ATEA

Annual Report

—

2022

PLATINUM Top 1% 2022 ecovadis Sustainability Rating

CDP DISCLOSURE INSIGHT ACTION

GLOBAL100 2023 THE WORLD'S MOST SUSTAINABLE CORPORATIONS

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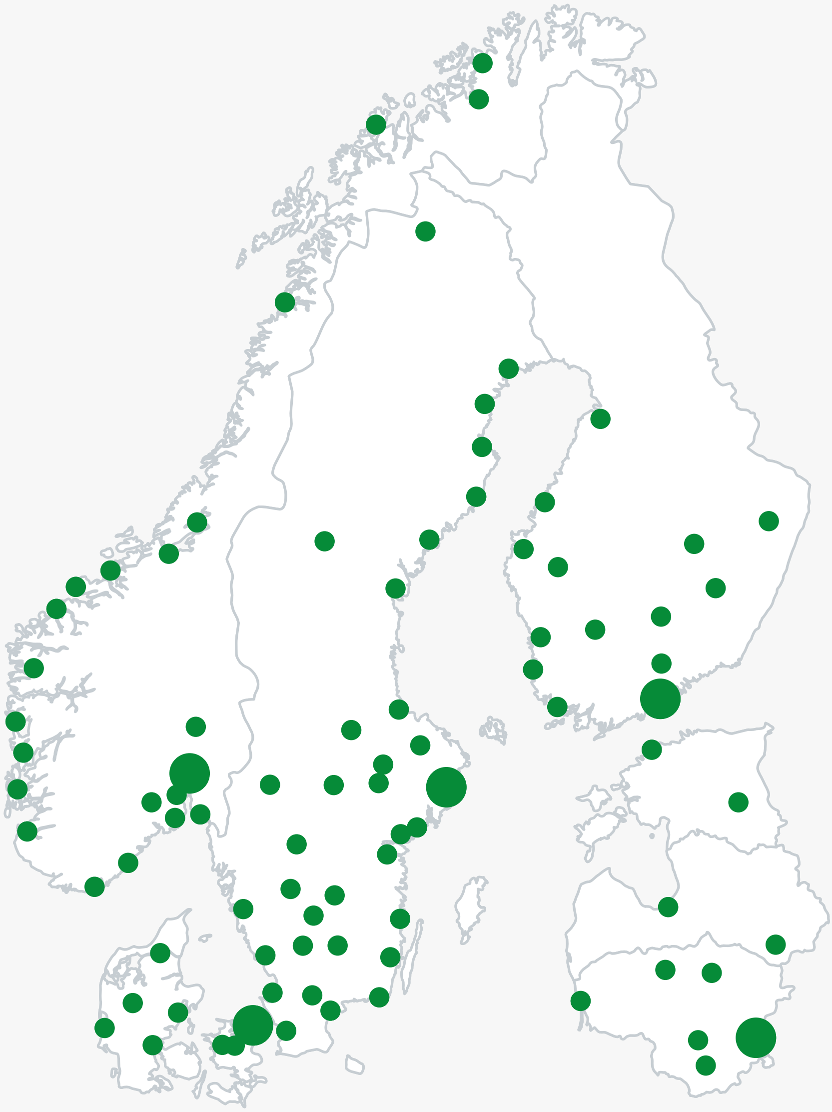
ATEA'S OFFICE LOCATIONS

