

# Q4

2022

PLATINUM Top 1%

2022  
**ecovadis**  
Sustainability  
Rating

**TP2B**  
ONE Place 2022



# Interim Report

Gross sales of NOK 14.0 billion,  
up 17.6% y-o-y

Revenue (IFRS) of NOK 9.8 billion,  
up 21.2% y-o-y

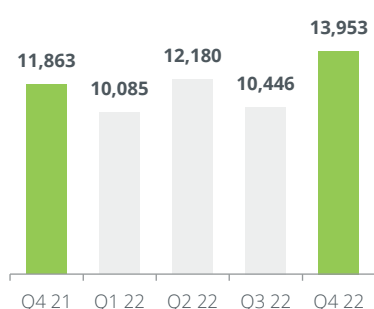
EBIT of NOK 449 million,  
up 11.5% y-o-y (up 21.1% excluding  
extraordinary item last year)

Cash flow from operations  
of NOK 1.7 billion

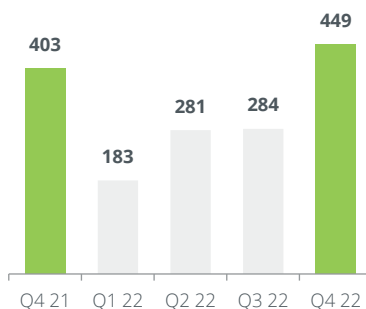
# KEY FIGURES | Q4 | 2022

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Gross sales*	13,953	11,863	46,664	41,316
Revenue (IFRS)*	9,820	8,099	32,397	28,491
Gross profit	2,617	2,356	9,002	8,446
EBIT	449	403	1,196	1,046
EBIT margin (%)	4.6%	5.0%	3.7%	3.7%
Net profit	303	307	851	763
Earnings per share (NOK)	2.72	2.76	7.64	6.86
Diluted earnings per share (NOK)	2.70	2.70	7.57	6.70
Cash flow from operations	1,650	1,658	1,030	1,096
Free cash flow	1,521	1,604	709	824

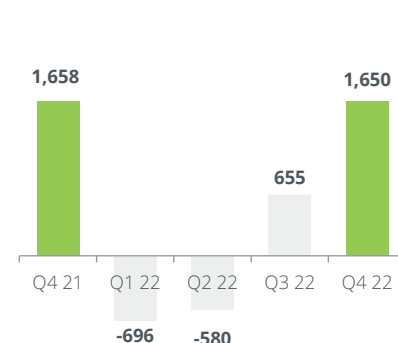
	31 Dec 2022	31 Dec 2021
Net financial position	304	822
Liquidity reserve	4,835	4,969
Working capital	-1,672	-2,003
Working capital in relation to last 12 months gross sales (%)	-3.6%	-4.8%
Adjusted equity ratio (%)	22.7%	24.0%
Number of full-time employees	8,073	7,658



**GROSS SALES** | NOK in million



**EBIT** | NOK in million



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

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

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

# FINANCIAL REVIEW | Q4 | 2022

## GROUP

Atea reported very strong sales in all countries and across all lines of business during the fourth quarter, driving record high EBIT for Q4 and full year 2022.

Total gross sales in Q4 2022 increased by 17.6% to NOK 13,953 million. Organic sales growth in constant currency was 18.1%. Currency differences had a negative impact of 0.6% on reported growth, as sales in foreign currencies were translated into a stronger Norwegian krone.

Hardware gross sales grew by 24.3%, with a high increase in shipments across nearly all product categories. Software gross sales grew by 12.3%, driven by very strong sales of cloud subscriptions. Services gross sales were up 10.0%, with higher demand for consulting and system implementation projects.

Revenue (IFRS) increased by 21.2% to NOK 9,820 million. Due to a new agenda decision from the IFRS interpretations committee, Atea changed its IFRS accounting policy effective from 1 January 2022 to recognize revenue from software and some vendor services on a net basis. More information regarding the impact of the accounting policy change can be found in Notes 1 and 12 of this report.

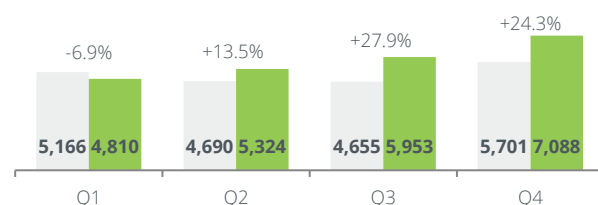
Gross profit increased by 11.1% to NOK 2,617 million. Gross margin fell from 19.9% to 18.8%, due to a shift in the sales mix toward products and due to a time lag in price adjustments on some hardware and services deliveries to reflect rising input costs.

Total operating expenses grew by 11.0% from last year to NOK 2,169 million. Growth in operating expenses was due to an increase in the average number of full-time employees by 392 (5.1%) from last year, and due to an extraordinary item which impacted other operating costs in Q4 2021. Last year, Atea generated a one-time gain of NOK 32 million from the sale of shares in an associated company, which was reported as a reduction in operating cost.

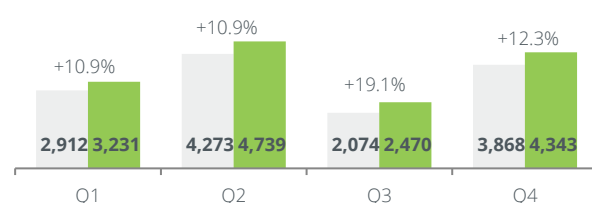
EBIT in the fourth quarter grew by 11.5% to NOK 449 million. Excluding the extraordinary gain on the sale of an associated company last year, EBIT in Q4 2022 grew by 21.1%.

Net financial items were an expense of NOK 58 million, up from an expense of NOK 37 million last year due to higher interest costs. Income tax expenses in Q4 2022 were NOK 89 million, an effective tax rate of 22.6%. Additional information can be found in Note 5 and Note 7 of this report.

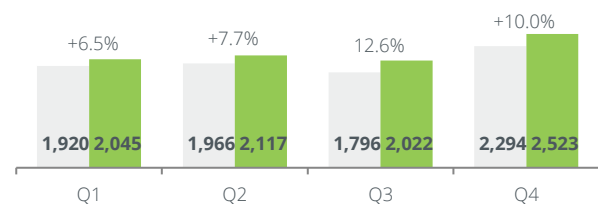
Net profit after tax was NOK 303 million, compared with NOK 307 million in Q4 last year.



**HARDWARE GROSS SALES AND GROWTH** | NOK in million



**SOFTWARE GROSS SALES AND GROWTH** | NOK in million



**SERVICES GROSS SALES AND GROWTH** | NOK in million

## FULL YEAR 2022

Group gross sales in the full year 2022 was NOK 46,664 million, an increase of 12.9% from last year. Organic sales growth in constant currency was 15.6%. Currency fluctuations had a negative impact of 2.4% on sales growth in 2022.

Hardware gross sales increased by 14.7%, with strong growth in demand across all product categories. Software gross sales grew by 12.6%, driven by higher sales of cloud subscriptions. Services gross sales increased by 9.1%, driven by growth in the consulting business.

Revenue (IFRS) increased by 13.7% to NOK 32,397 million. EBIT for the full year 2022 was NOK 1,196 million, up 14.4% from last year.

Net profit after tax was NOK 851 million, up 11.6% from last year. Atea's basic earnings per share were NOK 7.64, compared with NOK 6.86 last year.



