

Q4

2021



Interim Report

Revenue of NOK 11.9 billion, up 6.4% y-o-y in constant currency

EBIT of NOK 403 million, up 4.0% y-o-y (up 22.5% for full year)

Net profit of NOK 307 million, up 8.0% y-o-y (up 29.3% for full year)

Net financial position of NOK 822 million, compared with NOK 1,067 million last year

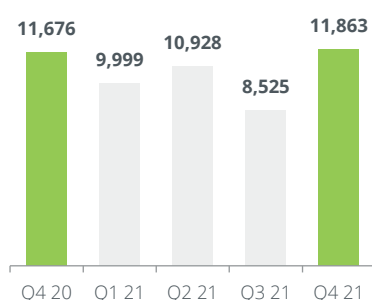


ATEA

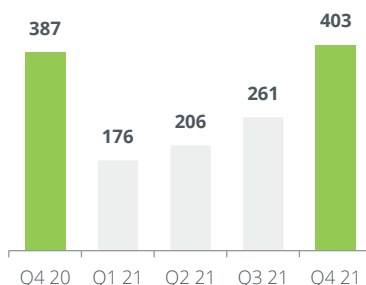
KEY FIGURES* | Q4 | 2021

NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Group revenue	11,863	11,676	41,316	39,503
Gross profit	2,356	2,327	8,446	8,236
Gross margin (%)	19.9%	19.9%	20.4%	20.8%
EBIT	403	387	1,046	854
EBIT margin %	3.4%	3.3%	2.5%	2.2%
Net profit	307	284	763	590
Earnings per share (NOK)	2.76	2.59	6.86	5.37
Diluted earnings per share (NOK)	2.70	2.56	6.70	5.32
Cash flow from operations	1,699	1,584	1,137	1,388
Free cash flow	1,604	1,486	824	1,067

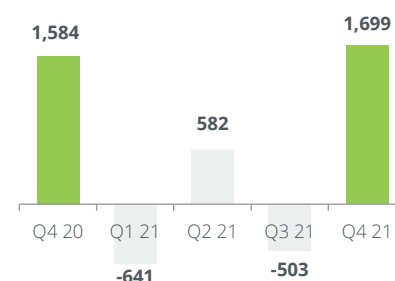
	31 Dec 2021	31 Dec 2020
Net financial position	822	1,067
Liquidity reserve	4,972	4,808
Working capital	-2,003	-2,738
Working capital in relation to annualized revenue (%)	.	.
Adjusted equity ratio (%)	24.0%	22.4%
Number of full-time employees	7,658	7,337



REVENUE | NOK in million



EBIT | NOK in million



CASH FLOW | NOK in million
FROM OPERATIONS

*Alternative performance measures (APM) presented in the key figures table are described in Note 14 of this report

FINANCIAL REVIEW | Q4 | 2021

GROUP

Atea reported record high revenue and EBIT in the fourth quarter of 2021, driven by strong growth in sales of services.

Total revenue in Q4 2021 increased by 1.6% to NOK 11,863 million. Revenue growth in constant currency was 6.4%. Currency fluctuations had a negative impact of 4.5% on revenue growth, as revenue in foreign currencies was translated into a stronger Norwegian krone. All revenue growth was organic.

Software revenue was up 5.5%, based on increased sales to the public sector. Services revenue increased by 5.8%, based on high growth in the consulting business, an area in which Atea has invested significantly during 2021.

Hardware revenue fell by 2.2%, as global supply shortages in the electronics industry negatively impacted delivery volumes. The supply constraints had the greatest impact on shipments of networking, datacenter and AV solutions, which fell from last year. Sales of PCs and accessories were less affected, and showed strong growth from last year.

Gross profit grew by 1.3% to NOK 2,356 million. Gross margin was 19.9%, the same level as last year. Total operating expenses were NOK 1,954 million, in line with last year. The average number of full-time employees increased by 284 (3.9%) from last year.

As a result of higher revenue and relatively low growth in operating costs, EBIT grew by 4.0% to NOK 403 million, up from NOK 387 million last year.

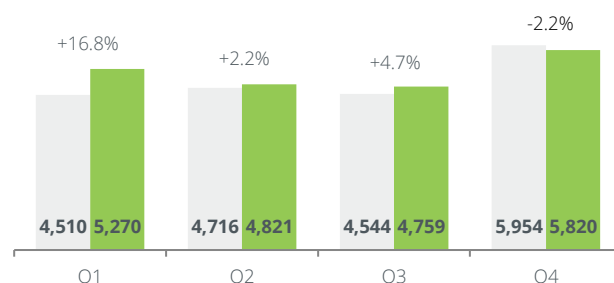
Net financial items were an expense of NOK 37 million, and income tax was an expense of MNOK 58 million. Additional information can be found in Note 5 and Note 7 of this report.

Net profit after tax was NOK 307 million, an increase of 8.0% from last year.

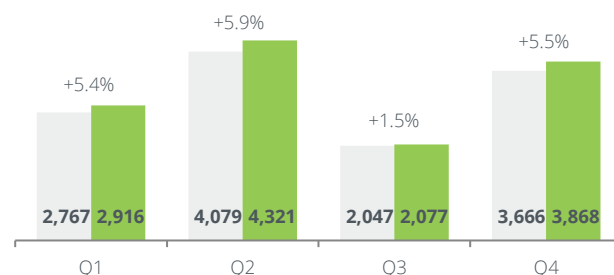
FULL YEAR 2021

Group revenue in the full year 2021 was NOK 41,316 million, an increase of 4.6% from last year. Revenue growth in constant currency was 7.5%. Currency fluctuations had a negative impact of 2.7% on revenue growth. All revenue growth was organic.

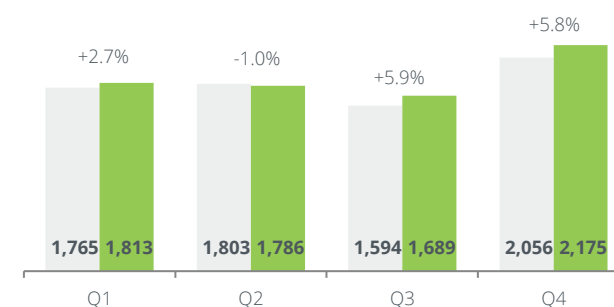
Hardware revenue increased by 4.8%, despite global supply shortages in the electronics industry which limited deliveries throughout the year. Software revenue grew by 5.0%, based on higher demand from the public sector. Services revenue increased by 3.4% compared with last year, with solid growth across all countries.