National office Regional office



One IT infrastructure partner for your digital transformation

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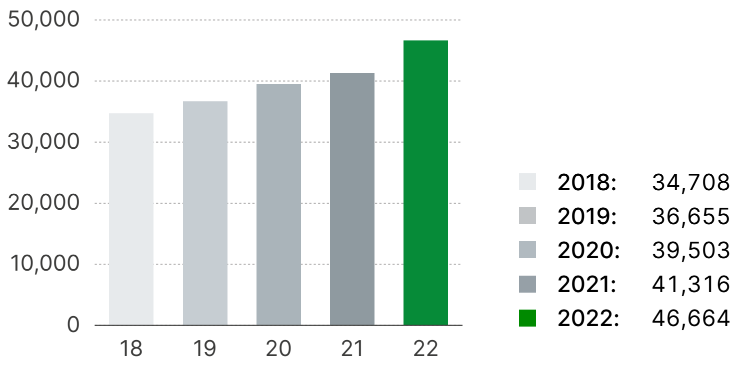
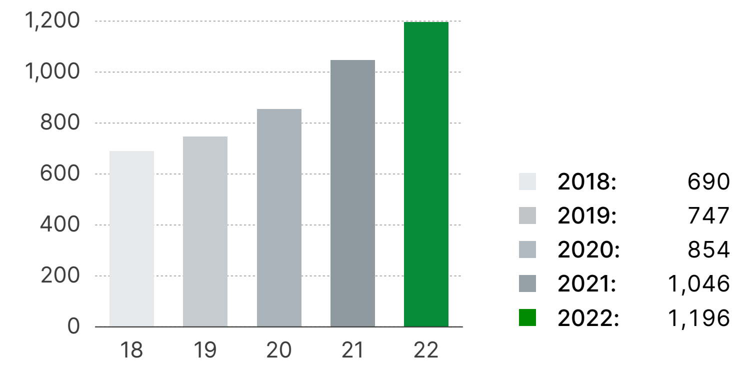
Key Figures

Gross sales
2018–2022 (NOK in million)



Operating profit
2018–2022 (NOK in million)