# FINANCIAL REVIEW | Q4 | 2022

## NORWAY

NOK in million	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Gross sales - products	2,788	2,448	13.9%	9,101	7,632	19.2%
Gross sales - services	624	605	3.1%	2,261	2,240	0.9%
<b>Total gross sales</b>	<b>3,412</b>	<b>3,053</b>	<b>11.7%</b>	<b>11,362</b>	<b>9,872</b>	<b>15.1%</b>
<b>Total revenue (IFRS)</b>	<b>2,425</b>	<b>2,079</b>	<b>16.7%</b>	<b>8,052</b>	<b>7,255</b>	<b>11.0%</b>
Gross profit	741	654	13.3%	2,511	2,324	8.1%
OPEX	606	511	18.5%	2,124	1,961	8.3%
<b>EBIT</b>	<b>136</b>	<b>143</b>	<b>-5.3%</b>	<b>387</b>	<b>363</b>	<b>6.6%</b>
EBIT %	5.6%	6.9%	-1.3%	4.8%	5.0%	-0.2%

Atea Norway reported rapid sales growth in the fourth quarter of 2022, driven by strong demand of hardware.

Gross sales in Q4 2022 were NOK 3,412 million, an increase of 11.7% from last year. Hardware gross sales grew by 19.1% from last year, driven by high shipments of datacenter and networking solutions. Software gross sales grew by 6.2%, with solid demand growth for cloud subscriptions. Services gross sales were up 3.1% due to increased sales of consulting services.

Revenue (IFRS) was NOK 2,425 million, up 16.7% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 12.

Gross profit was NOK 741 million, up 13.3% from last year, based on higher sales of hardware and increased software and services margin.

Total operating expenses were NOK 606 million, up from NOK 511 million last year. In Q4 2021, Atea had an extraordinary gain of NOK 32 million on the sale of shares in an associated company (eRate) which was reported as a reduction in operating expenses (see Note 12 in Q4 2021 report for more information). Excluding this extraordinary item, operating expenses grew by 11.5% from last year.

EBIT in Q4 2022 was NOK 136 million. Excluding the one-time gain from the sale of shares in eRate last year, Atea Norway's EBIT grew by 21.9% in Q4 2022.

### FULL YEAR 2022

Gross sales in Atea Norway increased by 15.1% to NOK 11,362 million in the full year 2022, with strong growth in sales of products.

Revenue (IFRS) grew by 11.0% to NOK 8,052 million. EBIT for the full year 2022 was NOK 387 million, an increase of 6.6% from 2021.

# FINANCIAL REVIEW | Q4 | 2022

## SWEDEN

SEK in million	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Gross sales - products	5,017	4,196	19.6%	16,969	14,015	21.1%
Gross sales - services	1,022	937	9.0%	3,514	3,122	12.6%
<b>Total gross sales</b>	<b>6,038</b>	<b>5,133</b>	<b>17.6%</b>	<b>20,484</b>	<b>17,137</b>	<b>19.5%</b>
<b>Total revenue (IFRS)</b>	<b>3,933</b>	<b>3,297</b>	<b>19.3%</b>	<b>13,321</b>	<b>11,047</b>	<b>20.6%</b>
Gross profit	989	905	9.3%	3,514	3,222	9.1%
OPEX	791	738	7.2%	2,887	2,697	7.0%
<b>EBIT</b>	<b>198</b>	<b>167</b>	<b>18.5%</b>	<b>627</b>	<b>525</b>	<b>19.5%</b>
EBIT %	5.0%	5.1%	0.0%	4.7%	4.8%	0.0%

Atea Sweden reported record high sales and EBIT in the fourth quarter of 2022, driven by very strong growth across all lines of business.

Gross sales in Q4 2022 were SEK 6,038 million, an increase of 17.6% from last year. Organic growth was 17.3%, with the remaining growth coming from the acquired operations of Human IT in September 2022.

Hardware gross sales grew by 22.8%, with high shipments of networking solutions to the public sector. Software gross sales grew by 15.6%, based on increased sales to the public sector. Services gross sales were up 9.0%, with higher demand for consulting services from Atea and its subcontractors.

Revenue (IFRS) was SEK 3,933 million, an increase of 19.3% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 12.

Gross profit was SEK 989 million, up 9.3% from last year, driven by strong growth in each line of business.

Total operating expenses were SEK 791 million, up 7.2% from last year, primarily due an increased number of full-time employees. The average number of full-time employees grew by 131 (5.1%) from Q4 last year.

Based on strong sales performance and relatively lower growth in operating expenses, EBIT grew by 18.5% to a record high SEK 198 million. The EBIT margin was 5.0%, in line with last year.

### FULL YEAR 2022

Gross sales in Atea Sweden increased by 19.5% to SEK 20,484 million in the full year 2022, with high growth across all lines of business.

Revenue (IFRS) grew by 20.6% to SEK 13,321 million. EBIT for the full year 2022 was a record high SEK 627 million, an increase of 19.5% from 2021.

# FINANCIAL REVIEW | Q4 | 2022

## DENMARK

DKK in million	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Gross sales - products	1,697	1,427	18.9%	5,857	5,591	4.8%
Gross sales - services	470	402	16.9%	1,665	1,447	15.1%
<b>Total gross sales</b>	<b>2,168</b>	<b>1,829</b>	<b>18.5%</b>	<b>7,522</b>	<b>7,037</b>	<b>6.9%</b>
<b>Total revenue (IFRS)</b>	<b>1,608</b>	<b>1,295</b>	<b>24.1%</b>	<b>5,330</b>	<b>4,957</b>	<b>7.5%</b>
Gross profit	382	343	11.5%	1,326	1,244	6.6%
OPEX	321	311	3.4%	1,256	1,203	4.4%
<b>EBIT</b>	<b>61</b>	<b>32</b>	<b>90.0%</b>	<b>70</b>	<b>41</b>	<b>72.1%</b>
EBIT %	3.8%	2.5%	1.3%	1.3%	0.8%	0.5%

Atea Denmark reported strong growth in sales and EBIT in the fourth quarter of 2022.

Gross sales in Q4 2022 were DKK 2,168 million, an increase of 18.5% from last year. Hardware gross sales grew by 25.2%, driven by higher shipments of PCs and datacenter/communications equipment. Software gross sales were up 8.8%, due to increased demand from the public sector. Services gross sales were up by 16.9%, with rapid growth in consulting and system implementation projects.

Revenue (IFRS) was DKK 1,608 million, an increase of 24.1% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 12.

Gross profit was DKK 382 million, an increase of 11.5% from last year, driven by growth and higher margins in the services business.

Total operating expenses grew by 3.4% to DKK 321 million, primarily due to an increase in the number of employees. The average number of full-time employees increased by 90 (6.5%) from last year.

Based on strong sales performance and moderate growth in operating expenses, EBIT in Q4 2022 increased to DKK 61 million, compared with DKK 32 million last year. The EBIT margin was 3.8%, up from 2.5% last year.

### FULL YEAR 2022

Gross sales in Atea Denmark grew by 6.9% to a record high DKK 7,522 million in the full year 2022, with very strong growth in sales of services.

Revenue (IFRS) grew by 7.5% to DKK 5,330 million. EBIT for the full year 2022 was DKK 70 million, compared with DKK 41 million in 2021.

# FINANCIAL REVIEW | Q4 | 2022

## FINLAND

EUR in million	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Gross sales - products	103.7	70.2	47.6%	350.1	299.3	17.0%
Gross sales - services	13.5	11.6	16.2%	44.8	40.5	10.5%
<b>Total gross sales</b>	<b>117.2</b>	<b>81.9</b>	<b>43.2%</b>	<b>394.9</b>	<b>339.8</b>	<b>16.2%</b>
<b>Total revenue (IFRS)</b>	<b>91.1</b>	<b>61.6</b>	<b>47.9%</b>	<b>302.8</b>	<b>227.5</b>	<b>33.1%</b>
Gross profit	18.2	13.9	31.3%	61.1	51.8	18.0%
OPEX	13.8	11.3	22.0%	50.3	43.3	16.2%
<b>EBIT</b>	<b>4.5</b>	<b>2.6</b>	<b>71.5%</b>	<b>10.8</b>	<b>8.5</b>	<b>27.2%</b>
EBIT %	4.9%	4.2%	0.7%	3.6%	3.7%	-0.2%

Atea Finland reported record high sales and EBIT in the fourth quarter of 2022. Growth was exceptionally high across all lines of business.