HARDWARE REVENUE AND GROWTH | NOK in million



SOFTWARE REVENUE AND GROWTH | NOK in million



SERVICES REVENUE AND GROWTH | NOK in million

EBIT for the full year 2021 was NOK 1,046 million, up 22.5% from last year. The EBIT margin improved to 2.5%, up from 2.2% last year.

Net profit after tax was NOK 763 million, up 29.3% from last year. Atea's basic earnings per share were NOK 6.86, compared with NOK 5.37 last year.

FINANCIAL REVIEW | Q4 | 2021

NORWAY

NOK in million	Q4 2021	Q4 2020	Change %	Full year 2021	Full year 2020	Change %
Products revenue	2,448	2,085	17.4%	7,632	7,232	5.5%
Services revenue	605	595	1.6%	2,240	2,196	2.0%
Total revenue	3,053	2,680	13.9%	9,872	9,428	4.7%
Gross profit	654	623	5.0%	2,324	2,257	3.0%
Gross margin %	21.4%	23.3%	-1.8%	23.5%	23.9%	-0.4%
OPEX	511	506	1.1%	1,961	1,932	1.5%
EBIT	143	117	22.0%	363	325	11.6%
EBIT %	4.7%	4.4%	0.3%	3.7%	3.5%	0.2%

Atea Norway reported very strong revenue growth in the fourth quarter of 2021, driven by higher sales of software.

Revenue in Q4 2021 was NOK 3,053 million, an increase of 13.9% from last year. Hardware revenue fell by 2.6%, with delivery volumes constrained by global supply shortages in the electronics industry. Software revenue was up by 68.2%, with large project orders from the public sector. Services revenue grew by 1.6% from last year, driven by higher demand for consulting services.

Gross profit was NOK 654, up 5.0% from last year. Gross margin fell to 21.4%, compared to 23.5% last year, based on a higher proportion of large software deals in the revenue mix.

Total operating expenses were NOK 511 million, up 1.1% from last year. Higher personnel costs were partly offset by a gain on an associated company related to the Atea Mobile business. Additional information can be found in Note 12 of this report. The average number of full-time employees grew by 86 from last year, as Atea recruited new employees to further develop its services business.

EBIT in Q4 2021 was NOK 143 million, up 22.0% from last year. The EBIT margin was 4.7%, up 0.3% from last year.

FULL YEAR 2021

Revenue in Atea Norway increased by 4.7% to NOK 9,872 million in the full year 2021. Hardware revenue was down 2.4%, software revenue increased by 24.0%, and services revenue was up 2.0%.

EBIT for the full year 2021 was NOK 363 million, an increase of 11.6% from 2020. The EBIT improvement was based on higher sales of software and services, and low growth in operating expenses.

FINANCIAL REVIEW | Q4 | 2021

SWEDEN

SEK in million	Q4 2021	Q4 2020	Change %	Full year 2021	Full year 2020	Change %
Products revenue	4,268	4,132	3.3%	14,273	13,345	6.9%
Services revenue	865	764	13.2%	2,864	2,685	6.7%
Total revenue	5,133	4,896	4.9%	17,137	16,030	6.9%
Gross profit	905	834	8.6%	3,222	3,077	4.7%
Gross margin %	17.6%	17.0%	0.6%	18.8%	19.2%	-0.4%
OPEX	738	684	7.9%	2,697	2,613	3.2%
EBIT	167	150	11.4%	525	465	13.0%
EBIT %	3.3%	3.1%	0.2%	3.1%	2.9%	0.2%

Atea Sweden reported record high revenue and EBIT in the fourth quarter of 2021. Profit improvement was mainly driven by strong sales of hardware and services.

Revenue in Q4 2021 was SEK 5,133 million, an increase of 4.9% from last year. Hardware revenue grew by 9.1%, based on higher PC sales to the private sector. Software revenue was down 3.1% from a very strong sales quarter last year. Services revenue increased by 13.2%, with rapid growth in consulting and managed services.

Gross profit was SEK 905 million, up 8.6% from last year. Gross margin increased to 17.6%, up from 17.0% last year, based on a shift in the revenue mix toward services. Product margin was 9.9% and services margin was 55.6%, in line with last year.

Total operating expenses were SEK 738 million, up 7.9% from last year. The average number of full-time employees increased by 93 (3.8%) from last year.

EBIT in Q4 2021 was SEK 167 million, up 11.4% from last year. The EBIT margin was 3.3%, up 0.2% from last year.

FULL YEAR 2021

Revenue in Atea Sweden increased by 6.9% to SEK 17,137 million in the full year 2021. Hardware revenue was up 4.6%, driven by increased sales to the private sector. Software revenue increased by 10.1%, with strong demand from both the public and private sectors. Services revenue was up 6.7%, based on strong growth in managed services.

Based on higher sales and relatively low growth in operating expenses, EBIT for the full year 2021 was a record high SEK 525 million, an increase of 13.0% from 2020.

FINANCIAL REVIEW | Q4 | 2021

DENMARK

DKK in million	Q4 2021	Q4 2020	Change %	Full year 2021	Full year 2020	Change %
Products revenue	1,452	1,431	1.5%	5,737	4,837	18.6%
Services revenue	377	344	9.5%	1,300	1,190	9.2%
Total revenue	1,829	1,775	3.1%	7,037	6,027	16.8%
Gross profit	343	333	2.8%	1,244	1,130	10.1%
Gross margin %	18.7%	18.8%	0.0%	17.7%	18.7%	-1.1%
OPEX	311	302	3.0%	1,203	1,194	0.8%
EBIT	32	32	1.2%	41	-64	N/A
EBIT %	1.8%	1.8%	0.0%	0.6%	-1.1%	1.6%

Atea Denmark reported strong growth in sales of services during Q4 2021, offsetting lower sales of hardware.

Total revenue in Denmark grew by 3.1% to DKK 1,829 million. Hardware revenue fell by 0.7%, with delivery volumes constrained by global supply shortages in the electronics industry. Software revenue grew by 5.3%, with strong growth in sales of cloud solutions. Services revenue was up 9.5%, based on higher sales of service contracts.