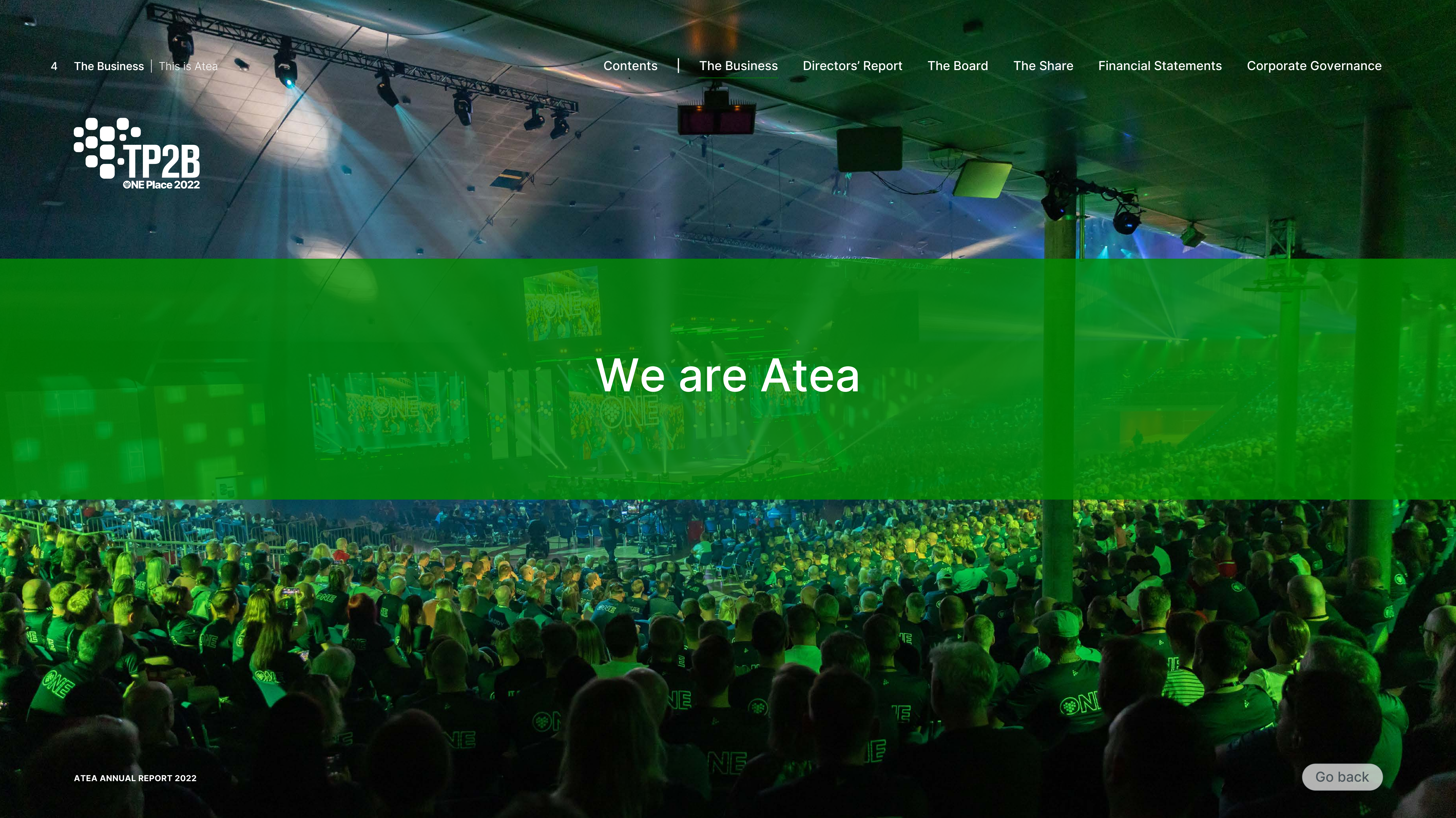
46.7
billion NOK in gross sales

8,073
employees (FTE)

46%
emission reduction in scope 1&2 (Since 2019)

NOK in million (unless stated otherwise)	2018	2019	2020	2021	2022
Gross sales [1]	34,708	36,655	39,503	41,316	46,664
Revenue (IFRS) [1]	25,815	26,376	27,399	28,491	32,397
Gross profit	7,534	7,758	8,236	8,446	9,002
Operating profit (EBIT)	690	747	854	1,046	1,196
EBIT-margin (%)	2.7	2.8	3.1	3.7	3.7
Earnings per share (NOK)	4.33	4.84	5.37	6.84	7.62
Diluted earnings per share (NOK)	4.26	4.78	5.32	6.67	7.55
Cash flow from operations	946	1,897	1,388	1,096	1,030
Number of full-time employees at the year end	7,385	7,585	7,337	7,658	8,073

[1] Atea has implemented a change in accounting policy due to an Agenda Decision approved by the IFRS Interpretations Committee on April 20, 2022. 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.



We are Atea

One IT partner for your digital transformation

Atea is the market leader in IT infrastructure and related services for businesses and public sector organizations in the Nordic and Baltic regions.

Strength in our markets

With over 8,000 employees located in 88 cities, in seven European countries — Norway, Sweden, Denmark, Finland, Lithuania, Latvia and Estonia — Atea has a powerful local presence across all of the markets we serve.

We offer a complete range of IT infrastructure products and services to make sure our customers succeed with the use of information technology. We have over 4,000 service personnel to advise and support your organization through the entire lifecycle of their IT purchases. Through the breadth and depth of our competence, we help customers to design, implement and manage the IT infrastructure upon which their organization depends.

Making a difference with technology

Equally important, we are among the top channel partners in Europe for many of the world's leading technology companies, including: Microsoft, Apple, Cisco, HP Inc, Hewlett Packard Enterprise, IBM, Lenovo, VMware, Citrix and Dell Technologies.

Atea has the highest level of vendor certification across its key technology partners and is frequently recognized with awards for its performance.

Based on Atea's unique mix of competence and technology partnerships, our customers count on us for professional insight on how to do more with IT. To that end, Atea is at the forefront of the latest technologies for mobility, collaboration and big data, as well as IT-as-a-service and cloud computing.

As a result, we help customers solve problems and get maximum productivity from their IT investments.

