current assets		9,740	7,281	11,138
Total assets		16,836	13,488	17,858
EQUITY AND LIABILITIES				
Share capital and premium	4	680	680	680
Other reserves		1,828	1,324	1,518
Retained earnings		1,707	1,486	1,531
Equity		4,214	3,489	3,728
Interest-bearing long-term liabilities	6	-	475	-
Long-term leasing liabilities		1,110	1,050	1,055
Other long-term liabilities		148	144	116
Deferred tax liabilities		155	135	145
Non-current liabilities		1,413	1,803	1,316
Trade payables		6,999	4,874	8,100
Interest-bearing current liabilities	6	484	265	586
Current leasing liabilities		411	337	363
Tax payable		71	50	265
Provisions		45	118	50
Other current liabilities		3,199	2,552	3,449
Current liabilities		11,208	8,196	12,813
Total liabilities		12,622	9,999	14,129
Total equity and liabilities		16,836	13,488	17,858

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK in million	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
Equity at start of period - 1 January		3,728	3,530	3,507
Currency translation differences		310	-120	73
Other comprehensive income		310	-120	73
Profit for the period		175	131	848
Total recognised income for the year		485	10	922
Employee share-option schemes		1	7	54
Dividend		-	-	-612
Changes related to own shares	4	0	-81	-166
Issue of share capital	4	-	23	23
Equity at end of period		4,214	3,489	3,728

CONSOLIDATED STATEMENT OF CASH FLOW

NOK in million	Q1 2023	Q1 2022	Full year 2022
Profit before tax	224	163	1,084
Adjusted for:			
Depreciation and amortisation	168	147	615
Share based compensation	12	7	53
Gains/Losses on disposals of PPE and intangible asset	0	0	-72
Net interest expenses	43	23	133
Taxes paid	-82	-95	-240
Net interest paid	-43	-20	-133
Cash earnings	321	224	1,439
Change in trade receivables	2,407	1,923	-1,537
Change in inventories	14	-340	-10
Change in trade payables	-1,541	-1,545	1,510
Other changes in working capital	-996	-959	-372
Cash flow from operating activities	205	-696	1,030
Purchase of PPE and intangible assets	-73	-68	-397
Sale of PPE and intangible assets	0	1	76
Acquisition of subsidiaries/businesses	-	-	-119
Cash flow from investing activities	-73	-67	-441
Dividend paid	-	-	-612
Payment from changes in treasury shares	0	-81	-170
Proceeds from new shares issue	-	23	23
Payments of lease liabilities	-82	-78	-315
Change in debt	-97	267	85
Cash flow from financing activities	-179	131	-989
Net cash flow	-47	-632	-400
Cash and cash equivalents at the start of the period	922	1,353	1,353
Foreign exchange effect on cash held in a foreign currency	179	-92	-31
Cash and cash equivalents at the end of the period	1,053	629	922

NOTE 1

GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for the three months ending 31 March 2023 were approved for publication by the Board of Directors on 26 April 2023. 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 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.

NOK

Revenue NOK in million	Q1 2023	Q1 2022	Full year 2022
Norway	1,874.7	1,746.9	8,051.9
Sweden	3,171.3	2,672.4	12,663.2
Denmark	2,310.0	1,622.0	7,237.1
Finland	971.9	602.9	3,059.0
The Baltics	360.4	297.0	1,452.4
Group Shared Services	2,081.0	2,071.2	8,790.9
Eliminations*	-2,077.8	-2,106.4	-8,857.2
Atea Group	8,691.6	6,906.0	32,397.2

*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

EBIT NOK in million	Q1 2023	Q1 2022	Full year 2022
Norway	55.2	44.9	387.1
Sweden	169.6	142.9	596.4
Denmark	14.4	-15.4	95.4
Finland	24.0	14.6	108.8
The Baltics	13.9	11.3	63.5
Group Shared Services	6.9	6.6	58.9
Group cost	-33.7	-22.2	-114.0
Operating profit (EBIT)	250.3	182.7	1,196.2
Net financial items	-26.2	-19.5	-112.3
Profit before tax	224.0	163.3	1,083.9

Quarterly revenue and gross profit NOK in million	Q1 2023	Q1 2022	Full year 2022
Product revenue	6,470.9	5,045.1	24,262.1
Services revenue	2,220.8	1,860.8	8,135.0
Total revenue	8,691.6	6,906.0	32,397.2
Gross profit	2,507.5	2,091.7	9,002.2

