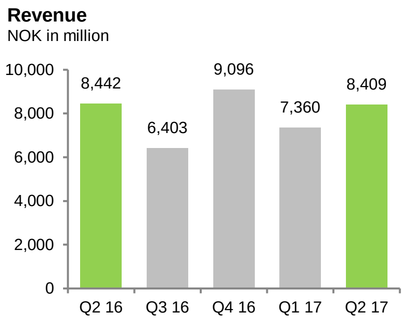
Q2 2017 Interim Report

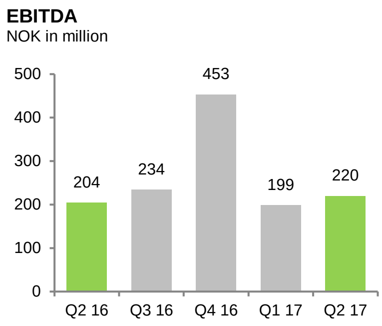
Atea had rapid growth in operating profit during the second quarter, based on higher gross margin and cost control. EBIT increased by 24% from last year.

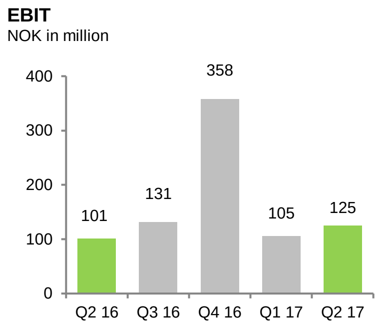
Steinar Sønsteby
CEO of ATEA

Highlights

- Revenue of NOK 8,409 million, down 0.4% y-o-y
- EBITDA of NOK 220 million, up 7.6% y-o-y
- EBITDA margin of 2.6%, up from 2.4% last year
- EBIT of NOK 125 million, up 23.9% y-o-y
- Cash flow from operations of NOK -395 million, down from NOK -71 million last year







Key figures*

	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
Group revenue (NOK in million)	8,409	8,442	15,769	15,689	31,188
Gross margin (%)	21.2	21.0	22.1	22.1	22.2
EBITDA (NOK in million)	220	204	419	397	1,085
EBITDA margin (%)	2.6	2.4	2.7	2.5	3.5
EBIT (NOK in million)	125	101	231	189	677
Net profit (NOK in million)	84	70	153	129	512
Earnings per share (NOK)	0.79	0.66	1.44	1.23	4.87
Diluted earnings per share (NOK)	0.78	0.66	1.42	1.22	4.80
Cash flow from operations (NOK in million)	(395)	(71)	(716)	(512)	1,404
Free cash flow (NOK in million)	(464)	(161)	(845)	(671)	1,075

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Net financial position (NOK in million)	(1,494)	(1,784)	(350)
Liquidity reserve (NOK in million)	1,271	651	2,362
Working capital (NOK in million)	(345)	(67)	(1,385)
Working capital in relation to annualized revenue (%)	(1.1)	(0.2)	(4.4)
Equity ratio (%)	25.8	25.8	23.8
Number of full-time employees	6,892	6,808	6,882

* Alternative perfomance measures (APM) presented in the key figures table are described in APM section on page 20-22

Financial review Q2 2017

Group

Atea had strong growth in profitability in Q2 2017, despite a negative impact from currency movements. EBITDA improved by 7.6% from last year, based on improved gross margins and a flat trend in operating expenses. EBIT improved by 23.9% from last year, as the group had lower depreciation costs based on reduced capital expenditure.

Group revenue fell by 0.4% to NOK 8,409 million in Q2 2017. Hardware revenue was down 2.9%, software revenue was up 3.4% and services revenue was down 0.4%. On a pro forma basis*, revenue growth was 1.1% in constant currency. Currency fluctuations had a negative impact on revenue growth of 1.5% in Q2 2017.

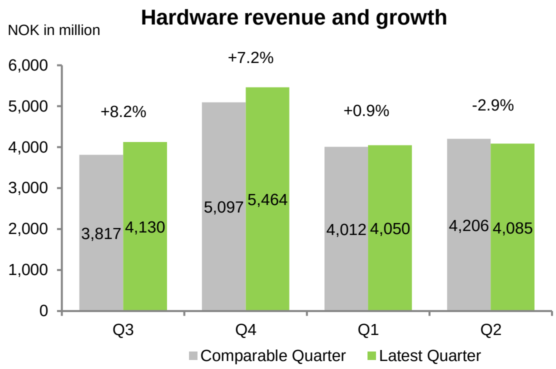
The decrease in hardware revenue was driven by lower volumes in Denmark and Norway. The growth in software revenue was driven by higher sales to the public sector in all countries. Services revenue fell slightly based on lower sales of time- and project-based consulting.

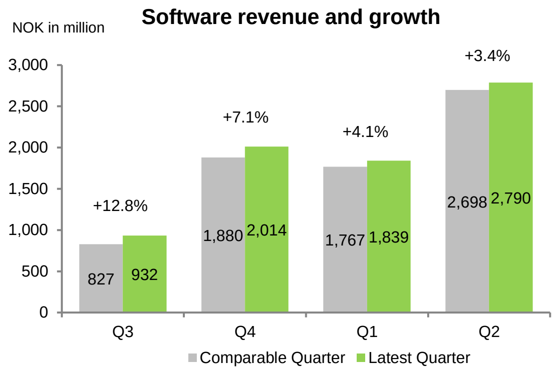
EBITDA in Q2 2017 increased by 7.6% to NOK 220 million. The improvement in profitability reflects higher gross margins and a flat trend in operating expenses. The EBITDA margin improved by 0.2% compared with Q2 2016.

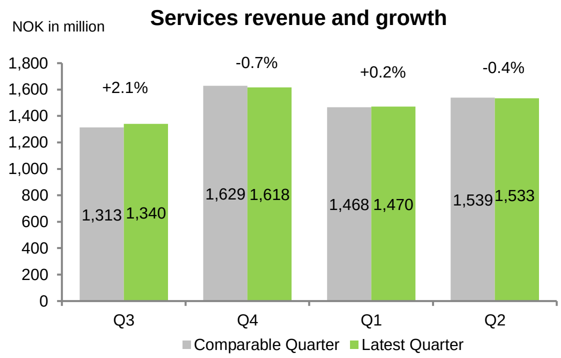
EBIT increased by 23.9% to NOK 125 million, as depreciation costs fell based on lower capital expenditure during the last year. Net financial items were an expense of NOK 19 million, compared with an expense of NOK 16 million last year.

Profit before tax was NOK 106 million, compared with NOK 85 million last year. Income tax expense increased to NOK 22 million in Q2 2017 from NOK 15 million in Q2 2016. Further information on income tax can be found in Note 6.

Net profit after tax ended at NOK 84 million, compared with NOK 70 million last year.







First half of 2017

Group revenue increased by 0.5% to NOK 15,769 million in H1 2017. Hardware revenue was down 1.0%, software revenue was up 3.7% and services revenue was down 0.1%. Currency effects had a negative impact of 3.2% in H1 2017. On a pro forma basis*, revenue growth was 3.8% in constant currency.