Built for growth and sustainability

As a publicly traded company listed on the Oslo Stock Exchange, Atea takes pride in its long-term record of delivering above-market revenue growth and in providing a healthy, consistent dividend payout to investors. For 2022, Atea reported gross sales of NOK 46.7 billion: up 12.9 percent compared to last year, and the highest in our company's history.

Corporate responsibility and good stewardship of our planet are also at the core of what we do. Atea has received numerous awards and recognitions for its work in corporate sustainability during 2022:

- Atea was awarded the highest rating in environmental and social performance by EcoVadis in 2022. This achievement ranks Atea in the top 1% of 100,000 organizations evaluated globally for the third consecutive year.
- Atea was ranked as the world's most sustainable company in the IT Services Industry, by Corporate Knights (Global 100 Index 2023) for the second consecutive year.
- Atea received an A-rating in CDP's annual climate change questionnaire. This marks a new personal best for our company since first reporting to CDP over ten years ago.
- Atea maintained "Prime" (highest) status by ISS ESG, one of the world's leading rating agencies in the field of sustainable investment.

Atea's future sustainability goals are stated in its Vision 2030: a 10-year plan for building a better, more sustainable future with IT. The Vision 2030 is described in the 2022 Sustainability report, which is published on Atea's corporate website (visit us at www.atea.com).


ATEA
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Letter from the CEO

Atea once again demonstrated the strength and resilience of its business in 2022.

2022 was a year filled with disruptive events. The year began with severe supply constraints in the electronics industry. In February, Russia invaded Ukraine, with geopolitical turmoil causing spillover effects in the Nordic and Baltic regions. Sweden and Finland applied to join NATO shortly afterward, and the Baltic region was impacted by its proximity to the conflict and by an inflow of refugees.

As the year continued, there was a surge in price inflation which drove central banks to raise interest rates. This led to a slowdown in global economic growth. Many technology companies struggled to adapt to the new economic environment, and there were layoffs across the industry.

In spite of this, Atea had another outstanding year – its best ever. Sales grew by 13% to NOK 47 billion (16% organic growth in constant currency) and EBIT grew by over 14% to NOK 1.2 billion. Growth was very strong across all countries and across all lines of business.

These figures are all the more remarkable given the size of our business. Atea's sales in 2022 increased by NOK 5 billion from last year, a larger sum than the total sales of nearly all of our competitors.

Certain market trends contributed to Atea's exceptional growth in 2022. The return to on-premise work resulted in higher investment in the workplace, after two years in which office access was restricted due to the COVID pandemic. The easing of electronics supply shortages enabled higher hardware shipments, particularly during the second half of the year. Finally, price inflation also contributed to growth rates, which we expect to abate in 2023.

But beneath these trends, there are structural factors at work which allow Atea to withstand disruptions and consistently deliver strong results throughout the economic cycle.

First, Atea operates in a market with steady, long-term growth in demand. Enterprise IT spending continues to grow as organizations invest in information technology to redefine their operations and drive productivity. This "digitization" trend

Steinar Sønsteby
CEO of Atea ASA

Steinar Sønsteby joined Atea in 1997 and was managing director of Atea in Norway in 1997-2000 and for Atea in Sweden in 2000 - 2002. After moving back to Norway Sønsteby was CEO of Atea in Norway until 2012 when he became Executive Senior Vice President of Atea ASA. In January of 2014 Sønsteby was appointed CEO of Atea ASA. Before joining Atea he was the CEO of Skrivervik Data AS.

Steinar Sønsteby holds a degree in Mechanical Design from Oslo College of Engineering and a Bachelor of Science in Mechanical Engineering from University of Utah (USA). He also has a finance degree from Norwegian School of Management (BI) and for Training in Management and Human relations from Dale Carnegie Institute.

shows no signs of slowing, and has in fact accelerated in the last few years. Organizations are increasingly dependent on information technology and will continue spending on their IT environments even in the most challenging times.