Quarterly revenue and gross profit NOK in million	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Product revenue	6,470.9	7,408.3	6,188.9	5,619.8	5,045.1
Services revenue	2,220.8	2,411.5	1,892.7	1,969.9	1,860.8
Total revenue	8,691.6	9,819.8	8,081.7	7,589.8	6,906.0
Gross profit	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**		**Q1** **2023**	**Q1** **2022**	**Full year** **2022**
Norway	NOK	1,874.7	1,746.9	8,051.9
Sweden	SEK	3,233.7	2,819.0	13,321.3
Denmark	DKK	1,565.3	1,215.1	5,329.6
Finland	EUR	88.5	60.7	302.8
The Baltics	EUR	32.8	29.9	143.8
Group Shared Services	NOK	2,081.0	2,071.2	8,790.9
Eliminations*	NOK	-2,077.8	-2,106.4	-8,857.2
Atea Group	NOK	8,691.6	6,906.0	32,397.2

EBIT **Local currency in million**		**Q1** **2023**	**Q1** **2022**	**Full year** **2022**
Norway	NOK	55.2	44.9	387.1
Sweden	SEK	173.0	150.7	627.4
Denmark	DKK	9.7	-11.5	70.2
Finland	EUR	2.2	1.5	10.8
The Baltics	EUR	1.3	1.1	6.3
Group Shared Services	NOK	6.9	6.6	58.9
Group cost	NOK	-33.7	-22.2	-114.0
Operating profit (EBIT)	NOK	250.3	182.7	1,196.2
Net financial items	NOK	-26.2	-19.5	-112.3
Profit before tax	NOK	224.0	163.3	1,083.9

*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

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		Q1 2023	Q1 2022	Full year 2022
Norway	NOK	1,198.6	1,153.1	5,599.9
Sweden	SEK	2,255.3	1,935.9	9,506.8
Denmark	DKK	1,136.1	852.5	3,669.4
Finland	EUR	75.0	50.3	252.5
The Baltics	EUR	19.3	19.1	95.7
Group Shared Services	NOK	1,841.4	1,875.7	7,952.2
Eliminations*	NOK	-1,817.7	-1,882.1	-7,913.7
Atea Group	NOK	6,146.4	4,809.7	23,175.6

Software revenue Local currency in million		Q1 2023	Q1 2022	Full year 2022
Norway	NOK	89.6	65.0	312.3
Sweden	SEK	135.7	117.8	500.4
Denmark	DKK	46.4	29.5	143.1
Finland	EUR	1.9	1.7	8.6
The Baltics	EUR	1.1	0.2	1.3
Group Shared Services	NOK	1.3	0.8	4.3
Eliminations*	NOK	0.1	1.2	2.9
Atea Group	NOK	324.4	235.4	1,086.6

*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 (CONT'D)

Services revenue Local currency in million		Q1 2023	Q1 2022	Full year 2022
Norway	NOK	586.5	528.7	2,139.6
Sweden	SEK	842.8	765.3	3,314.1
Denmark	DKK	382.8	333.1	1,517.1
Finland	EUR	11.6	8.7	41.7
The Baltics	EUR	12.5	10.6	46.8
Group Shared Services	NOK	238.3	194.6	834.4
Eliminations*	NOK	-260.1	-225.5	-946.5
Atea Group	NOK	2,220.8	1,860.8	8,135.0

NOTE 4

SHARE CAPITAL AND PREMIUM

NOK in million,	Number of shares		Share capital			
except number of shares	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		135,679		0		0
At 31 March 2023	112,384,093	-1,650,819	112	-2	569	680

Changes related to own shares

This is related to share options for the Management and selected employees. From 2023, employees of the Atea group have entered into an agreement with Atea to convert stock options into the right to receive shares in the Company of an equivalent value. After withholding of employment taxes, employees received rights to shares in Atea ASA. Atea has transferred 130,846 of its own shares to fulfill the company's obligations to provide these shares. In addition, total of 4,833 stock options were exercised under the original agreements. Atea has transferred 4,833 of its own shares to fulfill the Company's obligations under these employee stock option agreements. The payment price for these shares was NOK 93 per share.

Average number of shares outstanding

The average number of shares outstanding during the first quarter of 2023 was 110,671,465. 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 2023 was 111,520,718. 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 2023, and the remaining vesting period of the options, the dilution impact of the share option program is 849,254 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

NOTE 4

SHARE CAPITAL AND PREMIUM (CONT'D)

31 Mar 2023	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				110,671,465
Dilution effect of share options				
Total share options				
Fully vested, with adjusted strike price below share price	1,399,877	92	92	402,200
Unvested*, with adjusted strike price below share price	1,701,832	82	87	447,053
Unvested*, with adjusted strike price above share price	6,466,496	118	143	-
All Share options	9,568,205	108	108	849,254
Fully diluted EPS calculation**				111,520,718

NOTE 5

NET FINANCIAL ITEMS

NOK in million	Q1 2023	Q1 2022	Full year 2022
Interest income	5	2	7
Other financial income	-1	0	1
Total financial income	4	2	8
Interest costs on loans	-30	-10	-78
Interest expense, leasing	-18	-15	-61
Foreign exchange effects	18	6	30
Other financial expenses	-1	-3	-11
Total financial expenses	-31	-21	-121
Total net financial items	-26	-19	-112

* 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 117 from January 1 – March 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 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%. In Q3 2022, the loan was reclassified as short-term loan.