EBITDA in H1 2017 was NOK 419 million, an increase of 5.4% from last year. The EBITDA improvement was primarily driven by lower personnel and operating expenses compared with last year. EBIT increased by 22.1% to NOK 231 million, as depreciation costs also fell based on lower capital expenditure during the last year.

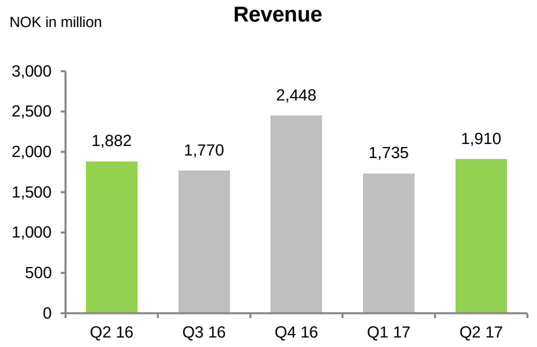
* Pro forma revenue growth includes revenue from companies acquired during 2016 and 2017 in both the current and prior full year.
Alternative perfomance measures (APM) presented in the text above are described in APM section on page 20-22

Norway

Atea Norway reported increased profitability in Q2 2017, driven by higher gross margin and fewer employees compared with last year.

Revenue in Q2 2017 was NOK 1,910 million, up 1.5% compared with Q2 2016. Hardware revenue was down 3.2%, software revenue was up 16.7% and services revenue was up 1.1%.

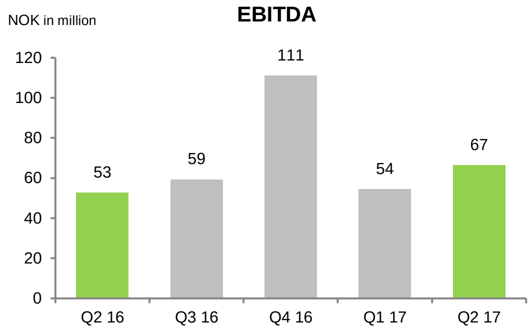
The decline in hardware revenue was primarily due to lower sales of data center hardware. The strong growth in software revenue was driven by higher demand for client-related software. Growth in services revenue was driven by higher sales of contracted services, such as data center outsourcing and managed service agreements.



Total gross margin increased to 25.2%, up from 24.7% in Q2 2016. Product margin fell to 13.1% from 13.5% in Q2 2016, based on higher revenue from low margin clients and client-related software. Services margin increased to 64.4%, up from 61.0% last year, based on higher sales of Atea's own consultants.

EBITDA in Q2 2017 increased to NOK 67 million, up from NOK 53 million in Q2 2016. The EBITDA margin increased to 3.5%, up from 2.8% last year.

Growth in EBITDA was driven by improved gross margin and lower employee levels compared with last year. The average number of full time employees in Norway during Q2 2017 was 50 (3.1%) below last year.

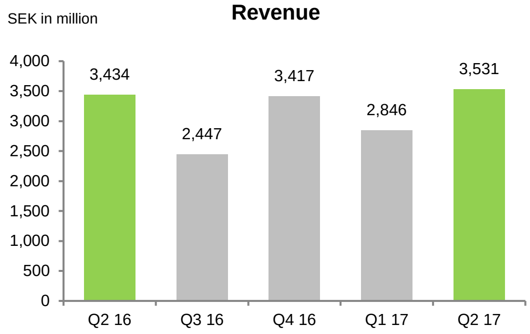


Sweden

Atea Sweden had rapid growth in profitability during the second quarter of 2017, driven by increased hardware and services gross margin. EBITDA increased by 19.4% from the prior year.

Revenue in Q2 2017 was SEK 3,531 million, up 2.8% compared with last year. Hardware revenue was up 2.3%, software revenue was up 3.4% and services revenue was up 2.7%.

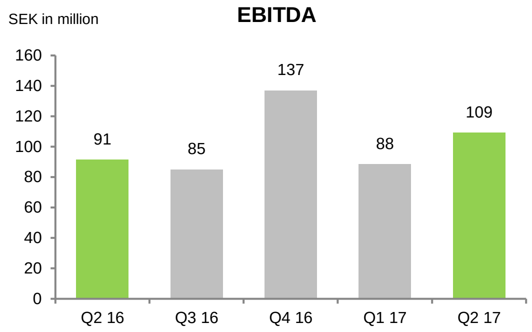
Growth in product sales was driven by increased demand from public sector customers. Services revenue grew compared with last year, based on higher sales of contracted services and on increased billing of Atea's own consultants.



Total gross margin was 19.6% in Q2 2017, up from 18.9% last year. Product margin increased to 10.9% from 10.8% last year, driven by higher margins on hardware. Services margin increased to 68.0% from 63.9% last year due to a lower proportion of revenue from subcontracted services.

Operating costs increased by 4.9% to SEK 580 million due to higher employee levels compared with last year.

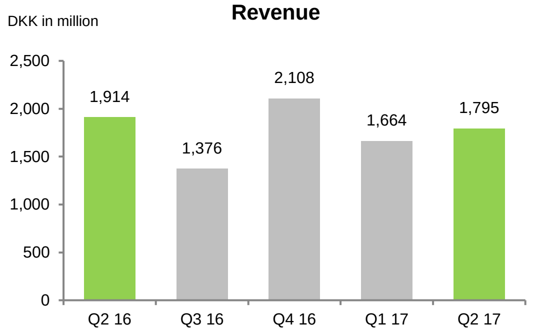
EBITDA in Q2 2017 increased to SEK 109 million, up from SEK 91 million in Q2 2016, reflecting the higher sales volumes and gross margin. The EBITDA margin increased to 3.1% from 2.7% last year.



Denmark

Atea Denmark reported lower revenue and profitability in the second quarter. Operating expenses were flat from last year, based on actions to reduce the cost base.

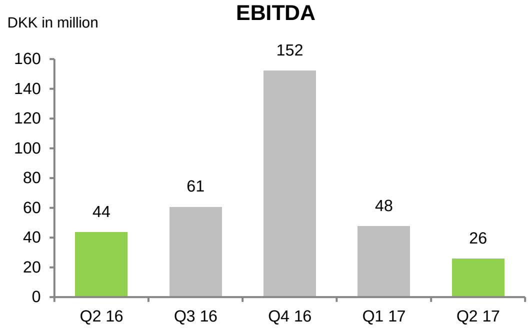
Revenue in Q2 2017 was DKK 1,795 million, down 6.2% from last year. Hardware revenue was down 13.3% from a very strong comparable period in the second quarter last year. Software revenue was up 2.3%, based on higher sales to the public sector. Services revenue was down 3.4%, based on fewer implementation projects and lower sales of outsourcing services.



Total gross margin improved to 19.7% this year compared with 19.4% in Q2 2016. Product margin improved to 7.9% from 7.5% last year, reflecting efforts to improve hardware and software margins. Services margin fell to 65.2% from 67.4% last year, mainly due to lower gross margins in outsourcing services.