Second, Atea has a unique competitive position as the largest player in the Nordic and Baltic markets, with a complete offering of IT infrastructure products and services. We operate as a full-service IT infrastructure partner – with over 4,000 IT services personnel helping our customers manage the increasing complexity of their IT environments and capture maximum value from their IT investments. Our scale provides us with strong competitive advantages in procurement and logistics, and allows us to maintain a network of 88 offices providing local support to customers.

Third, Atea has a solid base of long-term relationships with the largest customers in our region. About 65% of our sales are to the public sector, and most of the remainder is to major corporations. These customers rely on Atea's services personnel to design, implement and operate their IT infrastructure. Furthermore, these customers have the financial strength to invest in IT solutions throughout the economic cycle.

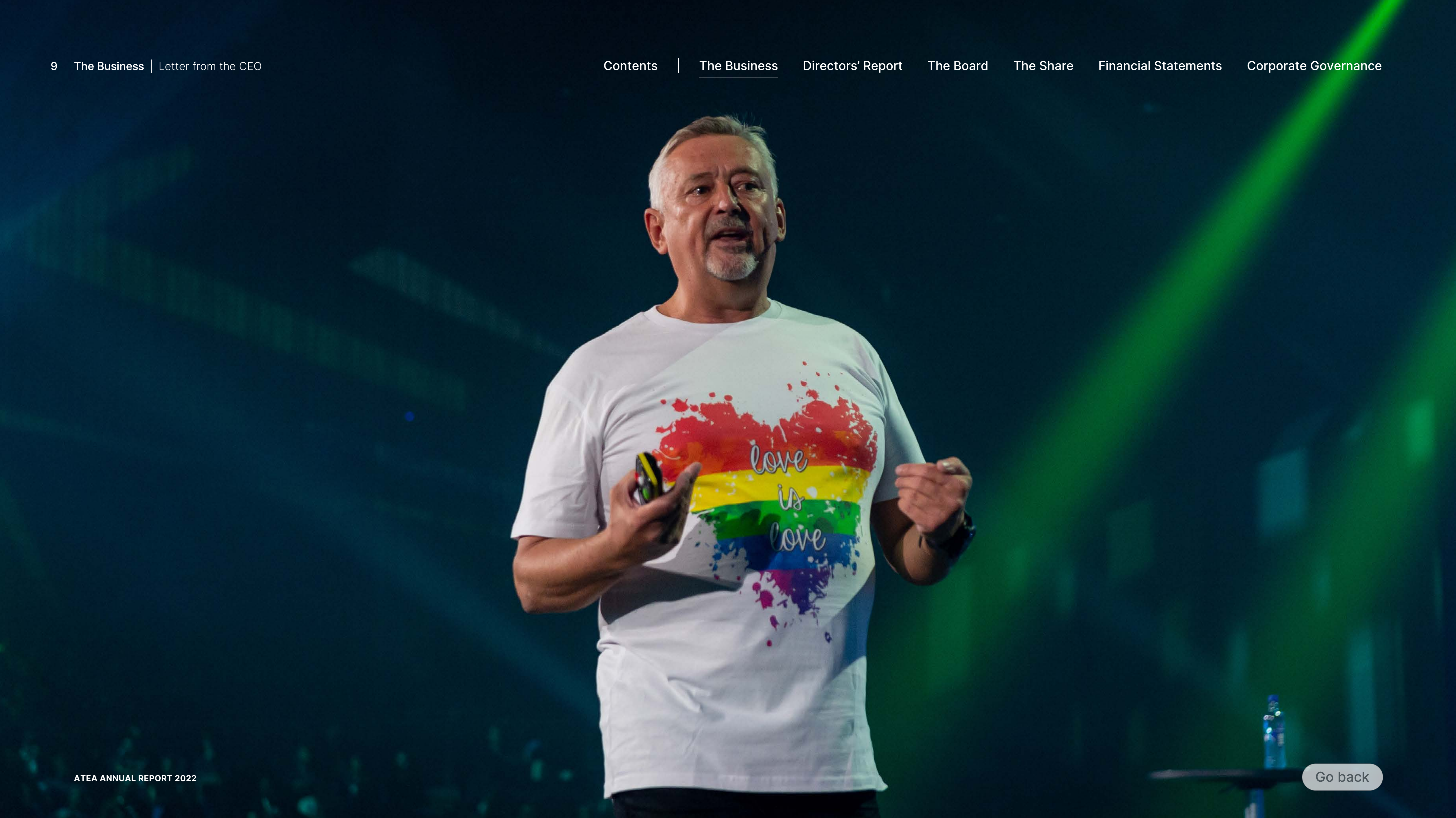
Finally, Atea has a unique workforce of over 8,000 employees - the largest community of IT professionals in our markets. We have built a unique corporate culture which empowers our employees to take decisions and proactively support our customers. Based on this culture and our solid reputation, we attract IT professionals who are self-starters and are motivated to develop their competence within the latest technologies in IT infrastructure. All this helps us work towards our Vision of creating "The Place To Be".