Gross profit was DKK 343 million, an increase of 2.8% from last year. Total gross margin was 18.7%, in line with last year. Total operating expenses grew by 3.0% to DKK 311 million, primarily due to higher facility and other overhead costs. The average number of full-time employees increased by 13 (0.9%) from last year.

EBIT in Q4 2021 was DKK 32 million, in line with last year, as higher sales of services were partly offset by lower hardware deliveries and higher operating expenses. The EBIT margin was on the same level as last year.

FULL YEAR 2021

Revenue in Atea Denmark for the full year 2021 grew by 16.8% from the prior year, with higher sales across all business lines. Hardware revenue increased by 30.2%, driven by strong sales of PCs and mobile devices. Software revenue was up 2.8%, based on higher sales to the public sector. Services revenue increased by 9.2%, due to increased demand for both consulting and managed services.

EBIT for the full year 2021 was DKK 41 million, compared with an operating loss of DKK -64 million in 2020. Atea Denmark incurred DKK 51 million in reorganization costs during Q1 last year related to a restructuring of its operations and associated write downs. Since the reorganization last year, Atea Denmark had a very strong improvement in the performance across all business lines.

FINANCIAL REVIEW | Q4 | 2021

FINLAND

EUR in million	Q4 2021	Q4 2020	Change %	Full year 2021	Full year 2020	Change %
Products revenue	71.3	74.9	-4.8%	303.3	320.6	-5.4%
Services revenue	10.6	9.2	15.3%	36.5	32.4	12.4%
Total revenue	81.9	84.1	-2.6%	339.8	353.0	-3.7%
Gross profit	13.9	14.4	-3.8%	51.8	51.5	0.6%
<i>Gross margin %</i>	<i>16.9%</i>	<i>17.2%</i>	<i>-0.2%</i>	<i>15.2%</i>	<i>14.6%</i>	<i>0.7%</i>
OPEX	11.3	11.0	2.9%	43.3	42.7	1.5%
EBIT	2.6	3.5	-24.9%	8.5	8.8	-3.8%
<i>EBIT %</i>	<i>3.2%</i>	<i>4.1%</i>	<i>-0.9%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>0.0%</i>

Atea Finland reported lower revenue and EBIT in the fourth quarter compared with a very strong Q4 last year. Rapid growth in services revenue during Q4 was offset by lower sales of hardware and software.

Total revenue in Finland fell by 2.6% to EUR 81.9 million in Q4 2021. Hardware revenue was down 1.6%, as supply constraints impacted delivery volumes. Software revenue was down 11.7%, primarily due to the loss of a large public frame agreement at the beginning of 2021. Services revenue increased by 15.3%, driven by strong growth in sales of consulting services.

Total gross margin was 16.9% in Q4 2021, slightly below last year, due to a lower margin revenue mix in products.

Total operating expenses increased by 2.9% to EUR 11.3 million in Q4 2021. The increase was due to higher personnel costs, as Atea recruited additional consultants to develop its services business. The average number of full-time employees grew by 18 (4.4%) from last year.

EBIT in Q4 2021 was EUR 2.6 million, down from a very strong Q4 2020. The EBIT margin was 3.2%, compared with 4.1% last year.

FULL YEAR 2021

Revenue in Atea Finland fell by 3.7% to EUR 340 million in the full year 2021. Hardware revenue was up 3.3%, mainly due to higher shipments of PCs. Software revenue was down by 16.7%, due to the loss of a large public frame agreement at the start of 2021. Services revenue increased by 12.4%, driven by higher sales of consulting services.

EBIT for the full year 2021 was EUR 8.5 million, down 3.8% from 2020. The EBIT margin was 2.5%, on the same level as last year.

FINANCIAL REVIEW | Q4 | 2021

THE BALTICS

EUR in million	Q4 2021	Q4 2020	Change %	Full year 2021	Full year 2020	Change %
Products revenue	34.5	31.8	8.4%	96.7	92.0	5.1%
Services revenue	12.7	10.7	18.7%	41.5	36.1	15.0%
Total revenue	47.2	42.5	11.0%	138.2	128.1	7.9%
Gross profit	12.4	9.9	24.5%	39.1	33.1	18.3%
Gross margin %	26.2%	23.4%	2.8%	28.3%	25.8%	2.5%
OPEX	9.9	7.8	26.7%	33.4	28.3	18.2%
EBIT	2.5	2.2	16.4%	5.7	4.8	19.2%
EBIT %	5.3%	5.1%	0.2%	4.1%	3.7%	0.4%

Atea Baltics reported strong growth in revenue and EBIT during Q4 2021. Sales grew rapidly across all business lines.

Total revenue was EUR 47.2 million, an increase of 11.0% from last year. Hardware revenue increased by 8.5%, driven by higher sales of PCs to the public sector. Software revenue was up by 7.7%, based on increased demand from the private sector. Services revenue grew by 18.7%, with strong growth in consulting services and managed cloud solutions.

Gross profit was EUR 12.4 million, compared with EUR 9.9 million last year. Gross margin increased to 26.2% in Q4 2021 from 23.4% last year, due to improved margins on hardware sales and a higher proportion of services in the revenue mix.

Total operating expenses were EUR 9.9 million in Q4 2021 compared with EUR 7.8 million last year, due to higher personnel expenses and extraordinary costs resulting from the hardware supply shortages. In Q4 2020, personnel expenses were temporarily reduced due to government support for retaining employees during the COVID pandemic. The average number of full-time employees increased by 14 (2.1%) from last year.

EBIT in Q4 2021 was EUR 2.5 million, up 16.4% from last year. The EBIT margin was 5.3%, up from 5.1% last year.

FULL YEAR 2021

Revenue in Atea Baltics increased by 7.9% to EUR 138 million in the full year 2021. Hardware revenue grew by 9.0%, based on increased sales of PCs and AV equipment. Software revenue fell by 12.2%, mainly due to fewer large projects to the public sector. Services revenue increased by 15.0%, based on strong growth in managed services.

EBIT for the full year 2021 was EUR 5.7 million, up 19.2% from 2020. The EBIT margin was 4.1%, up from 3.7% last year. The profit improvement was based on increased sales of services and higher margin on hardware.

BALANCE SHEET

As of 31 December 2021, Atea had total assets of NOK 16,048 million. Current assets such as cash, receivables and inventory represented NOK 9,727 million of this total. Non-current assets represented NOK 6,321 million of this total, and primarily consisted of goodwill (NOK 3,942 million), property, plant and equipment (NOK 493 million), right-of-use leased assets (NOK 1,200 million) and deferred tax assets (NOK 276 million).