In order to improve profitability, Atea Denmark has taken actions to reduce its operating expenses. Early in the second quarter, the company implemented a hiring freeze in order to reduce staffing and lower its cost base. Since March, the headcount in Denmark has fallen by 40. As a result, total operating expenses were flat in Q2 2017 compared with Q2 2016. For June 2017, personnel costs were DKK 4 million lower than in June 2016.

EBITDA in Q2 2017 was DKK 26 million, down from DKK 44 million in Q2 2016. The EBITDA margin was 1.4% in Q2 2017, compared with 2.3% last year.

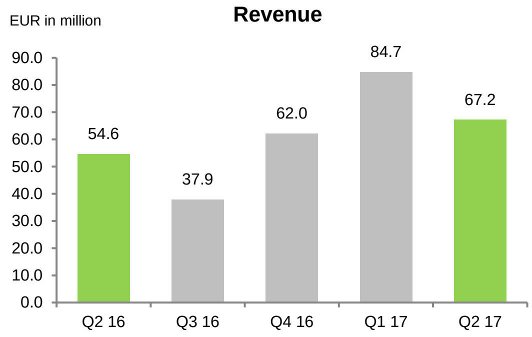


Finland

Atea Finland reported very strong growth in revenue and EBITDA during the second quarter of 2017. All business areas showed high growth.

Revenue in Q2 2017 was EUR 67.2 million, up 23.0% compared with last year. Hardware revenue was up 35.1%, software revenue was up 13.5% and services revenue was up 6.2%.

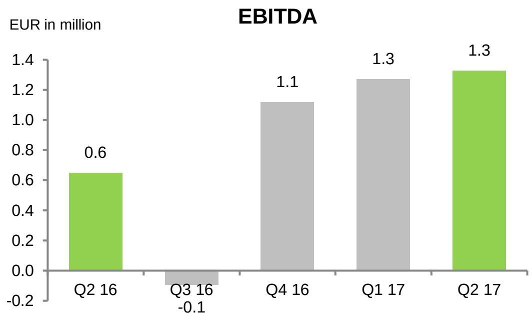
Growth in hardware revenue was strong across multiple categories, but was particularly driven by higher deliveries of clients to the public sector. Software revenue grew due to higher demand from public customers. Services revenue increased based on higher sales of software consultants and based on large project implementations.



Total gross margin was 14.7% in Q2 2017, compared with 15.9% last year. The decrease in gross margin was based on a lower margin revenue mix, with high growth in client sales to the public sector and a lower growth in services.

Operating costs increased by 7.0% to EUR 8.5 million due to increased staffing levels and higher variable compensation compared with last year.

Based on high revenue growth, EBITDA in Q2 2017 increased by 105% to EUR 1.3 million, up from EUR 0.6 million in Q2 2016. The EBITDA margin improved to 2.0%, up from 1.2% last year.

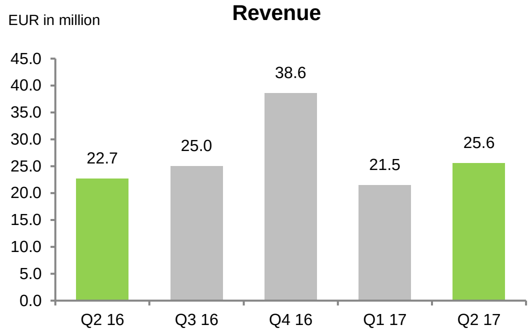


The Baltics

Atea Baltics reported high growth in revenue but lower EBITDA during the second quarter of 2017. The decline in EBITDA was due to an increase in the cost base.

Revenue in Q2 2017 was EUR 25.6 million, up 12.5% compared to last year. Hardware revenue was up 1.2%, software revenue was up 62.2% and services revenue was up 17.8%.

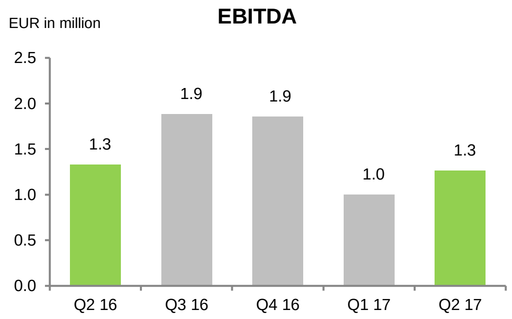
Hardware revenue growth was driven by large public sector projects related to security. The high increase in software revenue was primarily due to low margin software agreements to the public sector. Growth in services revenue was driven by growth in consulting projects to the public sector and in data center outsourcing.



Total gross margin was 25.6%, compared with 26.7% last year. The decline in gross margin was due to a lower product margins on large public sector projects.

Operating expenses grew by 12.1% to EUR 5.2 million. Personnel expenses increased by 8.2%, due to salary inflation, a change in the employee mix towards more high-end consultants, and an increase in the number of full time employees.

EBITDA in Q2 was EUR 1.3 million, down 5.0% from last year. The EBITDA margin fell to 4.9% from 5.9% last year, due to higher operating expenses.



Balance sheet

As of 30 June 2017, Atea had total assets of NOK 12,396 million. Current assets such as cash, receivables and inventory represented NOK 7,083 million of this total. Non-current assets represented NOK 5,313 million of this total, and primarily consisted of goodwill (NOK 3,789 million), deferred tax assets (NOK 557 million), and property, plant and equipment (NOK 656 million).

Atea had total liabilities of NOK 9,200 million as of 30 June 2017, of which NOK 8,778 million were current liabilities. Interest-bearing liabilities as of 30 June 2016 include a bank loan of DKK 500 million and an unsecured bond of NOK 300 million which are maturing in June 2018 and are therefore classified as current liabilities at the end of Q2 2017. Atea plans to refinance these debt facilities with new long term loans by the end of 2017. Equity was NOK 3,196 million, corresponding to an equity ratio of 25.8%.

At the end of Q2 2017, Atea's net financial position was NOK -1,494 million compared with NOK -1,784 million at the end of Q2 2016. Atea's bond covenants require that the Group maintains a maximum net interest bearing debt of 2.5x pro forma EBITDA over the last twelve months. Atea is currently well within this limit, and maintains liquidity reserves, including unutilized credit facilities, of NOK 1,271 million as of 30 June 2017.

Cash flow

Atea had cash flow from operating activities of NOK -395 million in the second quarter of 2017, compared with NOK -71 million in Q2 2016. Cash flow from operations was impacted by an increase in the working capital balance of MNOK 561 during Q2 2017. Atea's working capital balance is highly seasonal and fluctuates greatly throughout the year. Working capital levels are generally at the lowest point at the end of Q4 and increase during the first half of the year.

Atea aims to reduce its working capital balance from the same period last year through continuous improvement in its cash conversion cycle. Atea's net working capital balance at the end of Q2 2017 was NOK -345 million compared to NOK -67 million last year, reflecting improvements in days payables outstanding (DPO) and in days sales in inventory (DSI) metrics from last year.