Total gross sales in Finland increased by 43.2% to EUR 117.2 million. Organic growth was 41.2%, with the remaining growth coming from the acquisition of Gambit Group in April 2022.

Hardware gross sales increased by 54.3%, with very high growth across all product categories. Software gross sales increased by 32.3%, driven by higher demand from the public sector. Services gross sales were up 16.2%, based on rapid growth in the consulting business.

Revenue (IFRS) was EUR 91.1 million, an increase of 47.9% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 12.

Gross profit was EUR 18.2 million, up 31.3% from last year, driven by higher sales and increased margins in software and services.

Total operating expenses grew by 22.0% to EUR 13.8 million in Q4 2022, primarily due to an increase in the number of full-time employees. The average number of full-time employees grew by 73 (16.9%) from Q4 last year, including 50 full-time employees from the acquisition of Gambit Group.

Based on strong sales performance, EBIT grew by 71.5% to a record high EUR 4.5 million. The EBIT margin was 4.9%, compared with 4.2% last year.

### FULL YEAR 2022

Gross sales in Atea Finland increased by 16.2% to EUR 394.9 million in the full year 2022, with exceptionally high growth in sales of hardware.

Revenue (IFRS) grew by 33.1% to EUR 302.8 million. EBIT for the full year 2022 was a record high EUR 10.8 million, an increase of 27.2% from 2021.

# FINANCIAL REVIEW | Q4 | 2022

## THE BALTICS

EUR in million	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Gross sales - products	38.2	34.0	12.3%	109.4	95.3	14.8%
Gross sales - services	15.3	13.1	16.6%	49.5	42.9	15.5%
<b>Total gross sales</b>	<b>53.5</b>	<b>47.2</b>	<b>13.5%</b>	<b>158.9</b>	<b>138.2</b>	<b>15.0%</b>
<b>Total revenue (IFRS)</b>	<b>47.6</b>	<b>42.4</b>	<b>12.4%</b>	<b>143.8</b>	<b>123.3</b>	<b>16.6%</b>
Gross profit	13.5	12.4	8.9%	43.2	39.1	10.5%
OPEX	10.9	9.9	10.4%	36.9	33.4	10.5%
<b>EBIT</b>	<b>2.6</b>	<b>2.5</b>	<b>2.8%</b>	<b>6.3</b>	<b>5.7</b>	<b>10.4%</b>
EBIT %	5.4%	5.9%	-0.5%	4.4%	4.6%	-0.2%

Atea Baltics reported strong sales growth and higher EBIT in the fourth quarter of 2022.

Total gross sales were EUR 53.5 million, an increase of 13.5% from last year. Hardware gross sales grew by 14.0%, based on large public sector agreements in Latvia and Estonia. Software gross sales increased by 2.0%, due to higher demand from the public sector. Services gross sales were up 16.6%, with solid growth in managed services and third-party consulting services.

Revenue (IFRS) was EUR 47.6 million, an increase of 12.4% from last year. An explanation of the conversion from gross sales to IFRS revenue can be found in Note 12.

Gross profit was EUR 13.5 million, up 8.9% from last year. Growth in gross profit was mainly due to increased sales of hardware and services.

Total operating expenses were EUR 10.9 million in Q4 2022, an increase of 10.4% from last year. Growth in operating expenses was primarily due to an increase in the average number of full-time employees and salary inflation in the Baltic labor markets. The average number of full-time employees increased by 26 (3.8%) from Q4 last year.

EBIT in the fourth quarter of 2022 was EUR 2.6 million, an EBIT margin of 5.4%.

### FULL YEAR 2022

Gross sales in Atea Baltics increased by 15.0% to EUR 158.9 million in the full year 2022, driven by strong sales of hardware and services.

Revenue (IFRS) grew by 16.6% to EUR 143.8 million. EBIT for the full year 2022 was a record high EUR 6.3 million, an increase of 10.4% from 2021.



## BALANCE SHEET

As of 31 December 2022, Atea had total assets of NOK 17,864 million. Current assets such as cash, receivables and inventory represented NOK 11,138 million of this total. Non-current assets represented NOK 6,726 million of this total, and primarily consisted of goodwill (NOK 4,132 million), property, plant and equipment (NOK 541 million), right-of-use leased assets (NOK 1,253 million) and deferred tax assets (NOK 213 million).

Atea had total liabilities of NOK 14,108 million, and shareholders' equity of NOK 3,756 million as of 31 December 2022. Atea's policy is to maintain an equity ratio above 20%, adjusting for the impact of IFRS 16 ("adjusted equity ratio"). The adjusted equity ratio at the end of Q4 2022 was 22.7%.

Atea's net financial position was cash positive of NOK 304 million at the end of Q4 2022 as defined by Atea's debt covenants. Atea's debt covenants require that the Group maintains a maximum net interest bearing debt of 2.5x pro forma EBITDA over the last twelve months. Based on the calculation of the debt covenants, Atea's net interest-bearing debt is -0.2x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 4,835 million before the debt covenant would be reached. See additional information on the liquidity reserve in Note 12 of this report.

In order to reduce the volatility of its working capital and debt balances throughout the year, Atea sells specified accounts receivable through a securitization program organized by its bank. At the end of Q4 2022, Atea had sold receivables of NOK 1,859 million under the securitization program, compared with NOK 1,848 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 1,650 million in the fourth quarter of 2022. Cash flow from operations was positively impacted by seasonal fluctuations in working capital and by a normalization in the inventory balance as the company reduced its buffer stock. Additional information on the seasonality of Atea's operations can be found in Note 9 of this report.

Cash flow from investing activities was an outflow of NOK 164 million in Q4 2022. Capital expenditure was NOK 131 million, up from NOK 109 million last year, driven by higher investments in data center equipment for its managed service business. In addition, Atea had net cash outflows of NOK 35 million in Q4 2022 related to the acquisition of customer contracts from KMD's hardware and software business. See Note 8 for additional information.

Cash flow from financing activities was an outflow of NOK 1,379 million. Atea paid NOK 303 million in dividends and repurchased NOK 96 million of its own shares during the quarter. Otherwise, the company made lease payments of NOK 81 million in Q4 2022 and reduced its debt balance by NOK 899 million. See additional information on Atea's debt balances in Note 6 of this report.

## SHARES

Atea had 8,251 shareholders on 31 December 2022 compared with 8,573 shareholders on 31 December 2021.

The 10 largest shareholders as of 31 December 2022 were:

Main Shareholders*	Shares	%
Systemintegration APS **	31,251,063	27.8%
Folketrygdfondet	7,646,060	6.8%
State Street Bank and Trust Co. ***	6,527,702	5.8%
State Street Bank and Trust Co. ***	3,815,939	3.4%
Verdipapirfond Odin Norden	3,656,029	3.3%
State Street Bank and Trust Co. ***	3,197,375	2.8%
RBC Investor Services Trust ***	3,091,261	2.8%
State Street Bank and Trust Co. ***	2,861,423	2.5%
Verdipapirfond Odin Norge	2,191,692	2.0%
Atea ASA	1,786,498	1.6%
Other	46,359,051	41.3%
<b>Total number of shares</b>	<b>112,384,093</b>	<b>100.0%</b>

\* Source: Verdipapirsentralen

\*\* Includes shares held by Ib Kunøe

\*\*\* Includes client nominee accounts

As of 31 December 2022, 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 December 2022, 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 organization structure is the result of the merger of the leading IT infrastructure companies in Denmark, Norway, Sweden, Finland and the Baltics in 2006 and 2007. This was followed by a further acquisition and consolidation of 50 companies from 2007 - 2015.

Atea's market share in the Nordic and Baltic regions far exceeds that of other IT infrastructure providers. Today, the company has offices in 88 cities in the Nordic and Baltic region 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.