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:

	Available facility	Utilized facility	
NOK in million	**31 Mar 2023**	**31 Mar 2023**	**31 Mar 2022**
Long-term			
EIB loan		-	475
Long-term interest-bearing leasing liabilities*		25	29
Short-term			
Receivables facility	1,100	-	261
Overdraft facility	300	-	-
Money market line	600	-	-
EIB loan	475	475	-
Current interest-bearing leasing liabilities*		9	10
Other		9	4
Total debt		518	779
Securitization - sale of receivables	1,900	1,849	1,651
Total borrowing utilized		2,367	2,430

* 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 2023	Q1 2022	Full year 2022
Profit before tax	224	163	1,084
Tax payable expenses	-52	-37	-185
Deferred tax asset changes due to tax loss carry forward used	-4	-3	-51
Other deferred tax changes	6	7	0
Total tax expenses	-49	-33	-235
Effective rate	22.0%	19.9%	21.7%

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 2023 is 22.0%. 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 2022, the tax value of the tax loss carried forward within the Group was NOK 226 million from which NOK 218 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

DIVIDEND

On February 8, 2023, the Board of Atea ASA resolved to propose a dividend of NOK 6.25 per share at the next Annual General Meeting to be held on April 27, 2023. The dividend will be split into two equal payments of NOK 3.125 which will take place in May and November 2023. For Norwegian tax purposes, the dividend shall be considered as repayment of paid-in capital. Further details on the dividend payment are provided in the Notice to the Annual General Meeting.

NOTE 10

EVENTS AFTER THE BALANCE SHEET DATE

On April 26, Atea ASA entered into a new loan agreement for EUR 50,000,000 with the European Investment Bank. Atea will draw the loan in a single tranche during May. The loan is unsecured and must be repaid within a term of six years. The final rate of interest will be determined on the disbursement date.

The European Investment Bank is the world's largest multilateral lender and is owned by the European Union Member States. The EIB supports projects that promote the priorities and objectives of the European Union. These objectives include Climate and Environmental Sustainability and Innovation, Digital and Human Capital.

This is the second loan Atea has received from the European Investment Bank. The first loan was entered in May 2018 and will mature in May 2023. Proceeds of the new loan will be used to finance expansion and innovation within Atea's cloud computing offering, enhancements to the company's IT platforms, and investments in Atea's logistics center and IT recycling facility.

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 ESMAs 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

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 https://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.

Q1 2023

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,199	2,212	1,677	824	212	6,146
Software	885	1,733	761	261	137	3,717
Services	611	881	584	135	147	2,337
Gross sales	2,694	4,825	3,022	1,220	496	12,201
Hardware IFRS 15 adjustments	0	0	0	0	0	0
Software IFRS 15 adjustments	795	1,599	692	240	125	3,393
Services IFRS 15 adjustments	24	54	19	8	10	116
Total IFRS 15 adjustments	820	1,654	712	248	135	3,509
Hardware	1,199	2,212	1,677	824	212	6,146
Software	90	133	68	21	12	324
Services	586	827	565	127	137	2,221
Revenue	1,875	3,171	2,310	972	360	8,692

NOTE 11

GROSS SALES AND REVENUE (CONT'D)

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 IFRS 15 adjustments	0	0	0	0	0	0
Software IFRS 15 adjustments	777	1,465	475	261	16	2,995
Services IFRS 15 adjustments	21	53	106	2	3	184
Total IFRS 15 adjustments	797	1,518	581	263	19	3,179
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	1,747	2,672	1,622	603	297	6,906

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
Gross sales	11,362	19,472	10,214	3,989	1,605	46,664
Hardware IFRS 15 adjustments	0	0	0	0	0	0
Software IFRS 15 adjustments	3,188	6,618	2,777	899	125	13,696
Services IFRS 15 adjustments	122	190	200	31	27	571
Total IFRS 15 adjustments	3,310	6,809	2,977	930	153	14,266
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
Revenue	8,052	12,663	7,237	3,059	1,452	32,397

NOTE 11

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	Q1 2023	Q1 2022	Full year 2022
Gross sales	12,201	10,085	46,664
Adjustment for acquisitions	-	25	46
Pro forma gross sales	12,201	10,109	46,709
Pro forma gross sales on last year currency	11,587	10,519	47,861
Pro forma growth in constant currency	14.6%		15.6%