Cash flow from investing activities were NOK -55 million in Q2 2017, down from NOK -81 million in the corresponding quarter last year. The reduced level of capital expenditure reflects an overall strategy and management focus on controlling expenditures throughout Atea.

Cash flow from financing activities was NOK -37 million in Q2 2017. This cash flow primarily relates to a dividend payment in Q2 2017, offset by an increase in short-term debt outstanding.

Shares

Atea had 6,948 shareholders on 30 June 2017 compared with 7,059 shareholders on 30 June 2016.

The 10 largest shareholders as of 30 June 2017 were:

Main Shareholders *	Shares	%
Systemintegration APS **	26,658,510	25.0%
Folketrygdfondet	9,979,298	9.4%
State Street Bank & Trust Co. ***	6,632,240	6.2%
Handelsbanken Norden Selektiv	3,292,214	3.1%
Odin Norden	3,002,977	2.8%
RBC Investor Services Trust ***	2,598,769	2.4%
Odin Norge	2,447,458	2.3%
Skandinaviske Enskilda Banken AB ***	2,342,965	2.2%
State Street Bank and Trust Co. ***	2,097,500	2.0%
JP Morgan Chase Bank, NA ***	2,044,748	1.9%
Other	45,398,335	42.6%
Total number of shares	**106,495,014**	**100.00%**

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

As of 30 June 2017, Atea's Chairman Ib Kunøe and close associates controlled a total of 25.4% of the shares, including the shares held by Systemintegration APS.

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 more than 18% market share in 2016. Roughly half of Atea's sales are to the public sector, with the remainder of sales to private companies.

The market for IT infrastructure in the Nordic and Baltic regions has grown steadily during the last several years, despite challenging conditions in the global economy. According to estimates from IDC* , the market for IT infrastructure and related services has grown at an average rate of 3% per year from 2007 – 2016.

Atea's competence and leading market position in IT infrastructure has enabled the company to grow at a rate significantly higher than that of the market. Since 2007, the company has averaged an organic revenue growth rate of 5.5% per year.

In addition to organic growth, Atea has successfully pursued an M&A strategy to strengthen and consolidate its market position. 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. Since 2007, Atea has acquired more than 50 companies, at valuation multiples significantly below the Group.

Atea's market share in the Nordic and Baltic regions far exceeds that of other IT infrastructure providers. Today, the company has offices in 86 cities in the Nordic and Baltic region and around 6,900 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 service and logistics functions.

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 EMC. 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.

IT market trends

The market for information technology is in the midst of dramatic change, which is transforming society and the workplace.

Across private enterprise and throughout the public sector, organizations are increasingly relying on new and innovative IT solutions to improve productivity and living standards. While the specific applications for information technology are unique for each organization, the changing demands on internal IT departments follow several common themes.

Organizations require their IT infrastructure to efficiently and securely capture, process and store ever larger amounts of data from diverse sources. This information must be available wherever it may be required in a secure manner, within or outside the workplace. Finally, IT systems must allow individuals to communicate, collaborate and be productive across a broad range of technology platforms.

As a result of these trends, the number of unique devices for capturing or receiving data is rapidly increasing, and the amount of data which is transferred between them and the data center is growing exponentially. At the same time, 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 a system integrator with expertise across multiple platforms. Through its breadth of competency and depth of system integration expertise, Atea supports IT departments in adapting to the growing complexity of today's IT infrastructure and security requirements. Atea helps its customers to design, implement and support IT solutions tailored for their organization.

* International IT research company, International Data Corporation

Business overview (cont'd)

Business outlook

Group:
Based on its competitive advantages and leading market position in the Nordic and Baltic regions, Atea is well-positioned to maintain a long-term growth rate faster than the IT infrastructure market in general.

During the first half of 2017, Atea's revenue growth in constant currency was 3.8%, compared with 9.6% in the first half of 2016. While growth has slowed from last year's very rapid rate, Atea's revenue growth is still above the estimated growth rate of the IT infrastructure market.

Atea's EBITDA grew by 5.4% in the first half of 2017, despite a negative currency impact of 3.2% from a stronger Norwegian krone. EBIT has grown by 22.1% during the first half of 2017 compared to last year, as depreciation costs have fallen due to lower capital expenditure.

For the remainder of 2017, management expects Atea to continue to improve operating profits through a combination of moderate revenue growth, expansion within higher value added products and services, improved procurement and supply chain processes, and tight control of operating expenses.

The Outlook by country:

Sweden:
Sweden is Atea's largest market, representing 38% of Group revenue in the first half of 2017. During H1 2017, the Swedish business reported revenue growth of 2.0% and EBITDA growth of 15.7%.

The increase in EBITDA in Sweden has been driven by higher gross margin on product sales and an increase in services revenue from Atea's own consultants. Atea Sweden has made significant changes to its services business during the last year, focusing on growth areas such as cloud and managed infrastructure solutions.

Atea expects continued profit improvement from its Swedish business during 2017, driven by higher gross margin on product sales and increase in services revenue from Atea's own consultants.

Denmark:
Denmark is Atea's second largest market, representing 27% of Group revenue in the first half of 2017. During H1 2017, the Danish business reported revenue growth of 4.4% and a decline in EBITDA of 25.9%.

The fall in EBITDA in Denmark has been driven by lower gross margins on products and services. During the last two years, the Danish business has won several new software frame agreements to the public sector at low margin, which have led to higher revenue but put pressure on EBITDA. At the same time, the company has faced pricing pressure in its consulting and managed services business.

For the remainder of 2017, management will focus on improving the profitability of the Danish business, through changes to its revenue mix, improvements in supply chain management, and initiatives to reduce operating expenses. Based on these actions management is targeting an EBIT in Q3 2017 which is in line with the previous year.

Business overview (cont'd)

Business outlook (cont'd)

Norway:
Norway represented 23% of Group revenue in the first half of 2017. During H1 2017, the Norwegian business reported revenue growth of 0.9% and EBITDA growth of 40.3%.

EBITDA growth in Norway has been driven by higher services revenue from Atea's own consultants and from a reduction in staffing levels from last year. Over the last year, management has implemented measures to improve consultant utilization and billing rates. At the same time, the organization has reduced staff by 3.9% during the first half of 2017 compared with last year.

Atea expects continued improvement from its operating initiatives during 2017, driven by moderate growth in product sales, strong improvement in services revenue from Atea's own consultants, and a continued focus on cost containment.

Finland:
Finland represented 9% of Group revenue in the first half of 2017. During H1 2017, the Finnish business reported revenue growth of 20.4% and EBITDA growth of 54.6%.

Atea has won several large new frame agreements to the public sector since 2015. These new public frame agreements drove revenue growth for Atea Finland in the first half of 2017.

For the remainder of 2017, Atea Finland is expected to continue to increase revenue and profitability, based on higher sales to public sector customers and from growth in services.