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\* International IT research company, International Data Corporation

# BUSINESS OVERVIEW

## BUSINESS STRATEGY

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

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

### Atea's solution offering:

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

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

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

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

### Atea's service portfolio:

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

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

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

"Managed services": Atea is a managed service provider which helps customers operate their IT environments either on- premise or from the cloud. Atea's managed services

enable customers to dedicate less time and resources on IT operations and instead focus on their core objectives.

## SUSTAINABILITY

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

Atea's latest Corporate Responsibility & Sustainability Report, published in March 2022, can be found at <https://www.atea.com/esg-overview/>, together with other material ESG data. The sustainability report contains information and progress updates regarding Atea's 10-year plan for driving its sustainability agenda.

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

### During the past year:

- Atea received and maintained recognition 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 51<sup>st</sup> in 2022 to 49<sup>th</sup> in 2023, placing Atea 1<sup>st</sup> in our industry (IT Services).
- 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, a non-profit organization that runs the world's leading environmental disclosure platform.
- Atea maintained "Prime" (highest) status by ISS ESG, one of the world's leading rating agencies in the field of sustainable investment.
- 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 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 "Environmental Partner Leader" by Canalys due to our strategy and commitment to do better for our industry, people, community, and the environment.
- 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 has stimulated innovation and driven investment in digital technologies to transform business processes and automate operations.

In addition, this has led to increased demand for information management solutions to utilize data in a secure manner. The acceleration in the digital transformation trend has continued in 2022 even after the end of social distancing requirements and travel restrictions.

### Return to the workplace

Many organizations postponed on-premise IT investments in 2020 and 2021, as access to most offices was restricted. As employees have returned to the workplace, 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 has faced production and logistics constraints in recent years, resulting in long and uncertain lead times for delivery to customers. Rapid shifts in demand for electronic devices during the COVID pandemic have caused shortages of key components, and semiconductor fabricators have not had surplus capacity to respond.

The supply constraints were particularly severe at the end of 2021, but have eased greatly during 2022 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 since the start of 2022. Within networking equipment, delivery times remain longer than normal, but are steadily improving – which allowed Atea to also deliver high volumes of networking equipment during the past six months.

### 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 5.9% during the last twelve months through December 2022 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 product and service margins during the fourth 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. During 2022, Atea has reported 12.9% growth in sales and 14.4% growth in EBIT.

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 higher than normal during the first quarter, before transitioning to a longer-term trend. The company's revenue forecast is supported by a high order backlog of over NOK 5 billion at the end of Q4 2022.

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 the past 12 months, Atea has 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 during the coming months, 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 backoffice 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 12 MONTHS ENDED 31 DECEMBER 2022

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK in million	Note	Q4 2022	Restated Q4 2021	Full year 2022	Restated Full year 2021
Revenue (IFRS)	1,2,3,9,12	9,820	8,099	32,397	28,491
Cost of sales	12	-7,202	-5,743	-23,395	-20,045
<b>Gross profit</b>		<b>2,617</b>	<b>2,356</b>	<b>9,002</b>	<b>8,446</b>
Payroll and related costs		-1,801	-1,640	-6,540	-6,130
Other operating costs	12	-208	-156	-651	-656
<b>EBITDA</b>	<b>12</b>	<b>609</b>	<b>560</b>	<b>1,811</b>	<b>1,660</b>
Depreciation and amortization		-160	-157	-615	-614
<b>Operating profit (EBIT)</b>	<b>2</b>	<b>449</b>	<b>403</b>	<b>1,196</b>	<b>1,046</b>
Net financial items	5	-58	-37	-112	-104
<b>Profit before tax</b>		<b>391</b>	<b>365</b>	<b>1,084</b>	<b>942</b>
Tax	7	-89	-58	-233	-179
<b>Profit for the period</b>		<b>303</b>	<b>307</b>	<b>851</b>	<b>763</b>

#### Earnings per share

- earnings per share (NOK)	4	2.72	2.76	7.64	6.86
- diluted earnings per share (NOK)	4	2.70	2.70	7.57	6.70

<b>Profit for the period</b>		<b>303</b>	<b>307</b>	<b>851</b>	<b>763</b>
Currency translation differences		-49	-65	75	-183
Items that may be reclassified subsequently to profit or loss		-49	-65	75	-183
<b>Other comprehensive income</b>		<b>-49</b>	<b>-65</b>	<b>75</b>	<b>-183</b>
<b>Total comprehensive income for the period</b>		<b>254</b>	<b>242</b>	<b>926</b>	<b>580</b>

#### Total comprehensive income for the period attributable to:

Shareholders of Atea ASA		254	242	926	580
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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK in million	Note	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>			
Property, plant and equipment		541	493
Right-of-use assets		1,253	1,200
Deferred tax assets	7	213	276
Goodwill		4,132	3,942
Other intangible assets		452	328
Long-term subleasing receivables		36	53
Other long-term receivables		99	29
<b>Non-current assets</b>		<b>6,726</b>	<b>6,321</b>
Inventories		1,198	1,191
Trade receivables		6,701	5,189
Other receivables		2,268	1,916
Short term subleasing receivables		45	71
Other financial assets		4	7
Cash and cash equivalents		922	1,353
<b>Current assets</b>		<b>11,138</b>	<b>9,727</b>
<b>Total assets</b>		<b>17,864</b>	<b>16,048</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital and premium	4	680	657
Other reserves		1,519	1,444
Retained earnings		1,557	1,429
<b>Equity</b>		<b>3,756</b>	<b>3,530</b>
Interest-bearing long-term liabilities	6	0	475
Long-term sublease liabilities		36	53
Long-term leasing liabilities		1,018	986
Other long-term liabilities		116	190
Deferred tax liabilities		124	141
<b>Non-current liabilities</b>		<b>1,295</b>	<b>1,844</b>
Trade payables		8,100	6,574
Interest-bearing current liabilities	6	586	8
Current sublease liabilities		45	71
Current leasing liabilities		318	284
Tax payable		265	136
Provisions		50	27
Other current liabilities		3,424	3,562
Other financial liabilities		26	12
<b>Current liabilities</b>		<b>12,813</b>	<b>10,674</b>
<b>Total liabilities</b>		<b>14,108</b>	<b>12,518</b>
<b>Total equity and liabilities</b>		<b>17,864</b>	<b>16,048</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK in million	Note	31 Dec 2022	31 Dec 2021
Equity at start of period - 1 January		3,530	3,384
Currency translation differences		75	-183
Other comprehensive income		75	-183
Profit for the period		851	763
Total recognised income for the year		926	580
Employee share-option schemes		54	49
Dividend		-612	-555
Changes related to own shares	4	-166	-81
Issue of share capital	4	23	155
Equity at end of period		3,756	3,530

## CONSOLIDATED STATEMENT OF CASH FLOW

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Profit before tax	391	365	1,083	942
Adjusted for:				
Depreciation and amortisation	160	157	615	614
Share based compensation	21	7	53	49
Gains/Losses on disposals of PPE and intangible asset	1	-44	-72	-44
Net interest expenses	51	27	133	84
Other non-cash adjustments	-2	0	0	0
Taxes paid	-56	-49	-239	-151
Net interest paid	-51	-28	-133	-80
Cash earnings	516	436	1,439	1,413
Change in trade receivables	-2,828	-2,685	-1,537	306
Change in inventories	176	7	-10	-446
Change in trade payables	3,254	2,720	1,510	-40
Other changes in working capital	533	1,180	-372	-136
Cash flow from operating activities	1,650	1,658	1,030	1,096
Purchase of PPE and intangible assets	-131	-109	-397	-328
Sale of PPE and intangible assets	2	55	76	56
Acquisition of subsidiaries/businesses	-35	0	-119	-1
Cash flow from investing activities	-164	-53	-441	-273
Dividend paid	-303	-278	-612	-555
Payment from changes in treasury shares	-96	-40	-170	-106
Proceeds from new shares issue	-	0	23	155
Proceeds from sublease	14	-3	43	75
Payments of sublease liabilities	-14	3	-43	-75
Payments of lease liabilities	-81	-87	-315	-327
Change in debt	-899	-286	85	-37
Cash flow from financing activities	-1,379	-690	-989	-870
Net cash flow	108	914	-400	-47
Cash and cash equivalents at the start of the period	817	523	1,353	1,605
Foreign exchange effect on cash held in a foreign currency	-4	-84	-31	-205
Cash and cash equivalents at the end of the period	922	1,353	922	1,353

# NOTE 1

## GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for the three and twelve months ending 31 December 2022 were approved for publication by the Board of Directors on 8 February 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 region.