NOK in million	Q1 2023	Q1 2022	Full year 2022
Revenue	8,692	6,906	32,397
Adjustment for acquisitions	-	25	46
Pro forma revenue	8,692	6,931	32,443
Pro forma revenue on last year currency	8,238	7,204	33,202
Pro forma growth in constant currency	18.9%		16.2%

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 2023	Q1 2022	Full year 2022
EBITDA	418	330	1,811
Adjustment for acquisitions	-	1	1
Pro forma EBITDA	418	331	1,812

GROSS PROFIT

Gross profit is defined as revenue less cost of sales. The Group's revenue 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 2023	Q1 2022	Full year 2022
Revenue	8,692	6,906	32,397
Cost of sales	-6,184	-4,814	-23,395
Gross profit	2,508	2,092	9,002

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 2023	Q1 2022	Full year 2022
Gross sales – products	9,864	8,040	37,958
Gross sales – services	2,337	2,045	8,706
Total gross sales	12,201	10,085	46,664
Product gross profit	1,085	880	4,029
Total services gross profit	1,423	1,212	4,973
Total products and services gross profit	2,508	2,092	9,002
Product margin	11.0%	10.9%	10.6%
Services margin	60.9%	59.3%	57.1%
Gross sales margin %	20.6%	20.7%	19.3%

OPERATING EXPENSES

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

NOK in million	Q1 2023	Q1 2022	Full year 2022
Payroll and related costs	1,870	1,613	6,540
Other operating costs	220	149	651
Depreciation and amortization	168	147	615
Total operating expenses	2,257	1,909	7,806

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 2023	Q1 2022	Full year 2022
Cash flow from operations	205	-696	1,030
Purchase of PPE and intangible assets	-73	-68	-397
Sale of PPE and intangible assets	0	1	76
Capital expenditures through cash	-73	-67	-322
Free cash flow	132	-763	709

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 Mar 2023	31 Mar 2022	31 Dec 2022
Interest-bearing long-term liabilities	-	-475	-
Interest-bearing long-term leasing liabilities	-25	-29	-24
Interest-bearing current liabilities	-484	-265	-586
Interest-bearing current leasing liabilities	-9	-10	-7
Cash and cash equivalents	1,053	629	922
Net financial position	535	-150	304
Long-term ROU assets leasing liabilities	-1,021	-967	-994
Current ROU assets leasing liabilities	-334	-264	-310
Incremental net lease liabilities due to IFRS 16 adoption	-1,356	-1,231	-1,304

NOTE 11

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 Mar 2023	31 Mar 2022	31 Dec 2022
Last 12 months pro forma EBITDA	1,899	1,660	1,812
Debt covenant ratio	2.5	2.5	2.5
Net debt limit	4,748	4,150	4,531
Net financial position	535	-150	304
Liquidity reserve	5,283	4,000	4,835
Net debt / pro forma EBITDA	-0.3	0.1	-0.2

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 2023	31 Mar 2022	31 Dec 2022
Inventories	1,266	1,491	1,198
Trade receivables	4,676	3,120	6,701
Other receivables	2,676	1,973	2,268
Trade payables	-6,999	-4,874	-8,100
Tax payable	-71	-50	-265
Provisions	-45	-118	-50
Other current liabilities	-3,191	-2,538	-3,424
Working capital	-1,688	-995	-1,672
Securitization effect	1,849	1,651	1,859
Working capital before securitization	161	655	187
Year to date gross sales	12,201	10,085	46,664
Proforma gross sales – last 12 months	48,801	41,491	46,709
Working capital in relation to last 12 months gross sales	-3.5%	-2.4%	-3.6%

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 2023	31 Mar 2022	31 Dec 2022
Total assets	16,836	13,488	17,858
Deduct: incremental lease assets due to IFRS 16 adoption			
Right-of-use assets	-1,296	-1,201	-1,253
Long-term subleasing receivables	-64	-53	-36
Short-term subleasing receivables	-68	-62	-45
Adjusted total assets	15,409	12,172	16,523
Equity	4,214	3,489	3,728
Adjusted equity ratio	27.4%	28.7%	22.6%

Q1

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

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

SWEDEN
ATEA 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

DENMARK
ATEA A/S

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

FINLAND
ATEA OY

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

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

LATVIA
ATEA SIA

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

ESTONIA
ATEA AS

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

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

GROUP SHARED SERVICES
ATEA GLOBAL SERVICES SIA

Mukusalas Street 15
LV-1004 Riga
Org.no 50203101431
AGS_info@atea.com
ateaglobal.com

GROUP FUNCTIONS
ATEA GROUP FUNCTIONS A/S

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

APPXITE
APPXITE SIA

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

ATEA