The Baltics:
The Baltic region represented 3% of Group revenue in the first half of 2017. During H1 2017, revenue in the Baltic business grew by 1.6% while EBITDA fell by 12.5%.

Public sector IT spending in the Baltics is heavily dependent on EU funding for large IT infrastructure projects. As one 5-year funding program from the EU has been recently completed and another has just commenced, demand from the public sector has been relatively weak for the last year.

Public sector IT projects under the new EU funding program have been delayed compared with management's initial estimates, but are now expected to begin during the second half of 2017. This is expected to drive higher revenue growth in products and consulting services in the coming quarters. Otherwise, the company expects to see continued solid growth in its outsourcing services business.

Based on a return to higher revenue growth, Atea expects to see improved profitability in its Baltic business during the second half of the year.

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Condensed financial information for the 6 months ended 30 June 2017

Consolidated income statement

NOK in million	Note	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
Revenue	2, 7	8,409	8,442	15,769	15,689	31,188
Cost of goods sold		(6,624)	(6,672)	(12,290)	(12,220)	(24,249)
Personnel costs		(1,318)	(1,306)	(2,569)	(2,559)	(4,919)
Other operating costs		(236)	(250)	(465)	(485)	(892)
EBITDA (adjusted)	2	**231**	**215**	**444**	**425**	**1,129**
Share based compensation		(11)	(10)	(25)	(22)	(39)
Expenses/income related to acquisitions		-	(1)	-	(5)	(5)
EBITDA	2	**220**	**204**	**419**	**397**	**1,085**
Depreciation and amortization		(87)	(93)	(172)	(186)	(365)
Amortization related to acquisitions		(8)	(11)	(16)	(23)	(42)
Operating profit (EBIT)	2	**125**	**101**	**231**	**189**	**677**
Net financial items	4	(19)	(16)	(38)	(35)	(60)
Profit before tax		**106**	**85**	**192**	**154**	**617**
Tax	6	(22)	(15)	(39)	(25)	(105)
Profit for the period		**84**	**70**	**153**	**129**	**512**
Earnings per share						
- earnings per share		0.79	0.66	1.44	1.23	4.87
- diluted earnings per share		0.78	0.66	1.42	1.22	4.80

Consolidated statement of comprehensive income

NOK in million	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
Profit for the period	**84**	**70**	**153**	**129**	**512**
Currency translation differences	120	(56)	148	(123)	(206)
Forward contracts - cash flow hedging	2	(2)	4	(7)	1
Income tax OCI relating to items that may be reclassified to profit or loss	(0)	7	(2)	15	21
Items that may be reclassified subsequently to profit or loss	**122**	**(51)**	**149**	**(115)**	**(184)**
Other comprehensive income	122	(51)	149	(115)	(184)
Total comprehensive income for the period	**206**	**19**	**303**	**13**	**328**

Consolidated statement of financial position

NOK in million	Note	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS				
Property, plant and equipment		656	691	682
Deferred tax assets	**6**	557	552	563
Goodwill		3,789	3,713	3,658
Other intangible assets		293	334	294
Investment in associated companies	**4**	10	9	-
Other long-term receivables		8	3	7
Non-current assets		**5,313**	**5,302**	**5,205**
Inventories		691	761	608
Trade receivables		5,391	5,229	5,975
Other receivables		983	913	785
Other financial assets		2	1	3
Cash and cash equivalents		16	115	880
Current assets		**7,083**	**7,019**	**8,251**
Total assets		**12,396**	**12,321**	**13,456**
EQUITY AND LIABILITIES				
Share capital and premium	**3**	298	239	269
Other unrecognised reserves		2,188	2,107	2,039
Retained earnings		709	838	892
Equity		**3,196**	**3,185**	**3,200**
Interest-bearing long-term liabilities	**5**	144	1,125	1,079
Other long-term liabilities		14	22	17
Deferred tax liabilities		264	245	253
Non-current liabilities		**422**	**1,391**	**1,348**
Trade payables		4,596	4,394	5,835
Interest-bearing current liabilities	**5**	1,367	775	152
VAT, taxes and government fees		738	654	783
Provisions		152	151	233
Other current liabilities		1,915	1,749	1,897
Other financial liabilities		11	23	9
Current liabilities		**8,778**	**7,746**	**8,908**
Total liabilities		**9,200**	**9,136**	**10,256**
Total equity and liabilities		**12,396**	**12,321**	**13,456**

Consolidated statement of changes in equity

NOK in million	30 Jun 2017	30 Jun 2016	31 Dec 2016
Equity at start of period - 1 January	**3,200**	**3,480**	**3,480**
Currency translation differences	147	(110)	(184)
Forward contracts - cash flow hedging	3	(5)	1
Other comprehensive income	149	(115)	(184)
Profit for the period	153	129	512
Total recognised income for the year	**303**	**13**	**328**
Employee share-option schemes	9	11	24
Dividends	(345)	(340)	(682)
Changes related to own shares	-	21	21
Issue of share capital	29	-	30
Equity at end of period	**3,196**	**3,185**	**3,200**

Consolidated statement of cash flow

	Q2	Q2	H1	H1	Full year
NOK in million	2017	2016	2017	2016	2016
Profit before tax	106	85	192	154	617
Taxes paid	(6)	(26)	(79)	(88)	(128)
Depreciation and amortisation	95	103	188	208	407
Share based compensation	3	9	9	17	30
Other corrections	-	-	-	-	(2)
Cash earnings	**198**	**170**	**310**	**292**	**924**
Change in trade receivables	(1,036)	(1,355)	801	537	(373)
Change in inventories	(69)	(5)	(56)	(34)	100
Change in trade payables	479	917	(1,433)	(1,100)	506
Other changes in working capital	33	203	(338)	(207)	247
Cash flow from operating activities	**(395)**	**(71)**	**(716)**	**(512)**	**1,404**
Capital expenditure	(55)	(81)	(111)	(142)	(280)
Purchase/sale of subsidiaries	-	-	-	(16)	(5)
Cash flow from investing activities	**(55)**	**(81)**	**(111)**	**(158)**	**(285)**
Dividend paid	(348)	(340)	(345)	(340)	(682)
Other equity transactions	12	11	29	14	44
Change in debt	299	487	232	529	(150)
Cash flow from financing activities	**(37)**	**157**	**(83)**	**203**	**(788)**
Net cash flow	**(487)**	**5**	**(911)**	**(466)**	**331**
Cash and cash equivalents at the start of the period	465	137	880	630	630
Foreign exchange effect on cash held in a foreign currency	38	(27)	47	(48)	(81)
Cash and cash equivalents at the end of the period	**16**	**115**	**16**	**115**	**880**

NOTES

NOTE 1 – General information and accounting policies

The condensed interim financial statements for the six months ending 30 June 2017 were approved for publication by the Board of Directors on 13 July 2017. 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 2016, which has been prepared according to IFRS as adopted by EU.