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group's Annual Report for 2021, which has been prepared according to IFRS as adopted by EU. There is one change in accounting policy

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

With reference to Note 2 in the 2021 Annual Report.

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

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

In its historic accounts, Atea has determined that it acts as a principal in the resale of standard software and vendor services and has recognized revenue from these products and services on a gross basis (with gross invoiced sales reported as revenue, and costs of the resold products reported as cost of goods).

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

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

In the interim financial statements for 2022, judgements, estimates and assumptions have been applied that may affect the use of accounting principles, book values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2022 and the major sources of uncertainty in the statements are similar to those found in the Annual accounts for 2021.

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

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

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

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

For financial year 2021:

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

For Q4 2021:

- Revenue is reduced by NOK 3.8 billion
- Cost of sales is reduced by NOK 3.8 billion
- Gross profit, operating profit, net profit after tax, balance sheet and cash flow statement are unchanged.

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

Amended historic income statements from 2015 – 2021 can be found at the following location:

[www.atea.com/accounting-policy-change-2022/](http://www.atea.com/accounting-policy-change-2022/)

## 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 (IFRS) NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Norway	2,425.5	2,079.0	8,051.9	7,255.2
Sweden	3,738.2	3,259.9	12,663.2	11,067.7
Denmark	2,232.5	1,738.9	7,237.1	6,774.3
Finland	941.0	615.7	3,059.0	2,312.4
The Baltics	490.1	425.3	1,452.4	1,253.5
Group Shared Services	2,251.9	2,168.9	8,790.9	7,303.3
Eliminations*	-2,259.3	-2,188.3	-8,857.2	-7,475.1
<b>Atea Group</b>	<b>9,819.8</b>	<b>8,099.5</b>	<b>32,397.2</b>	<b>28,491.2</b>

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



## NOTE 2

### OPERATING SEGMENT INFORMATION (CONT'D)

#### NOK

<b>EBIT</b> <b>NOK in million</b>	<b>Q4</b> <b>2022</b>	<b>Q4</b> <b>2021</b>	<b>Full year</b> <b>2022</b>	<b>Full year</b> <b>2021</b>
Norway	135.7	143.3	387.1	363.2
Sweden	188.2	165.4	596.4	526.1
Denmark	83.3	44.0	95.4	55.8
Finland	45.7	26.1	108.8	86.1
The Baltics	26.4	25.3	63.5	57.9
Group Shared Services	12.6	29.6	58.9	66.0
Group cost	-42.9	-30.9	-114.0	-109.1
<b>Operating profit (EBIT)</b>	<b>448.8</b>	<b>402.6</b>	<b>1,196.2</b>	<b>1,046.0</b>
Net financial items	-57.6	-37.5	-112.3	-103.7
<b>Profit before tax</b>	<b>391.2</b>	<b>365.2</b>	<b>1,083.9</b>	<b>942.3</b>

<b>Quarterly revenue (IFRS) and gross profit</b> <b>NOK in million</b>	<b>Q4</b> <b>2022</b>	<b>Q4</b> <b>2021</b>	<b>Full year</b> <b>2022</b>	<b>Full year</b> <b>2021</b>
Product revenue	7,408.3	5,968.9	24,262.1	21,159.0
Services revenue	2,411.5	2,130.6	8,135.0	7,332.3
<b>Total revenue (IFRS)</b>	<b>9,819.8</b>	<b>8,099.5</b>	<b>32,397.2</b>	<b>28,491.2</b>
Gross profit	2,617.4	2,356.2	9,002.2	8,446.4

<b>Quarterly revenue (IFRS)</b> <b>and gross profit</b> <b>NOK in million</b>	<b>Q4</b> <b>2022</b>	<b>Q3</b> <b>2022</b>	<b>Q2</b> <b>2022</b>	<b>Q1</b> <b>2022</b>	<b>Q4</b> <b>2021</b>	<b>Q3</b> <b>2021</b>	<b>Q2</b> <b>2021</b>	<b>Q1</b> <b>2021</b>
Product revenue	7,408.3	6,188.9	5,619.8	5,045.1	5,968.9	4,850.6	4,939.0	5,400.4
Services revenue	2,411.5	1,892.7	1,969.9	1,860.8	2,130.6	1,663.6	1,753.4	1,784.7
<b>Total revenue (IFRS)</b>	<b>9,819.8</b>	<b>8,081.7</b>	<b>7,589.8</b>	<b>6,906.0</b>	<b>8,099.5</b>	<b>6,514.2</b>	<b>6,692.5</b>	<b>7,185.1</b>
Gross profit	2,617.4	2,081.5	2,211.6	2,091.7	2,356.2	1,917.1	2,089.2	2,084.0

## NOTE 2

### OPERATING SEGMENT INFORMATION (CONT'D)

#### LOCAL CURRENCY

Revenue (IFRS)		Q4	Q4	Full year	Full year
Local currency in million		2022	2021	2022	2021
Norway	NOK	2,425.5	2,079.0	8,051.9	7,255.2
Sweden	SEK	3,933.5	3,297.0	13,321.3	11,046.7
Denmark	DKK	1,608.2	1,295.5	5,329.6	4,957.1
Finland	EUR	91.1	61.6	302.8	227.5
The Baltics	EUR	47.6	42.4	143.8	123.3
Group Shared Services	NOK	2,251.9	2,168.9	8,790.9	7,303.3
Eliminations*	NOK	-2,259.3	-2,188.3	-8,857.2	-7,475.1
<b>Atea Group</b>	<b>NOK</b>	<b>9,819.8</b>	<b>8,099.5</b>	<b>32,397.2</b>	<b>28,491.2</b>

EBIT		Q4	Q4	Full year	Full year
Local currency in million		2022	2021	2022	2021
Norway	NOK	135.7	143.3	387.1	363.2
Sweden	SEK	198.0	167.0	627.4	525.1
Denmark	DKK	61.3	32.3	70.2	40.8
Finland	EUR	4.5	2.6	10.8	8.5
The Baltics	EUR	2.6	2.5	6.3	5.7
Group Shared Services	NOK	12.6	29.6	58.9	66.0
Group cost	NOK	-42.9	-30.9	-114.0	-109.1
<b>Operating profit (EBIT)</b>	<b>NOK</b>	<b>448.8</b>	<b>402.6</b>	<b>1,196.2</b>	<b>1,046.0</b>
Net financial items	NOK	-57.6	-37.5	-112.3	-103.7
<b>Profit before tax</b>	<b>NOK</b>	<b>391.2</b>	<b>365.2</b>	<b>1,083.9</b>	<b>942.3</b>

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

## NOTE 3

### DISAGGREGATION OF REVENUE (IFRS)

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

The Group has disclosed geographical information about revenue from external customers. In addition, the Group

has disclosed revenue based on two main categories: products (hardware and software) and services.