Atea had total liabilities of NOK 12,518 million, and shareholders' equity of NOK 3,530 million as of 31 December 2021. 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 2021 was 24.0%.

Atea's net financial position was cash positive of NOK 822 million at the end of Q4 2021 as defined by Atea's debt covenants. Atea's debt covenants require that the Group maintains a maximum net interest bearing debt of 2.5x pro forma EBITDA over the last twelve months. Based on the calculation of the debt covenants, Atea's net interest bearing debt is -0.5x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 4,972 million before the debt covenant would be reached. See additional information on the liquidity reserve in Note 14 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. In Q4 2021, Atea's working capital requirements increased, as the company acquired inventory to secure hardware deliveries to customers during a period of supply constraints in the electronics industry. This impact is expected to be temporary and to normalize in 2022.

Due to increased working capital requirements, Atea sold more of its accounts receivable into a securitization program during Q4 2021 than in the previous year. At the end of Q4 2021, Atea had sold receivables of NOK 1,848 million under the securitization program, compared with NOK 1,209 million last year. Additional information on the securitization program can be found in Note 6 of this report.

CASH FLOW

Cash flow from operations was an inflow of NOK 1,699 million in the fourth quarter of 2021, compared with an inflow of NOK 1,584 million last year. Cash flow from investing activities was an outflow of NOK 94 million in Q4 2021, compared with an outflow of NOK 106 million in the corresponding quarter last year.

Cash flow from financing activities was an outflow of NOK 690 million in Q4 2021, down from an outflow of NOK 987 million last year. The difference was due to lower dividend payments during the quarter. In 2020, Atea paid its entire dividend in the fourth quarter, while in 2021, the dividend payment was evenly split between the second and fourth quarters.

SHARES

Atea had 8,573 shareholders on 31 December 2021 compared with 7,067 shareholders on 31 December 2020.

The 10 largest shareholders as of 31 December 2021 were:

Main Shareholders*	Shares	%
Systemintegration APS **	29,574,784	26.4%
Folketrygdfondet	8,370,686	7.5%
State Street Bank & Trust Co. ***	7,033,613	6.3%
Verdipapirfond Odin Norden	3,306,029	2.9%
RBC Investor Services Trust	3,121,419	2.8%
State Street Bank and Trust Co. ***	2,918,484	2.6%
State Street Bank and Trust Co. ***	2,745,252	2.4%
Verdipapirfond Odin Norge	2,272,692	2.0%
Verdipapirfondet Alfred Berg Gambak	2,052,089	1.8%
State Street Bank and Trust Co. ***	1,839,492	1.6%
Other	48,896,069	43.6%
Total number of shares	112,130,609	100.0%

* Source: Verdipapirsentralen

** Includes shares held by Ib Kunøe

*** Includes client nominee accounts

As of 31 December 2021, Atea's Chairman Ib Kunøe and close associates controlled a total of 27.0% of the shares, including the shares held by Systemintegration APS.

As of 31 December 2021, Atea's senior management team held 365,521 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%. Over 60% of Atea's sales are to the public sector, with the remainder of sales to private companies.

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

Atea's market share in the Nordic and Baltic regions far exceeds that of other IT infrastructure providers. Today, the company has offices in 85 cities in the Nordic and Baltic region and over 7,500 employees. This scale provides Atea with critical competitive advantages in purchasing, local market presence, breadth and depth of product offering, system integration competence, and efficient shared services and logistics functions.

The market for IT infrastructure in the Nordic and Baltic regions has grown steadily during the last several years. According to estimates from IDC*, the market for IT infrastructure and related services has grown at an average rate of approximately 5% per year during the last 5 years.

Atea's competence and leading market position in IT infrastructure has enabled the company to grow at a rate significantly higher than that of the market. Over the last 5 years, the company has averaged an organic revenue growth rate of approximately 7% per year.

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

DIGITAL TRANSFORMATION

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

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

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

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

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

* International IT research company, International Data Corporation

BUSINESS OVERVIEW

BUSINESS STRATEGY

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

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

Atea's solution offering:

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

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

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

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

Atea's service portfolio:

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

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

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

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

SUSTAINABILITY

Atea's mission is to build the future with IT, together with its employees, its customers and its vendors. Atea's sustainability agenda is an essential part of the company's mission. The company has received numerous recognitions for its leadership within sustainability.

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

During the past year, Atea:

- was recognized as one of the most sustainable corporations in the world, by Corporate Knights as part their annual ranking called "Global 100". Atea ranked 51st overall, and 1st in our industry (IT Services).
- received the highest rating by the Governance Group in the new report "ESG 100 - How the largest 100 companies on the Oslo Stock Exchange report on ESG".
- was awarded the highest rating in environmental and social performance by EcoVadis, an achievement that ranks Atea in the top 1% of 75,000 organizations evaluated globally.
- was among a select group of European companies, that have made the greatest progress curbing their greenhouse gas emissions. The ranking was made by the Financial Times and Statista.
- was recognized as a "Transparency Partner" by Nasdaq, an initiative focusing on improving the ESG information flow between listed companies and the investor community.
- won the Dell Technologies 2021 EMEA Excellence in Social Impact award.

BUSINESS OVERVIEW

MARKET TRENDS

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

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

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

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

Digital workplace

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

Hybrid platforms

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

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

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

Information management

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

SUPPLY CHAIN CONSTRAINTS

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

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

BUSINESS OVERVIEW

BUSINESS OUTLOOK

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

1. Strong competitive advantages

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

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

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

2. Strategy to leverage scale

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

In order to fully capture Atea's scale advantages, Atea is implementing the "One Atea" program to align its operations and coordinate strategy across countries. The program will establish specialist teams to drive strategy and best practice across each of its business lines, including Hardware/lifecycle management, Software/cloud transformation, Professional services and Managed services. The program is also accelerating the alignment of backoffice functions and supply chain operations in order to drive efficiencies through scale and improved use of automation.

3. Turnaround in Denmark

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

In Q1 2020, Atea reorganized its business in Denmark and implemented a cost reduction program, appointing a new managing director as well as other key management positions. The business in Denmark has shown a strong recovery since the reorganization. Atea Denmark's revenue for the full year 2021 has grown by 16.8% from the prior year, with higher sales across all business lines. EBIT has also improved greatly, increasing from a loss of DKK 64 million in 2020 to a profit of DKK 41 million in the full year 2021.