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2016. There are no changes in accounting policy effective from 1 January 2017 that have impact on the Group accounts. See Note 8 regarding effects of the new leasing standard IFRS 16, effective for annual reports beginning on or after 1 January 2019. Other preliminary assessment of effects of the new leasing standard are described in Note 2 – Summary of significant accounting principles – in the Annual report for 2016.

In the interim financial statements for 2017, 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 2017 and the major sources of uncertainty in the statements are similar to those found in the annual accounts for 2016.

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 86 cities in Norway, Sweden, Denmark, Finland, and the Baltic countries of Lithuania, Latvia and Estonia, with approximately 6,900 employees. For management and reporting purposes, the Group is organized by these geographical areas. The performance of these geographical areas are evaluated on a regular basis by Atea's Senior Management Group.

In addition to the geographical areas, the Group operates Shared Services functions (Atea Logistics and Atea Global Services) 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.

NOTE 2 – Operating segment information (cont'd)

Operating segment information – NOK

Revenue NOK in million	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	1,910.0	1,881.6	1.5%	3,644.8	3,612.5	0.9%	7,830.4
Sweden	3,408.7	3,456.0	-1.4%	6,098.7	6,334.9	-3.7%	11,901.8
Denmark	2,257.7	2,403.8	-6.1%	4,268.5	4,189.5	1.9%	8,482.9
Finland	632.7	507.3	24.7%	1,393.2	1,188.4	17.2%	2,100.3
The Baltics	238.7	211.7	12.8%	431.9	436.4	-1.0%	1,021.7
Group Shared Services	1,091.7	1,126.7	-3.1%	2,118.2	2,211.8	-4.2%	4,777.2
Eliminations *	(1,130.7)	(1,144.6)		(2,186.6)	(2,284.6)		(4,926.3)
Atea Group	**8,408.7**	**8,442.4**	**-0.4%**	**15,768.6**	**15,688.7**	**0.5%**	**31,187.9**

EBITDA** NOK in million	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	68.4	54.7	25.0%	126.1	94.7	33.1%	269.0
Sweden	108.5	95.4	13.7%	197.3	180.0	9.6%	397.0
Denmark	33.6	56.8	-40.9%	92.4	130.2	-29.0%	396.9
Finland	12.5	6.5	92.5%	24.3	16.9	43.6%	26.9
The Baltics	12.2	13.1	-7.1%	21.6	25.9	-16.5%	61.3
Group Shared Services	7.8	3.0	157.2%	9.0	3.0	201.0%	30.0
Group cost	(12.4)	(14.3)	13.3%	(26.6)	(26.0)	-2.2%	(52.6)
EBITDA**	**230.6**	**215.3**	**7.1%**	**444.1**	**424.7**	**4.6%**	**1,128.5**
EBITDA margin (%)**	**2.7%**	**2.5%**		**2.8%**	**2.7%**		**3.6%**

EBITDA NOK in million	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	66.5	52.8	26.0%	120.9	86.2	40.3%	256.6
Sweden	105.4	92.0	14.6%	189.0	173.1	9.2%	386.0
Denmark	33.0	54.6	-39.5%	90.7	125.6	-27.7%	389.6
Finland	12.4	6.0	107.3%	23.9	15.8	50.6%	25.1
The Baltics	11.8	12.4	-5.0%	20.8	24.4	-14.8%	58.8
Group Shared Services	7.6	2.8	168.0%	8.5	2.5	236.3%	29.3
Group cost	(17.1)	(16.4)	-4.1%	(35.3)	(30.4)	-15.9%	(60.9)
EBITDA	**219.7**	**204.2**	**7.6%**	**418.6**	**397.1**	**5.4%**	**1,084.5**
EBITDA margin (%)	**2.6%**	**2.4%**		**2.7%**	**2.5%**		**3.5%**

EBIT NOK in million	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	49.4	36.7	34.6%	86.5	55.3	56.4%	189.3
Sweden	93.5	78.4	19.2%	164.5	144.6	13.8%	330.5
Denmark	(17.5)	(2.0)	-797.0%	(8.5)	11.1	-176.8%	166.2
Finland	10.0	3.0	233.1%	19.1	9.9	92.5%	12.9
The Baltics	2.7	2.0	39.5%	2.8	2.8	1.0%	23.4
Group Shared Services	4.8	(0.5)	983.8%	2.8	(4.1)	169.0%	16.4
Group cost	(17.7)	(16.6)	-7.1%	(36.5)	(30.7)	-18.9%	(61.4)
Operating profit (EBIT)	**125.2**	**101.0**	**23.9%**	**230.6**	**188.8**	**22.1%**	**677.3**
Net financial items	(19.0)	(16.5)	-15.3%	(38.4)	(34.6)	-11.1%	(60.2)
Profit before tax	**106.2**	**84.6**	**25.6%**	**192.2**	**154.3**	**24.6%**	**617.0**

Quarterly revenue and gross margin NOK in million	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Product revenue	6,875.0	5,889.3	7,478.0	5,062.2	6,903.3	5,778.7
Services revenue	1,533.5	1,470.4	1,617.9	1,340.4	1,539.0	1,467.4
Other income	0.2	0.2	0.3	0.4	0.1	0.1
Total revenue	**8,408.7**	**7,360.0**	**9,096.2**	**6,402.9**	**8,442.4**	**7,246.3**
Gross contribution	1,784.8	1,694.0	1,965.9	1,503.9	1,770.6	1,698.0
Product margin	10.9%	12.1%	11.8%	12.9%	10.8%	12.3%
Services margin	67.7%	66.8%	67.0%	63.5%	66.7%	67.2%
Gross margin	**21.2%**	**23.0%**	**21.6%**	**23.5%**	**21.0%**	**23.4%**

* Most of Atea's internal sales are related to Group Shared Services, which consists of Atea Logistics and Atea Global Services
** Earnings before share-based compensation, expenses related to acquisition costs, interest, tax, depreciation and amortization

NOTE 2 – Operating segment information (cont'd)

Operating segment information – local currency

Revenue Local currency in million		Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	NOK	1,910.0	1,881.6	1.5%	3,644.8	3,612.5	0.9%	7,830.4
Sweden	SEK	3,531.1	3,434.4	2.8%	6,377.4	6,253.0	2.0%	12,116.2
Denmark	DKK	1,794.9	1,913.8	-6.2%	3,459.1	3,312.4	4.4%	6,796.6
Finland	EUR	67.2	54.6	23.0%	151.8	126.1	20.4%	226.0
The Baltics	EUR	25.6	22.7	12.5%	47.1	46.3	1.6%	109.9
Group Shared Services	NOK	1,091.7	1,126.7	-3.1%	2,118.2	2,211.8	-4.2%	4,777.2
Eliminations *	NOK	(1,130.7)	(1,144.6)		(2,186.6)	(2,284.6)		(4,926.3)
Atea Group	**NOK**	**8,408.7**	**8,442.4**	**-0.4%**	**15,768.6**	**15,688.7**	**0.5%**	**31,187.9**