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

<b>Hardware revenue (IFRS)</b>		<b>Q4</b>	<b>Q4</b>	<b>Full year</b>	<b>Full year</b>
<b>Local currency in million</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Norway	NOK	1,731.7	1,454.3	5,599.9	4,938.6
Sweden	SEK	2,833.3	2,307.8	9,506.8	7,713.3
Denmark	DKK	1,099.4	877.8	3,669.4	3,529.4
Finland	EUR	75.4	48.9	252.5	183.2
The Baltics	EUR	33.3	29.2	95.7	80.6
Group Shared Services	NOK	2,019.8	2,009.1	7,952.2	6,706.9
Eliminations*	NOK	-2,004.4	-2,002.7	-7,913.7	-6,665.3
<b>Atea Group</b>	<b>NOK</b>	<b>7,088.0</b>	<b>5,701.3</b>	<b>23,175.6</b>	<b>20,212.4</b>

<b>Software revenue (IFRS)</b>		<b>Q4</b>	<b>Q4</b>	<b>Full year</b>	<b>Full year</b>
<b>Local currency in million</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Norway	NOK	96.0	75.6	312.3	241.9
Sweden	SEK	140.4	119.0	500.4	445.6
Denmark	DKK	38.6	38.3	143.1	124.7
Finland	EUR	3.0	1.8	8.6	7.2
The Baltics	EUR	0.4	0.4	1.3	1.2
Group Shared Services	NOK	1.5	0.6	4.3	2.9
Eliminations*	NOK	0.5	0.5	2.9	1.1
<b>Atea Group</b>	<b>NOK</b>	<b>320.3</b>	<b>267.6</b>	<b>1,086.6</b>	<b>946.5</b>

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

## NOTE 3

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

Services revenue (IFRS)		Q4	Q4	Full year	Full year
Local currency in million		2022	2021	2022	2021
Norway	NOK	597.8	549.1	2,139.6	2,074.7
Sweden	SEK	959.8	870.2	3,314.1	2,887.8
Denmark	DKK	470.2	379.4	1,517.1	1,303.0
Finland	EUR	12.7	10.9	41.7	37.1
The Baltics	EUR	13.8	12.7	46.8	41.6
Group Shared Services	NOK	230.6	159.2	834.4	593.4
Eliminations*	NOK	-255.4	-186.0	-946.5	-811.0
<b>Atea Group</b>	<b>NOK</b>	<b>2,411.5</b>	<b>2,130.6</b>	<b>8,135.0</b>	<b>7,332.3</b>

## NOTE 4

### SHARE CAPITAL AND PREMIUM

NOK in million, except number of shares	Number of shares		Share capital			
	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total
At 1 January 2022	112,130,609	-608,567	112	-1	546	657
Issue of Share capital**	253,484		0	-	23	23
Changes related to own shares ***		-1,177,931		-1		-1
<b>At 31 December 2022</b>	<b>112,384,093</b>	<b>-1,786,498</b>	<b>112</b>	<b>-2</b>	<b>569</b>	<b>680</b>

#### Average number of shares outstanding

The average number of shares outstanding during 2022 was 111,379,803. 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 2022 was 112,424,399. 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 2022, and the remaining vesting period of the options, the dilution impact of the share option program is 1,044,596 shares. This calculation is in accordance with IAS 33 Earnings per Share.

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

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

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

The sales price for the shares was NOK 59 million (with remaining NOK 58 million affecting Retained earnings)

The purchase price for the shares was NOK 230 million (with remaining NOK 228 million affecting Retained earnings).

## NOTE 4

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

31 December 2022	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				111,379,803
<u>Dilution effect of share options</u>				
Total share options				
Fully vested, with adjusted strike price below share price	2,428,640	92	92	589,445
Unvested*, with adjusted strike price below share price	1,729,332	82	89	455,151
Unvested*, with adjusted strike price above share price	4,146,164	120	142	-
All Share options	8,304,136	104	108	1,044,596
Fully diluted EPS calculation**				112,424,399

## NOTE 5

### NET FINANCIAL ITEMS

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Interest income	1	1	3	6
Interest income, subleasing	1	0	4	6
Other financial income	1	0	1	3
Total financial income	3	2	8	14
Interest costs on loans	-38	-15	-78	-38
Interest expense, leasing	-15	-13	-58	-52
Interest expenses, subleasing	-1	0	-4	-6
Foreign exchange effects	-5	-8	30	-15
Other financial expenses	-3	-2	-11	-8
Total financial expenses	-61	-39	-121	-118
Total net financial items	-58	-37	-112	-104

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

\*\* Based on an average share price of 119 from January 1 – December 31, 2022



## NOTE 6

### BORROWING

#### Credit facilities

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

#### EIB loan

Atea ASA has entered into an unsecured loan agreement for NOK 475 million with the European Investment Bank in May 2018. The loan has a term of 5 years, and a rate of interest of NIBOR 6M + 0.99%. 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:

NOK in million	Available facility	Utilized facility	
	31 Dec 2022	31 Dec 2022	31 Dec 2021
<b>Long-term</b>			
EIB loan		-	475
Long-term interest-bearing leasing liabilities*		24	30
<b>Short-term</b>			
Receivables facility	1,100	95	-
Overdraft facility	300	11	-
Money market line	600	-	-
EIB loan	475	475	-
Current interest-bearing leasing liabilities*		7	18
Other		5	8
<b>Total debt</b>		<b>617</b>	<b>530</b>
Securitization - sale of receivables	1,900	1,859	1,848
<b>Total borrowing utilized</b>		<b>2,476</b>	<b>2,379</b>

\* Total debt does not include incremental net lease liabilities due to the adoption of IFRS 16 from 1 January 2019, as defined by Atea loans covenants. See Note 12 for more information.

## NOTE 7

### TAXES

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Profit before tax	391	365	1,084	942
Tax payable expenses	-70	-48	-185	-148
Deferred tax asset changes due to tax loss carry forward used	-19	-13	-51	-35
Other deferred tax changes	1	2	3	3
<b>Total tax expenses</b>	<b>-89</b>	<b>-58</b>	<b>-233</b>	<b>-179</b>
Effective rate	22.6%	15.9%	21.5%	19.0%

The increase in tax payable expenses in 2022 compared with 2021 was primarily driven by higher profit. Change in deferred tax is related to tax loss carry forward used and other temporary differences.

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

### BUSINESS COMBINATIONS AND OTHER BUSINESS INITIATIVES

#### BUSINESS COMBINATIONS

##### Gambit Group

On 1 April 2022, Atea acquired 100 percent of the outstanding shares in Gambit Group. Gambit Group consists of Gambit Labs Oy AB and two subsidiaries.

Gambit Group is an IT services provider based in Vaasa, Finland. The acquisition will strengthen Atea's position within information management solutions, including data analytics, machine learning and related system development.

Gambit Group had revenue of approximately EUR 4 million in the fiscal year ending March 2022.

##### Human IT

On 1 September 2022, Atea acquired the IT consulting operations of Human IT Sverige AB in southern and western Sweden.

The acquisition will strengthen Atea's ability to support its customers on projects involving digital transformation and cloud integration.

The acquisition only included a transfer of contracts for consultants and customers. No legal companies, facilities,

administration or other overhead costs were included in the acquisition. The employees and customer contracts have been directly integrated into the Atea Sweden organization.

The acquired operations of Human IT had revenue of approximately SEK 60 million in 2021.

#### Allocation of purchase price

Both transactions qualify as a business combination, as defined in IFRS 3 Business Combination. Due to the high knowledge and low capital requirements for operating an IT sales and consulting organization, acquisitions within this sector will typically result in a goodwill balance.

The goodwill balance represents the surplus of the purchase price compared with the accounting value of the net fixed and intangible assets of the acquired business.

Acquisition costs of NOK 2.5 million related to the two business combinations are included in operating costs in the Consolidated income statement. The fair values have been determined on provisional basis at the end of the reporting period.