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

Atea's business in Denmark still has a long gap to reach the profit margins in other Atea countries, but its revenue and EBIT growth momentum have been very strong. As the Danish business continues to recover and normalize, this will greatly benefit profit growth in the Atea Group.

4. Industry consolidation

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

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

Potential acquisitions would focus on Nordic targets with high cross-selling potential through integration with Atea Group, and may include:

- Infrastructure VARs with a customer base where Atea can sell its services portfolio
- Consultancies with competence in business areas which can be cross-sold to Atea's customers
- Managed services companies with an offering which can scale to Atea's broader customer base

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

CONDENSED FINANCIAL INFORMATION

FOR THE 12 MONTHS ENDED 31 DECEMBER 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK in million	Note	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	2, 3, 8, 14	11,863	11,676	41,316	39,503
Cost of sales	14	-9,507	-9,349	-32,869	-31,266
Gross profit	14	2,356	2,327	8,446	8,236
Payroll and related costs	11	-1,621	-1,547	-6,036	-5,904
Other operating costs	12, 14	-156	-208	-656	-745
Restructuring costs		0	0	0	-37
Share based compensation		-19	-21	-94	-53
EBITDA	14	560	551	1,660	1,497
Depreciation and amortization		-154	-162	-604	-638
Amortization related to acquisitions		-4	-2	-10	-5
Operating profit (EBIT)	2	403	387	1,046	854
Net financial items	5	-37	-23	-104	-105
Profit before tax		365	364	942	749
Tax	7	-58	-80	-179	-159
Profit for the period		307	284	763	590
Earnings per share					
- earnings per share (NOK)	4	2.76	2.59	6.86	5.37
- diluted earnings per share (NOK)	4	2.70	2.56	6.70	5.32
Profit for the period		307	284	763	590
Currency translation differences		-65	-145	-183	268
Forward contracts - cash flow hedging		0	0	0	0
Income tax OCI relating to items that may be reclassified to profit or loss		0	0	0	0
Items that may be reclassified subsequently to profit or loss		-65	-145	-183	267
Other comprehensive income		-65	-145	-183	267
Total comprehensive income for the period		242	139	580	857
Total comprehensive income for the period attributable to:					
Shareholders of Atea ASA		242	139	580	857

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK in million	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Property, plant and equipment		493	538
Right-of-use assets		1,200	1,288
Deferred tax assets	7	276	303
Goodwill		3,942	4,088
Other intangible assets		328	289
Investment in associated companies	12	0	17
Long-term subleasing receivables		53	83
Other long-term receivables		29	20
Non-current assets		6,321	6,626
Inventories		1,191	797
Trade receivables		5,189	5,818
Other receivables		1,916	1,606
Short term subleasing receivables		71	126
Other financial assets		7	5
Cash and cash equivalents		1,353	1,605
Current assets		9,727	9,957
Total assets		16,048	16,584
EQUITY AND LIABILITIES			
Share capital and premium	4	657	503
Other reserves		1,444	1,627
Retained earnings		1,429	1,254
Equity		3,530	3,384
Interest-bearing long-term liabilities	6	475	475
Long-term sublease liabilities		53	83
Long-term leasing liabilities		986	1,039
Other long-term liabilities		190	7
Deferred tax liabilities		141	165
Non-current liabilities		1,844	1,770
Trade payables		6,574	6,934
Interest-bearing current liabilities	6	8	7
Current sublease liabilities		71	126
Current leasing liabilities		284	310
VAT, taxes and government fees		1,102	1,058
Provisions		172	184
Other current liabilities		2,450	2,784
Other financial liabilities		12	28
Current liabilities		10,674	11,430
Total liabilities		12,518	13,200
Total equity and liabilities		16,048	16,584

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK in million	Note	31 Dec 2021	31 Dec 2020
Equity at start of period - 1 January		3,384	3,075
Currency translation differences		-183	268
Other comprehensive income		-183	267
Profit for the period		763	590
Total recognised income for the year		580	857
Employee share-option schemes		49	46
Dividend		-555	-550
Changes related to own shares	4	-81	-84
Issue of share capital	4	155	40
Equity at end of period		3,530	3,384

CONSOLIDATED STATEMENT OF CASH FLOW

NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit before tax	365	364	942	749
Adjusted for:				
Depreciation and amortisation	157	164	614	643
Share based compensation	7	11	49	46
Gains/Losses on disposals of PPE and intangible asset	-3	0	-3	0
Net interest expenses	27	19	84	85
Taxes paid	-49	-51	-151	-236
Net interest paid	-28	-20	-80	-83
Cash earnings	477	488	1,454	1,204
Change in trade receivables	-2,685	-2,727	306	-1,033
Change in inventories	7	48	-446	70
Change in trade payables	2,720	2,826	-40	386
Other changes in working capital	1,180	950	-136	762
Cash flow from operating activities	1,699	1,584	1,137	1,388
Purchase of PPE and intangible assets	-99	-98	-319	-330
Sale of PPE and intangible assets	5	1	6	9
Acquisition of subsidiaries/businesses	0	-8	-1	-8
Cash flow from investing activities	-94	-106	-314	-330
Dividend paid	-278	-550	-555	-550
Payment from changes in treasury shares	-40	-84	-106	-84
Proceeds from new shares issue	0	12	155	40
Proceeds from sublease	-3	4	75	64
Payments of sublease liabilities	3	-4	-75	-64
Payments of lease liabilities	-87	-84	-327	-340
Change in debt	-286	-282	-37	-600
Cash flow from financing activities	-690	-987	-870	-1,534
Net cash flow	914	491	-47	-476
Cash and cash equivalents at the start of the period	523	1,136	1,605	1,769
Foreign exchange effect on cash held in a foreign currency	-84	-22	-205	312
Cash and cash equivalents at the end of the period	1,353	1,605	1,353	1,605

NOTE 1

GENERAL INFORMATION AND ACCOUNTING POLICIES

The condensed interim financial statements for twelve months ending 31 December 2021 were approved for publication by the Board of Directors on 7 February 2022. These Group financial statements have not been subject to audit or review.