These structural factors will continue to drive Atea forward in the years to come. The market for IT infrastructure will keep growing as organizations invest further in IT to transform their operations. Atea's competitive position will strengthen as customers seek an IT partner with the competence to support their increasingly complex IT operations. And as IT skills grow in value, companies like Atea which can attract, develop and motivate IT professionals will succeed in the marketplace.

I am extremely proud of our company's success in 2022, and in the contribution made by all of our employees. In August, I had the pleasure of bringing together all of our employees at a company event in Norway for the first time. The experience was unforgettable and a reminder of what truly makes us successful as a company – both today and in the years to come.

I wish the entire Atea community of employees, customers, vendors and investors a happy and prosperous 2023.

Steinar Sønsteby
CEO of Atea ASA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Board of Directors Report 2022

2022 was another excellent year for the Atea group, with very high sales growth in all countries and across all lines of business. Group gross sales increased by 12.9% to NOK 46.7 billion, and net revenue (IFRS) increased by 13.7% to NOK 32.4 billion. Organic net revenue growth in constant currency was 16.2%.

Profits in the Atea group reached a new all-time high. EBIT for the full year 2022 was NOK 1,196 million, up 14.4% from last year. Cash conversion also remained strong. Cash flow from operations was NOK 1,030 million. The company maintained a healthy balance sheet, with a net cash position of NOK 304 million at year-end, as defined by its loan covenants.

Atea continued to win recognitions for its industry leadership in corporate social responsibility. Atea was recognized as one of the most sustainable corporations in the world (49th overall, and 1st in the IT services industry) by Corporate Knights as part of their annual "Global 100" ranking. Atea was awarded the highest rating in environmental and social performance by EcoVadis for the third straight year, ranking Atea in the top 1% of 100,000 organizations evaluated globally. Atea also earned an A-rating in CDP's annual climate change questionnaire, widely recognized as the gold standard of corporate environmental transparency.

The Board of Atea ASA would like to thank all Atea employees for their contribution to the Group's strong performance during the past year.

Company overview

Atea is the leading provider of IT infrastructure and related services to organizations within the Nordic and Baltic regions. The Group has over 8,000 employees and is located in 88 cities across Norway, Sweden, Denmark, Finland, Latvia, Lithuania and Estonia. Approximately 65% of Atea's sales are to the public sector, with the remainder of sales to private companies. The Group is headquartered in Oslo, Norway.

Atea is the largest provider of IT infrastructure within each of its local markets and is the third largest provider in Europe. The company's sales in the Nordic and Baltic regions are approximately three times higher than its largest competitor, with an estimated market share of approximately 23%. Atea's business strategy is to strengthen and consolidate its market leadership position through organic growth and selective acquisitions, and to continuously focus on improving operating efficiency.