## NOTE 8

### BUSINESS COMBINATIONS AND OTHER BUSINESS INITIATIVES (CONT'D)

Details of the purchase consideration, the net assets acquired and goodwill in 2022 are as follows:

NOK in million	Gambit Group	Human IT	Total
Acquisition date	01 April 2022	01 September 2022	
Country	Finland	Sweden	
Voting rights/ownership interest	100.0%	2)	
Purchase consideration:			
Cash payment	73.9	28.2	102.2
Contingent consideration 1)	22.4	1.7	24.1
Total purchase consideration	96.4	29.9	126.3
Fair value of assets and liabilities (see table below)	19.3	-0.1	19.1
<b>Goodwill</b>	<b>77.1</b>	<b>30.0</b>	<b>107.1</b>

The fair value of assets and liabilities recognized as a result of the acquisition in 2022 are as follows:

NOK in million	Gambit Group	Human IT	Total
Contracts and customer relationships	11.0	3.8	14.8
Property, plant and equipment	0.4	-	0.4
Trade receivables	7.8	-	7.8
Other receivables	1.8	0.0	1.8
Cash and cash equivalents	15.9	-	15.9
<b>Total asset</b>	<b>36.9</b>	<b>3.9</b>	<b>40.8</b>
Deferred tax liabilities	-2.2	-0.8	-3.0
Trade payables	-0.8	-	-0.8
Other current liabilities and provisions	-14.6	-3.2	-17.8
<b>Total liabilities</b>	<b>-17.6</b>	<b>-4.0</b>	<b>-21.6</b>
<b>Net assets acquired</b>	<b>19.3</b>	<b>-0.1</b>	<b>19.1</b>

1) Consideration that is dependent on future results and sellers employees being employed, is recognized as an obligation based on the fair value at the time of acquisition.

2) The acquisition was related to consulting operations and not the legal company.

## NOTE 8

### BUSINESS COMBINATIONS AND OTHER BUSINESS INITIATIVES (CONT'D)

#### Acquisition of KMD customer agreements

In December 2022, Atea Denmark finalized an agreement to acquire customer contracts from KMD relating to the hardware and infrastructure software business. The acquisition cost of NOK 35.2 million is recognized as intangible assets. This transaction does not qualify as a business combination as defined in IFRS 3.

The contracts are for customers in Denmark. As part of the agreement, Atea hired 24 KMD employees.

Net cash payments in connection with the acquisitions are as follows:

NOK in million	Gambit Group	Human IT	KMD	Total
Consideration paid in cash at date of acquisition	73.9	28.2	35.2	137.4
Cash and cash equivalents in acquired companies	-15.9	-	-	-15.9
Net cash payments for the acquisitions	58.1	28.2	35.2	121.5

If all acquired entities had been consolidated from 1 January 2022, the consolidated pro forma income statements for 2022 would show revenue and profit as follows:

NOK in million	Full year 2022
Operating revenue (IFRS)	32,443
Operating profit/loss (EBIT)	1,198

The financial performance from the acquisition date to the end of 2022 for the acquired company is considered to be immaterial from a Group perspective.

#### OTHER BUSINESS INITIATIVES

#### Sale of mobile service provider business

In April 2022, Atea Norway entered an agreement to sell Atea Mobil, its mobile service provider business, to Nortel AS for a price of NOK 72.5 million. The amount was paid in Q2 2022.

## NOTE 9

### 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 10

### RISKS AND UNCERTAINTIES

Reference is made to Board of Directors' report 2021, as included in the 2021 Annual Report. The Board of Directors' report 2021 provides an analysis of risk factors for Atea. There are no material changes to these risk factors as of the date of this interim report.

The war in Ukraine does not directly impact Atea's operations. Atea's business is based in the Nordic and Baltic countries. Atea has no employees or operations in Ukraine or Russia.

However, the war in Ukraine is having a negative impact on the macroeconomic environment. Atea has a stable base of public sector and large corporate customers with the resources to invest in information technology throughout the economic cycle. About 65% of Atea's sales are to the public sector. For this reason, the war in Ukraine has not had a material negative effect on Atea's expectations.

## NOTE 11

### EVENTS AFTER THE BALANCE SHEET DATE

#### 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 will be provided in the Notice to the Annual General Meeting.

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

## NOTE 12

### 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:



## NOTE 12

### GROSS SALES AND REVENUE (IFRS)

As stated in Note 1, Atea has implemented a change to its accounting policy to comply with new guidance from the IFRS interpretations committee. In its financial reporting through 2021, Atea has recognized revenue from the resale of standard software and vendor services on a gross basis (with gross invoiced sales reported as revenue, and costs of the resold products reported as cost of goods).

Under the new guidance, Atea will recognize revenue from these products and services on a net basis

(with gross invoiced sales, less costs of the resold products reported as revenue). Atea will continue to report Gross invoiced sales in its financial statements as an APM.

The bridge from Gross sales to revenue (IFRS) is provided below. The change in accounting policy only affects revenue and cost of sales, and has no impact on Gross profit, operating profit, net profit after tax, balance sheet and cash flow statement.

<b>Q4 2022</b>						
<b>NOK in million</b>	<b>Norway</b>	<b>Sweden</b>	<b>Denmark</b>	<b>Finland</b>	<b>The Baltics</b>	<b>Atea Group</b>
Hardware	1,732	2,693	1,527	779	343	7,088
Software	1,056	2,075	833	292	50	4,343
Services	624	971	654	140	158	2,523
<b>Gross sales</b>	<b>3,412</b>	<b>5,738</b>	<b>3,013</b>	<b>1,211</b>	<b>551</b>	<b>13,953</b>
Hardware IFRS 15 adjustments	0	0	0	0	0	0
Software IFRS 15 adjustments	960	1,942	779	261	46	4,022
Services IFRS 15 adjustments	26	59	2	9	15	111
<b>Total IFRS 15 adjustments</b>	<b>986</b>	<b>2,000</b>	<b>781</b>	<b>270</b>	<b>61</b>	<b>4,134</b>
Hardware	1,732	2,693	1,527	779	343	7,088
Software	96	133	54	31	5	320
Services	598	912	652	131	143	2,412
<b>Revenue (IFRS)</b>	<b>2,425</b>	<b>3,738</b>	<b>2,232</b>	<b>941</b>	<b>490</b>	<b>9,820</b>

## NOTE 12

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

<b>Q4 2021</b>						
<b>NOK in million</b>	<b>Norway</b>	<b>Sweden</b>	<b>Denmark</b>	<b>Finland</b>	<b>The Baltics</b>	<b>Atea Group</b>
Hardware	1,454	2,282	1,177	488	294	5,701
Software	994	1,867	738	211	48	3,868
Services	605	927	541	116	132	2,294
<b>Gross sales</b>	<b>3,053</b>	<b>5,076</b>	<b>2,455</b>	<b>816</b>	<b>474</b>	<b>11,863</b>
Hardware IFRS 15 adjustments	0	0	0	0	0	0
Software IFRS 15 adjustments	918	1,750	686	193	44	3,600
Services IFRS 15 adjustments	56	66	30	7	4	164
<b>Total IFRS 15 adjustments</b>	<b>974</b>	<b>1,816</b>	<b>716</b>	<b>200</b>	<b>48</b>	<b>3,764</b>
Hardware	1,454	2,282	1,177	488	294	5,701
Software	76	117	52	18	4	268
Services	549	861	511	109	127	2,131
<b>Revenue (IFRS)</b>	<b>2,079</b>	<b>3,260</b>	<b>1,739</b>	<b>616</b>	<b>425</b>	<b>8,099</b>

<b>Full year 2022</b>						
<b>NOK in million</b>	<b>Norway</b>	<b>Sweden</b>	<b>Denmark</b>	<b>Finland</b>	<b>The Baltics</b>	<b>Atea Group</b>
Hardware	5,600	9,037	4,983	2,551	966	23,176
Software	3,501	7,094	2,971	986	138	14,782
Services	2,261	3,341	2,260	452	500	8,706
<b>Gross sales</b>	<b>11,362</b>	<b>19,472</b>	<b>10,214</b>	<b>3,989</b>	<b>1,605</b>	<b>46,664</b>
Hardware IFRS 15 adjustments	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
<b>Total IFRS 15 adjustments</b>	<b>3,310</b>	<b>6,809</b>	<b>2,977</b>	<b>930</b>	<b>153</b>	<b>14,266</b>
Hardware	5,600	9,037	4,983	2,551	966	23,176
Software	312	476	194	87	13	1,087
Services	2,140	3,150	2,060	421	473	8,135
<b>Revenue (IFRS)</b>	<b>8,052</b>	<b>12,663</b>	<b>7,237</b>	<b>3,059</b>	<b>1,452</b>	<b>32,397</b>