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

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all information and disclosures required in the annual financial statement, and should be read in accordance with the Group's Annual Report for 2020, which has been prepared according to IFRS as adopted by EU. There are no changes in accounting policy

effective from 1 January 2021 that have impact on the Group accounts.

In the interim financial statements for 2021, 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 2021 and the major sources of uncertainty in the statements are similar to those found in the Annual accounts for 2020.

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.

EXPECTED NEW AGENDA DECISION NOT YET FINALISED OR ADOPTED

In November 2021, the IASB Interpretation Committee (IC) responded to an industry request to clarify whether a company should recognize revenue from the resale of standard software licenses on a gross or net basis under IFRS 15.

In its initial staff paper, the IASB IC did not provide a direct clarification on the topic, as they stated that the specifics of each case may vary and must be analyzed in detail. However, the IASB IC provided further guidance on the "control" criteria which determine whether revenue is recognized on a gross or net basis under IFRS 15, as this criteria relates to the software resale industry. Both the staff paper and the discussions within the IASB IC are supportive of revenue recognition on a net basis.

The IASB IC staff paper is still open for public comment with a deadline of February 8, 2022 and a final decision is not expected to be issued before second quarter of 2022. Atea currently recognizes software revenue on a gross basis, and is waiting for a final guidance from the IASB before determining whether to change its accounting policy.

If Atea were to change its accounting policy to recognize revenue from the sale of standard software on a "net" basis,

our current best estimate of the impact on Atea's financial statements is:

- Revenue and cost of sales would decrease by approximately NOK 12.2 billion in 2021 (NOK 11.6 billion in 2020).
- Gross profit, operating profit, and profit before / after taxes will be unchanged.

The estimates are preliminary and subject to further management review.

Management will also, based on the final wording of the expected IFRS-IC agenda decision, consider whether revenue from the resale of third party services such as vendor support agreements should be recognized on a net basis.

Any change to Atea's accounting policy regarding the resale of third party services will affect only the presentation of revenue and cost of sales in its accounts. The change will have no impact on gross profit, operating profit or profit before/after taxes.

NOTE 2

OPERATING SEGMENT INFORMATION

Atea is located in 85 cities in Norway, Sweden, Denmark, Finland, and the Baltic countries of Lithuania, Latvia and Estonia, with over 7,500 employees. For management and reporting purposes, the Group is organized by these geographical areas. The performance of these geographical areas is evaluated on a regular basis by Atea's Executive Team, consisting of among others the Managing Directors of each geographical segment.

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

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

NOK

Revenue NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Norway	3,053.2	2,680.0	9,872.4	9,428.4
Sweden	5,076.0	5,099.3	17,169.4	16,394.0
Denmark	2,455.3	2,563.7	9,617.3	8,672.9
Finland	815.9	904.8	3,453.6	3,786.4
The Baltics	473.6	456.7	1,404.2	1,373.5
Group Shared Services	2,195.1	2,037.6	7,362.5	7,338.8
Eliminations*	-2,205.7	-2,066.0	-7,564.9	-7,491.3
Atea Group	11,863.3	11,676.1	41,315.6	39,502.7

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

NOTE 2

OPERATING SEGMENT INFORMATION (CONT'D)

NOK

EBIT NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Norway	143.3	117.5	363.2	325.4
Sweden	165.4	156.0	526.1	475.3
Denmark	44.0	45.7	55.8	-91.8
Finland	26.1	37.2	86.1	94.4
The Baltics	25.3	23.1	57.9	51.3
Group Shared Services	29.6	27.7	66.0	74.1
Group cost	-30.9	-20.0	-109.1	-75.1
Operating profit (EBIT)	402.6	387.1	1,046.0	853.5
Net financial items	-37.5	-22.9	-103.7	-104.5
Profit before tax	365.2	364.3	942.3	749.0

Quarterly revenue and gross margin NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Product revenue	9,688.7	9,620.2	33,852.9	32,283.9
Services revenue	2,174.6	2,055.8	7,462.6	7,218.8
Total revenue	11,863.3	11,676.1	41,315.6	39,502.7
Gross contribution	2,356.2	2,327.0	8,446.4	8,236.2
Product margin	10.9%	11.0%	10.7%	11.1%
Services margin	59.8%	61.6%	64.4%	64.4%
Gross margin	19.9%	19.9%	20.4%	20.8%

Quarterly revenue and gross margin NOK in million	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Product revenue	9,688.7	6,836.4	9,142.5	8,185.4	9,620.2	6,591.1	8,795.0	7,277.6
Services revenue	2,174.6	1,688.9	1,785.7	1,813.4	2,055.8	1,594.1	1,803.4	1,765.4
Total revenue	11,863.3	8,525.3	10,928.2	9,998.8	11,676.1	8,185.2	10,598.5	9,043.0
Gross contribution	2,356.2	1,917.1	2,089.2	2,084.0	2,327.0	1,847.3	2,064.6	1,997.3
Product margin	10.9%	11.8%	9.8%	10.8%	11.0%	12.2%	10.1%	11.4%
Services margin	59.8%	65.8%	66.9%	66.2%	61.6%	65.2%	65.4%	66.1%
Gross margin	19.9%	22.5%	19.1%	20.8%	19.9%	22.6%	19.5%	22.1%

NOTE 2

OPERATING SEGMENT INFORMATION (CONT'D)

LOCAL CURRENCY

Revenue		Q4	Q4	Full year	Full year
Local currency in million		2021	2020	2021	2020
Norway	NOK	3,053.2	2,680.0	9,872.4	9,428.4
Sweden	SEK	5,133.4	4,895.7	17,136.8	16,030.1
Denmark	DKK	1,829.4	1,775.2	7,037.4	6,027.5
Finland	EUR	81.9	84.1	339.8	353.0
The Baltics	EUR	47.2	42.5	138.2	128.1
Group Shared Services	NOK	2,195.1	2,037.6	7,362.5	7,338.8
Eliminations*	NOK	-2,205.7	-2,066.0	-7,564.9	-7,491.3
Atea Group	NOK	11,863.3	11,676.1	41,315.6	39,502.7

EBIT		Q4	Q4	Full year	Full year
Local currency in million		2021	2020	2021	2020
Norway	NOK	143.3	117.5	363.2	325.4
Sweden	SEK	167.0	149.9	525.1	464.7
Denmark	DKK	32.3	31.9	40.8	-63.8
Finland	EUR	2.6	3.5	8.5	8.8
The Baltics	EUR	2.5	2.2	5.7	4.8
Group Shared Services	NOK	29.6	27.7	66.0	74.1
Group cost	NOK	-30.9	-20.0	-109.1	-75.1
Operating profit (EBIT)	NOK	402.6	387.1	1,046.0	853.5
Net financial items	NOK	-37.5	-22.9	-103.7	-104.5
Profit before tax	NOK	365.2	364.3	942.3	749.0

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

NOTE 3

DISAGGREGATION OF REVENUE

Information about the main revenue streams and the timing of the revenue recognition are described in Note 2- Summary of significant accounting principles – in the Annual report for 2020.