EBITDA** Local currency in million		Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	NOK	68.4	54.7	25.0%	126.1	94.7	33.1%	269.0
Sweden	SEK	112.4	94.8	18.5%	206.3	177.7	16.1%	404.1
Denmark	DKK	26.2	45.5	-42.4%	74.9	103.0	-27.2%	318.0
Finland	EUR	1.3	0.7	90.4%	2.6	1.8	47.4%	2.9
The Baltics	EUR	1.3	1.4	-7.1%	2.4	2.7	-14.3%	6.6
Group Shared Services	NOK	7.8	3.0	157.2%	9.0	3.0	201.0%	30.0
Group cost	NOK	(12.4)	(14.3)	13.3%	(26.6)	(26.0)	-2.2%	(52.6)
EBITDA**	**NOK**	**230.6**	**215.3**	**7.1%**	**444.1**	**424.7**	**4.6%**	**1,128.5**
EBITDA margin (%)**		**2.7%**	**2.5%**		**2.8%**	**2.7%**		**3.6%**

EBITDA Local currency in million		Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	NOK	66.5	52.8	26.0%	120.9	86.2	40.3%	256.6
Sweden	SEK	109.2	91.5	19.4%	197.7	170.8	15.7%	393.0
Denmark	DKK	25.8	43.7	-41.0%	73.5	99.3	-25.9%	312.2
Finland	EUR	1.3	0.6	105.0%	2.6	1.7	54.6%	2.7
The Baltics	EUR	1.3	1.3	-5.0%	2.3	2.6	-12.5%	6.3
Group Shared Services	NOK	7.6	2.8	168.0%	8.5	2.5	236.3%	29.3
Group cost	NOK	(17.1)	(16.4)	-4.1%	(35.3)	(30.4)	-15.9%	(60.9)
EBITDA	**NOK**	**219.7**	**204.2**	**7.6%**	**418.6**	**397.1**	**5.4%**	**1,084.5**
EBITDA margin (%)		**2.6%**	**2.4%**		**2.7%**	**2.5%**		**3.5%**

EBIT Local currency in million		Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change	Full year 2016
Norway	NOK	49.4	36.7	34.6%	86.5	55.3	56.4%	189.3
Sweden	SEK	96.9	77.9	24.3%	172.1	142.8	20.5%	336.5
Denmark	DKK	(14.4)	(1.4)	-891.7%	(6.9)	8.8	-178.7%	133.2
Finland	EUR	1.1	0.3	227.4%	2.1	1.1	97.6%	1.4
The Baltics	EUR	0.3	0.2	42.6%	0.3	0.3	3.8%	2.5
Group Shared Services	NOK	4.8	(0.5)	983.8%	2.8	(4.1)	169.0%	16.4
Group cost	NOK	(17.7)	(16.6)	-7.1%	(36.5)	(30.7)	-18.9%	(61.4)
Operating profit (EBIT)	**NOK**	**125.2**	**101.0**	**23.9%**	**230.6**	**188.8**	**22.1%**	**677.3**
Net financial items	NOK	(19.0)	(16.5)	-15.3%	(38.4)	(34.6)	-11.1%	(60.2)
Profit before tax	**NOK**	**106.2**	**84.6**	**25.6%**	**192.2**	**154.3**	**24.6%**	**617.0**

NOTE 3 – Share capital and premium

	Number of shares		Share capital			
NOK in million, except number of shares	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total
At 1 January 2017	**105,769,672**	**(7,844)**	**106**	**-**	**163**	**269**
Issue of share capital***	725,342	-	1	-	29	29
At 30 June 2017	**106,495,014**	**(7,844)**	**106**	**-**	**192**	**298**

* Most of Atea's internal sales are related to Group Shared Services, which consists of Atea Logistics and Atea Global Services
** Earnings before share-based compensation, expenses related to acquisition costs, interest, tax, depreciation and amortization
*** Issue of share capital is related to share options for the Management and selected employee

NOTE 4 – Investment in associated companies

The Group had one investment associated company as at 30 June 2017. Erate AS, aquired in April 2017 provides a platform which facilitates the setup of virtual mobile operators in the telecom industry. The acquisition will strengthen Atea's ability to drive innovation, and product and service development to the Norwegian mobile market.

Entity	Country	Industry	Ownership interest
Erate AS	Norway	Virtual mobile operator	17.5%

The investment is recognized on the balance sheet using the equity method. The investment is initially recorded at cost, and subsequently adjusted to reflect the investor's share of the net assets of the associate.

Reconciliation of summarized financial information:

NOK in million	Erate AS
Book value at 1 January 2017	**0**
Investments/disposals	10
Share of profit after tax during the period (included in Net Financial items)	0
Book value at 30 June 2017	**10**

NOTE 5 – Interest-bearing liabilities

Interest-bearing long term liabilities as of 30 June 2016 and 31 December 2016 included a bank loan of DKK 500 million arranged by Nordea Bank, Denmark, and an unsecured bond loan of NOK 300 million, arranged by Norsk Tillitsmann. Both loans are maturing in June 2018 and therefore were classified as current liabilities as of 30 June 2017.

Atea is going through a refinancing process, and these loans will be refinanced with long term liabilities by the end of 2017.

NOTE 6 – Taxes

NOK in million	Q2 2017	Effective rate	Q2 2016	Effective rate	Full year 2016	Effective rate
Profit before tax	106		85		617	
Tax payable expenses	(18)	17.4%	(15)	18.0%	(97)	15.7%
Deferred tax asset changes due to tax loss carry forward used	(5)	4.3%	-	0.0%	21	-3.5%
Other deferred tax changes	1	-1.0%	0	-0.4%	(29)	4.8%
Total tax expenses	**(22)**	**20.6%**	**(15)**	**17.6%**	**(105)**	**17.0%**

Income tax expense is recognized based on management's estimate of its weighted average tax rate. The estimated tax payable rate during the Q2 of 2017 is 17.4%.

Deferred tax changes include tax loss carry forwards used, currency effects on equity loan and other deferred tax items which are recognized on the balance sheet during the period.

At the year end of 2016, the tax value of the tax loss carried forward within the Group was NOK 537 million and the full amount was recognized as Deferred Tax Assets on the balance sheet.

NOTE 7 – 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. This demand seasonality is based on the procurement cycles of large organizations in the Nordic and Baltic regions, and is particularly strong within the public sector.

NOTE 8 – Commitments

With reference to Note 25 – Commitments – in the Annual report for 2016, Atea ASA has issued guarantees in favor of financial institutions as security for the lending facilities provided to Atea ASA and subsidiaries. Part of these commitments concern sublease facilities. At the end of Q2 2017, the Group had sublease commitments of NOK 434 million to financial institutions, which are not reported on-balance sheet.

Under a new leasing standard, IFRS 16, the sublease commitments referred to above would be reflected as both an asset and liability on the balance sheet. IFRS 16 was issued in January 2016 and effective for annual reports beginning on or after 1 January 2019.

NOTE 9 – Risks and uncertainties

On March 2, 2017, Atea A/S ("Atea Denmark") was presented with a formal prosecution (norsk: tiltale) as the legally responsible entity, of bribery and embezzlement carried out by four former employees in the company, in a time period from 2009-2014.