## NOTE 12

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

<b>Full year 2021</b>						
<b>NOK in million</b>	<b>Norway</b>	<b>Sweden</b>	<b>Denmark</b>	<b>Finland</b>	<b>The Baltics</b>	<b>Atea Group</b>
Hardware	4,939	7,728	4,823	1,862	819	20,212
Software	2,694	6,313	2,817	1,180	150	13,127
Services	2,240	3,128	1,977	412	436	7,976
<b>Gross sales</b>	<b>9,872</b>	<b>17,169</b>	<b>9,617</b>	<b>3,454</b>	<b>1,404</b>	<b>41,316</b>
Hardware IFRS 15 adjustments	0	0	0	0	0	0
Software IFRS 15 adjustments	2,452	5,867	2,646	1,107	138	12,180
Services IFRS 15 adjustments	165	235	196	35	13	644
<b>Total IFRS 15 adjustments</b>	<b>2,617</b>	<b>6,102</b>	<b>2,843</b>	<b>1,141</b>	<b>151</b>	<b>12,824</b>
Hardware	4,939	7,728	4,823	1,862	819	20,212
Software	242	446	170	73	12	947
Services	2,075	2,893	1,781	377	423	7,332
<b>Revenue (IFRS)</b>	<b>7,255</b>	<b>11,068</b>	<b>6,774</b>	<b>2,312</b>	<b>1,254</b>	<b>28,491</b>

## NOTE 12

### PRO FORMA ACCOUNTS

Pro forma gross sales, revenue (IFRS) and EBITDA includes gross sales, revenue (IFRS) and EBITDA from business combinations during 2022 and 2021 in both the current and prior full year. Pro forma financial results are used to calculate organic growth as well as loan covenant requirements (see below).

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

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Gross sales	13,953	11,863	46,664	41,316
Adjustment for acquisitions	0	23	46	84
<b>Pro forma gross sales</b>	<b>13,953</b>	<b>11,887</b>	<b>46,709</b>	<b>41,400</b>
Pro forma gross sales on last year currency	14,035	12,449	47,861	42,537
<b>Pro forma growth in constant currency</b>	<b>18.1%</b>		<b>15.6%</b>	

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenue (IFRS)	9,820	8,099	32,397	28,491
Adjustment for acquisitions	0	23	46	84
<b>Pro forma revenue (IFRS)</b>	<b>9,820</b>	<b>8,123</b>	<b>32,443</b>	<b>28,575</b>
Pro forma revenue (IFRS) on last year currency	9,862	8,511	33,202	29,364
<b>Pro forma growth in constant currency</b>	<b>21.4%</b>		<b>16.2%</b>	

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

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
EBITDA	609	560	1,811	1,660
Adjustment for acquisitions	0	1	1	-1
<b>Pro forma EBITDA</b>	<b>609</b>	<b>561</b>	<b>1,812</b>	<b>1,659</b>

### GROSS PROFIT

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

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

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenue (IFRS)	9,820	8,099	32,397	28,491
Cost of sales	-7,202	-5,743	-23,395	-20,045
<b>Gross profit</b>	<b>2,617</b>	<b>2,356</b>	<b>9,002</b>	<b>8,446</b>

## NOTE 12

### GROSS SALES MARGIN

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

<b>Gross sales and gross sales margin % NOK in million</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Full year 2022</b>	<b>Full year 2021</b>
Gross sales – products	11,431	9,569	37,958	33,339
Gross sales – services	2,523	2,294	8,706	7,976
<b>Total gross sales</b>	<b>13,953</b>	<b>11,863</b>	<b>46,664</b>	<b>41,316</b>
Product gross profit	1,181	1,044	4,029	3,607
Total services gross profit	1,437	1,312	4,973	4,840
<b>Total products and services gross profit</b>	<b>2,617</b>	<b>2,356</b>	<b>9,002</b>	<b>8,446</b>
Product margin	10.3%	10.9%	10.6%	10.8%
Services margin	57.0%	57.2%	57.1%	60.7%
<b>Gross sales margin %</b>	<b>18.8%</b>	<b>19.9%</b>	<b>19.3%</b>	<b>20.4%</b>

### OPERATING EXPENSES

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

<b>NOK in million</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>Full year 2022</b>	<b>Full year 2021</b>
Payroll and related costs	1,801	1,640	6,540	6,130
Other operating costs	208	156	651	656
Depreciation and amortization	160	157	615	614
<b>Total operating expenses</b>	<b>2,169</b>	<b>1,954</b>	<b>7,806</b>	<b>7,400</b>

## NOTE 12

### FREE CASH FLOW

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

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

NOK in million	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Cash flow from operations	1,650	1,658	1,030	1,096
Purchase of PPE and intangible assets	-131	-109	-397	-328
Sale of PPE and intangible assets	2	55	76	56
Capital expenditures through cash	-129	-53	-322	-272
Free cash flow	1,521	1,604	709	824

### NET FINANCIAL POSITION

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

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

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

NOK in million	31 Dec 2022	31 Dec 2021
Interest-bearing long-term liabilities	-	-475
Interest-bearing long-term leasing liabilities	-24	-30
Interest-bearing current liabilities	-586	-8
Interest-bearing current leasing liabilities	-7	-18
Cash and cash equivalents	922	1,353
Net financial position	304	822
Long-term ROU assets leasing liabilities	-994	-956
Current ROU assets leasing liabilities	-310	-266
Long-term subleasing liabilities	-36	-53
Short-term subleasing liabilities	-45	-71
Long-term subleasing receivables	36	53
Short-term subleasing receivables	45	71
Incremental net lease liabilities due to IFRS 16 adoption	-1,304	-1,222

## NOTE 12

### LIQUIDITY RESERVE

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

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

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

NOK in million	31 Dec 2022	31 Dec 2021
Last 12 months pro forma EBITDA	1,812	1,659
Debt covenant ratio	2.5	2.5
<b>Net debt limit</b>	<b>4,531</b>	<b>4,147</b>
Net financial position	304	822
<b>Liquidity reserve</b>	<b>4,835</b>	<b>4,969</b>
Net debt / pro forma EBITDA	-0.2	-0.5

### NET WORKING CAPITAL

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

balance impacts how much funding is needed for business operations. Net working capital is positively affected by the securitization program, see Note 6 for more details.

NOK in million	31 Dec 2022	31 Dec 2021
Inventories	1,198	1,191
Trade receivables	6,701	5,189
Other receivables	2,268	1,916
Trade payables	-8,100	-6,574
Tax payable	-265	-136
Provisions	-50	-27
Other current liabilities	-3,424	-3,562
<b>Working capital</b>	<b>-1,672</b>	<b>-2,003</b>
Securitization effect	1,859	1,848
<b>Working capital before securitization</b>	<b>187</b>	<b>-154</b>
Year to date gross sales	46,664	41,316
<b>Working capital in relation to last 12 months gross sales</b>	<b>-3.6%</b>	<b>-4.8%</b>

## NOTE 12

### ADJUSTED EQUITY RATIO

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

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

NOK in million	31 Dec 2022	31 Dec 2021
Total assets	17,864	16,048
Deduct: incremental lease assets due to IFRS 16 adoption		
Right-of-use assets	-1,253	-1,200
Long-term subleasing receivables	-36	-53
Short-term subleasing receivables	-45	-71
Adjusted total assets	16,529	14,724
Equity	3,756	3,530
Adjusted equity ratio	22.7%	24.0%



# Q4

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## 2022

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