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

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

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

Hardware		Q4	Q4	Full year	Full year
Local currency in million		2021	2020	2021	2020
Norway	NOK	1,454.3	1,493.6	4,938.6	5,059.6
Sweden	SEK	2,380.0	2,182.1	7,971.1	7,623.5
Denmark	DKK	900.3	906.6	3,632.2	2,790.4
Finland	EUR	50.2	51.0	187.6	181.6
The Baltics	EUR	29.7	27.4	82.0	75.2
Group Shared Services	NOK	2,009.1	1,839.0	6,706.9	6,747.0
Eliminations*	NOK	-2,002.7	-1,806.5	-6,665.3	-6,649.5
Atea Group	NOK	5,820.3	5,953.8	20,670.3	19,723.9

Software		Q4	Q4	Full year	Full year
Local currency in million		2021	2020	2021	2020
Norway	NOK	993.8	591.0	2,693.8	2,172.8
Sweden	SEK	1,888.2	1,949.5	6,301.5	5,721.7
Denmark	DKK	552.2	524.4	2,104.8	2,046.7
Finland	EUR	21.1	23.9	115.7	138.9
The Baltics	EUR	4.8	4.5	14.7	16.8
Group Shared Services	NOK	26.7	10.4	62.2	33.9
Eliminations*	NOK	-16.9	-23.7	-88.7	-113.0
Atea Group	NOK	3,868.4	3,666.4	13,182.6	12,560.0

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

NOTE 3

DISAGGREGATION OF REVENUE (CONT'D)

Services		Q4	Q4	Full year	Full year
Local currency in million		2021	2020	2021	2020
Norway	NOK	605.2	595.4	2,240.1	2,196.0
Sweden	SEK	865.1	764.1	2,864.2	2,684.9
Denmark	DKK	376.9	344.2	1,300.4	1,190.3
Finland	EUR	10.6	9.2	36.5	32.4
The Baltics	EUR	12.7	10.7	41.5	36.1
Group Shared Services	NOK	159.2	188.2	593.4	557.9
Eliminations*	NOK	-186.0	-235.9	-811.0	-728.8
Atea Group	NOK	2,174.6	2,055.8	7,462.6	7,218.8

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 2021	110,119,046	-736,844	110	-1	393	503
Issue of Share capital**	2,011,563	-	2	-	153	155
Changes related to own shares ***	-	128,277	-	0	-	0
At 31 December 2021	112,130,609	-608,567	112	-1	546	657

Average number of shares outstanding

The average number of shares outstanding during 2021 was 111,157,935. 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 2021 was 113,856,580. 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 2021, and the remaining vesting period of the options, the dilution impact of the share option program is 2,698,645 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 109 million (with remaining NOK 108 million affecting Retained earnings)

The purchase price for the shares was NOK 215 million (with remaining NOK 214 million affecting Retained earnings).

In addition, a tax deduction of NOK 24 million has been recognized affecting Retained earnings.

NOTE 4

SHARE CAPITAL AND PREMIUM (CONT'D)

31 December 2021	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				111,157,935
<u>Dilution effect of share options</u>				
Total share options				
Fully vested, with adjusted strike price below share price	1,988,658	93	93	1,505,669
Unvested*, with adjusted strike price below share price	3,464,997	94	105	1,192,977
Unvested*, with adjusted strike price above share price	2,145,832	141	170	-
All Share options	7,599,487	107	108	2,698,645
Fully diluted EPS calculation**				113,856,580

NOTE 5

NET FINANCIAL ITEMS

NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Interest income	1	-4	6	3
Interest income, subleasing	0	2	6	7
Other financial income	0	1	3	2
Total financial income	2	-1	14	12
Interest costs on loans	-15	1	-38	-33
Interest costs on leases	-13	-16	-52	-55
Interest expenses, subleasing	0	-2	-6	-7
Foreign exchange effects	-8	-3	-15	-14
Other financial expenses	-2	-2	-8	-8
Total financial expenses	-39	-22	-118	-117
Total net financial items	-37	-23	-104	-105

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

**Based on an average share price of NOK 155 from January 1 – December 31, 2021

NOTE 6

BORROWING

Credit facilities

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

EIB loan

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

Receivables facility

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

Overdraft facility

Atea ASA 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 ASA 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 2018, Atea entered into 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 2021	31 Dec 2021	31 Dec 2020
Long-term			
EIB loan	475	475	475
Long-term interest-bearing leasing liabilities*		30	38
Short-term			
Receivables facility	1,100	-	-
Overdraft facility	300	-	-
Money market line	600	-	-
Current interest-bearing leasing liabilities*		18	18
Other		8	7
Total debt		530	538
Securitization - sale of receivables	1,900	1,848	1,209
Total borrowing utilized		2,379	1,747

* 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 14 for more information.

NOTE 7

TAXES

NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit before tax	365	364	942	749
Tax payable expenses	-48	-56	-148	-146
Deferred tax asset changes due to tax loss carry forward used	-13	-115	-35	-57
Other deferred tax changes	2	91	-3	44
Total tax expenses	-58	-80	-179	-159
Effective rate	15.9%	21.9%	19.0%	21.2%

Tax payable expenses in 2021 remained flat compared with 2020. Increased profit before tax in 2021 was offset with higher deductible expenses affecting the tax payable. Change in deferred tax is related to tax loss carry forward used and other temporary differences.

At the year end of 2021, the tax value of the tax loss carried forward within the Group was NOK 275 million from which NOK 269 million was recognized as Deferred Tax Assets on the balance sheet.

NOTE 8

SEASONALITY OF OPERATIONS

Atea's revenue and cash flow are affected by the seasonality of demand for IT infrastructure investments. Demand for IT infrastructure among Atea's customers peaks at the end of the year, leading to higher revenue and cash flow for Atea in the fourth quarter.