The four persons were employed at Atea Denmark at the time the actions took place. No current employees of Atea are charged or under prosecution in connection with the possible corruption case.

In the summer of 2014, Morten Felding and Steinar Sønsteby, both newly appointed in their roles as CEO of Atea Denmark and CEO of Atea ASA respectively, were informed that former employees had made decisions, approved expenditures and conducted themselves in an unacceptable manner that was in conflict with Atea's internal regulations. These actions affected the client Region Sjælland, which was notified, and that marked the start of a comprehensive police investigation in Denmark.

In addition to the former employees, a number of public officials in Denmark have also been charged as a result of the police investigation.

Since the summer of 2015, Atea has implemented a series of measures:

- In accordance with EU anti-corruption and tendering legislation, Atea Denmark has performed a thorough self-cleaning process
- Atea Denmark is undertaking a certification process on anti-corruption (ISO 37001 Anti-Bribery Systems)
- The Atea Group has established a thorough compliance system, including comprehensive control procedures
- The Code of Conduct of Atea has been updated and strengthened
- All employees of the Atea Group are required to complete a training program in ethics and the Code of Conduct
- The anonymous whistle-blower system has been strengthened for those who wish to report violations of the Code of Conduct or of relevant law
- A compliance committee has been established in the Board of Directors (Atea ASA)
- The CFO of Atea ASA, Robert Giori, has been appointed as Group Compliance Officer
- All business units report on compliance quarterly in order to make sure that the governance systems are working.

Because Atea Denmark has gone through a self-cleaning process in accordance with EU legislation, any prosecution or verdict will not automatically exclude Atea Denmark from competing in public tenders in Denmark. A verdict against Atea Denmark will not have any legal consequences for Atea's business in other countries.

NOTE 10 – Events after the balance sheet date

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

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:

EBITDA
EBITDA is defined as Operating profit (EBIT) before depreciation and amortization.

Pro forma revenue and EBITDA
Pro forma revenue and EBITDA includes revenue and EBITDA from companies acquired during 2017 and 2016 in both the current and prior full year. Pro forma financial results are used to calculate organic growth as well as bond covenant requirements (see below).

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

NOK in million	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
Revenue	8,409	8,442	15,769	15,689	31,188
Adjustment for acquisitions	(0)	(0)	-	8	7
Pro forma revenue	**8,409**	**8,442**	**15,769**	**15,696**	**31,195**
Pro forma revenue on last year currency	8,538	7,887	16,286	14,662	30,422
Pro forma growth in constant currency	**1.1%**	**15.2%**	**3.8%**	**9.6%**	**8.8%**

NOK in million	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
EBITDA	220	204	419	397	1,085
Adjustment for acquisitions	(0)	(0)	-	1	1
Pro forma EBITDA	**220**	**204**	**419**	**398**	**1,085**

EBITDA (adjusted)
Earnings before share-based compensation, expenses related to acquisition costs, interest, tax, depreciation and amortization (EBITDA) is a key financial metric for Atea. EBITDA (adjusted) is used to evaluate profitability from operating business activities.

NOK in million	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
EBITDA	220	204	419	397	1,085
Share-based compensation	11	10	25	22	39
Expenses related to acquisition	0	1	0	5	5
EBITDA (adjusted)	**231**	**215**	**444**	**425**	**1,129**

Free cash flow
Free cash flow is defined as cash flow from operations, less capital expenditures. Capital expenditures include assets acquired through cash purchases and through financial leasing agreements.

Atea's policy is to distribute over 70 percent of free cash flow over time 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.

Alternative Performance Measures (cont'd)

NOK in million	Q2 2017	Q2 2016	H1 2017	H1 2016	Full year 2016
Cash flow from operations	(395)	(71)	(716)	(512)	1,404
Capital expenditures through cash	(55)	(81)	(111)	(142)	(280)
Capital expenditures through financial leasing	(13)	(9)	(18)	(18)	(49)
Free cash flow	**(464)**	**(161)**	**(845)**	**(671)**	**1,075**

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.

NOK in million	30 Jun 2017	30 Jun 2016	31 Dec 2016
Interest-bearing long-term liabilities	(144)	(1,125)	(1,079)
Interest-bearing current liabilities	(1,367)	(775)	(152)
Cash and cash equivalents	16	115	880
Net financial position	**(1,494)**	**(1,784)**	**(350)**

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 and indicates how much funding is needed for business operations.

Due to seasonality of operation (see Note 7) Atea's net working capital fluctuates highly with a peak in the fourth quarter. Atea has sufficient debt facilities to finance its working capital fluctuations.

Net working capital in relation to annualized revenue indicates effectiveness in working capital management. Annualized revenue is estimated based on period results (quarterly revenue is multiplied by 4, half year revenue is multiplied by 2).

NOK in million	30 Jun 2017	30 Jun 2016	31 Dec 2016
Inventories	691	761	608
Trade receivables	5,391	5,229	5,975
Other receivables	983	913	785
Other financial assets	2	1	3
Trade payables	(4,596)	(4,394)	(5,835)
VAT, taxes and government fees	(738)	(654)	(783)
Provisions	(152)	(151)	(233)
Other current liabilities	(1,915)	(1,749)	(1,897)
Other financial liabilities	(11)	(23)	(9)
Net working capital	**(345)**	**(67)**	**(1,385)**
Revenue	15,769	15,689	31,188
Annualized revenue	31,537	31,377	31,188
Net working capital in relation to annualized revenue (%)	**(1.1)**	**(0.2)**	**(4.4)**

Alternative Performance Measures (cont'd)

Liquidity reserve

Liquidity reserve is calculated as cash and cash equivalents including unutilized credit facilities from financial institutions.

The liquidity reserve is limited by the Group's leverage covenant in the bond agreement and bank facility agreements, which states a maximum leverage ratio of 2.5x EBITDA (net debt/last twelve months pro forma EBITDA). Twelve months pro forma EBITDA below presents data at the respective reporting date.

NOK in million	30 Jun 2017	30 Jun 2016	31 Dec 2016
Last 12 months pro forma EBITDA	1,106	974	1,085
Bond covenant ratio	2.5	2.5	2.5
Liquidity reserve	**1,271**	**651**	**2,362**

Equity ratio

Equity ratio is defined as equity proportion of total asset and shows financial leverage. In accordance with Atea's risk management guidelines equity ratio should be above 20%.

NOK in million	30 Jun 2017	30 Jun 2016	31 Dec 2016
Equity	3,196	3,185	3,200
Total assets	12,396	12,321	13,456
Equity ratio (%)	**25.8**	**25.8**	**23.8**

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2017, has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report, to the best of our knowledge, includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties' transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Oslo, 13 July 2017

Sven Madsen	Ib Kunøe Chairman of the Board	Saloume Djoudat
Marthe Dyrud	Truls Berntsen	Marianne Urdahl
Morten Jurs	Steinar Sønsteby CEO	Lisbeth T. Kvan

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