NOTE 9

RELATED PARTY TRANSACTION

Atea A/S in Denmark acquired Columbus A/S business area for Private Cloud Services in January 2021. As part of the acquisition, a small number of employees have joined Atea. The purchase price for the business area is DKK 7.3 million.

The amount was paid in January 2021. Columbus A/S is controlled by Ib Kunøe, who is the Chairman of the Board and largest shareholder of Atea ASA. The transactions are considered to be in accordance with the arm's length principle.

NOTE 10

RISKS AND UNCERTAINTIES

Reference is made to Board of Directors' report 2020, as included in the 2020 Annual Report. The Board of Directors' report 2020 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.

NOTE 11

GOVERNMENT GRANTS

Atea has received COVID-19 assistance from the government of Lithuania in 2021. The total assistance is NOK 4 million

during 2021, and is recognized as a reduction of Payroll and related costs.

NOTE 12

INVESTMENT IN ASSOCIATED COMPANIES

In Q4 2021, Atea had other income on an associated company (eRate AS) related to the Atea Mobile business. Additional information on the associated company can be found in Note 14 of the 2020 Annual report. Other income (not customer-related) is reported as a reduction of operating cost, see Note 8 of the 2020 Annual report.

Atea entered multiple agreements with eRate AS in 2017 to support the launch of its Atea Mobile business in Norway. The agreements included a minority investment by Atea Norway in eRate AS and a related service agreement through

which eRate provides Atea Norway with a platform for managing the Atea Mobile offering.

eRate AS was fully acquired by an outside company in December 2021. The transaction resulted in other income of NOK 32 million in Atea Norway. The new owner will continue to provide support for Atea's mobile offering under current agreements. Atea has no financial stake in eRate or any other minority investments in associated companies following the transaction.

NOTE 13

EVENTS AFTER THE BALANCE SHEET DATE

On February 7, 2022 the Board of Atea ASA resolved to propose a dividend of NOK 5.50 per share at the next Annual General Meeting to be held on April 28, 2022. The dividend will be split into two equal payments of NOK 2.75 which will take place in May and November 2022. 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 significant events after the balance sheet date which could affect the evaluation of the reported accounts.

NOTE 14

ALTERNATIVE PERFORMANCE MEASURES

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

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

Atea uses the following APMs:

PRO FORMA REVENUE AND EBITDA

Pro forma revenue and EBITDA includes revenue and EBITDA from companies acquired during 2021 and 2020 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 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	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	11,863	11,676	41,316	39,503
Adjustment for acquisitions	-	-	-	-
Pro forma revenue	11,863	11,676	41,316	39,503
Pro forma revenue on last year currency	12,424	10,949	42,450	36,883
Pro forma growth in constant currency	6.4%		7.5%	

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

NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
EBITDA	560	551	1,660	1,497
Adjustment for acquisitions	0	0	0	0
Pro forma EBITDA	560	551	1,660	1,497

GROSS PROFIT

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

Costs of sales include 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 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	11,863	11,676	41,316	39,503
Cost of sales	-9,507	-9,349	-32,869	-31,266
Gross profit	2,356	2,327	8,446	8,236

NOTE 14

OPERATING EXPENSES

Operating expenses include payroll and related costs, other operating expenses, share based compensation, restructuring costs, depreciation and amortization costs.

NOK in million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Payroll and related costs	1,621	1,547	6,036	5,904
Other operating costs	156	208	656	745
Share based compensation	19	21	94	53
Restructuring costs	-	0	-	37
Depreciation and amortization	154	162	604	638
Amortization related to acquisitions	4	2	10	5
Total operating expenses	1,954	1,940	7,400	7,383

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 2021	Q4 2020	Full year 2021	Full year 2020
Cash flow from operations	1,699	1,584	1,137	1,388
Purchase of PPE and intangible assets	-99	-98	-319	-330
Sale of PPE and intangible assets	5	1	6	9
Capital expenditures through cash	-94	-97	-313	-322
Free cash flow	1,604	1,486	824	1,067

NOTE 14

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 2021	31 Dec 2020
Interest-bearing long-term liabilities	-475	-475
Interest-bearing long-term leasing liabilities	-30	-38
Interest-bearing current liabilities	-8	-7
Interest-bearing current leasing liabilities	-18	-18
Cash and cash equivalents	1,353	1,605
Net financial position	822	1,067
Long-term ROU assets leasing liabilities	-956	-1,001
Current ROU assets leasing liabilities	-266	-292
Long-term subleasing liabilities	-53	-83
Short-term subleasing liabilities	-71	-126
Long-term subleasing receivables	53	83
Short-term subleasing receivables	71	126
Incremental net lease liabilities due to IFRS 16 adoption	-1,222	-1,293

LIQUIDITY RESERVE

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

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

NOK in million	31 Dec 2021	31 Dec 2020
Last 12 months pro forma EBITDA	1,660	1,497
Debt covenant ratio	2.5	2.5
Net debt limit	4,150	3,741
Net financial position	822	1,067
Liquidity reserve	4,972	4,808
Net debt / pro forma EBITDA	-0.5	-0.7

NOTE 14

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.

Atea's net working capital balance has high seasonal fluctuations, with a low balance in the fourth quarter. See Note 8 for additional information regarding seasonality of operations.

NOK in million	31 Dec 2021	31 Dec 2020
Inventories	1,191	797
Trade receivables	5,189	5,818
Other receivables	1,916	1,606
Trade payables	-6,574	-6,934
VAT, taxes and government fees	-1,102	-1,058
Provisions	-172	-184
Other current liabilities	-2,450	-2,784
Working capital	-2,003	-2,738
Securitization effect	1,848	1,209
Working capital before securitization	-154	-1,529
Year to date revenue	41,316	39,503
Working capital in relation to annualized revenue	-4.8%	-6.9%

NOTE 14

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 2021	31 Dec 2020
Total assets	16,048	16,584
Deduct: incremental lease assets due to IFRS 16 adoption		
Right-of-use assets	-1,200	-1,288
Long-term subleasing receivables	-53	-83
Short-term subleasing receivables	-71	-126
Adjusted total assets	14,724	15,087
Equity	3,530	3,384
Equity ratio	24.0%	22.4%

Q4

2021

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