Through its scale of operations, Atea has critical advantages over smaller competitors in purchasing power, local market presence, breadth of product and service offering, system integration competence, and cost-efficient support and logistics functions. This is reflected in the long-term financial performance of the Group. Atea's leading market position and competence in IT infrastructure has enabled the company to grow organically at a rate higher than that of the market. During the last three years, Atea's annual rate of organic growth in constant currency has been 10% in a market that has grown by about 8% per year, according to preliminary estimates from IDC.

In addition to organic growth, Atea has pursued an M&A strategy to further strengthen and consolidate its market position. Atea's current organizational structure is the result of the merger of the leading IT infrastructure companies in Denmark, Norway, Sweden, Finland and the Baltic region in 2006 – 2007. Since these mergers, Atea has acquired more than 60 companies to enhance its offering and expand its customer reach. The acquired companies have been purchased at valuation multiples significantly below those of Atea.

In 2022, Atea acquired two smaller companies: the Finnish IT consultancy Gambit Group, and a carve-out of the IT consulting operations within Human IT in Sweden. Both acquisitions focused on enhancing Atea's position within information management solutions, a strategic growth area for the company. In addition, Atea entered an agreement with KMD in Denmark to acquire its customer contracts related to IT infrastructure resale. Atea plans to continue actively acquiring companies to consolidate its market position in the coming 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, 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. This enables Atea to stay at the forefront of the latest IT trends, and to offer its customers new and innovative IT solutions.

Market trends

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 that was previously impossible. This "digitalization" 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 that 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 that 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 supports its customers in managing the continuous growth and increased complexity of their IT environments. Atea helps its customers to design, implement and operate the IT infrastructure upon which they are dependent as their operations become increasingly digital.

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 into 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 to IT operations and instead focus on their core objectives.

Financial summary

Income Statement

Group gross sales grew by 12.9% in the full year 2022 to NOK 46,664 million, with high growth in sales in all countries and across all lines of business.

Revenue (IFRS) increased by 13.7% to NOK 32,397 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.

The equity in the opening balance as of 1 January 2021 has been changed due to prior period accounting errors. The errors are due to historical calculation of deferred tax assets in Atea Denmark related to goodwill, resulting in understated deferred tax liabilities. More information regarding the impact of the accounting policy change and prior period errors can be found in Note 2 in the Annual report.

Hardware gross sales increased by 14.7% to NOK 23,176 million, with strong demand across all product categories. Software gross sales grew by 12.6% to NOK 14,782 million, driven by higher sales of cloud subscriptions. Services gross sales increased by 9.1% to NOK 8,706 million, driven by growth in the consulting business.

Gross profit was NOK 9,002 million, compared with NOK 8,446 million last year. Gross sales margin fell from 20.4% to 19.3%, based on a shift in the sales mix toward products and due to a time lag in price adjustments on some hardware and service deliveries to reflect rising input costs in an inflationary environment.

Total operating costs were NOK 7,806 million, up 5.5% from last year. Growth in operating expenses was due to an increase in the average number of full-time employees by 440 (5.9%) from last year.

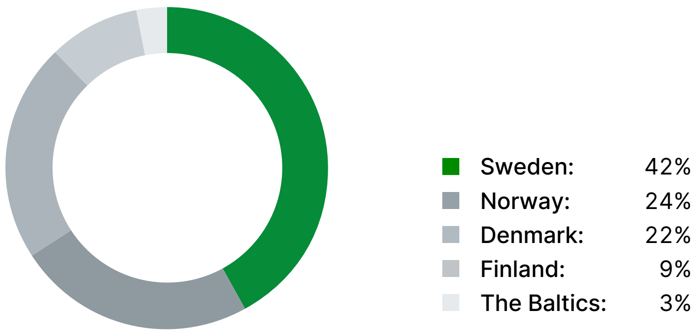
EBIT for the full year 2022 was NOK 1,196 million, up 14.4% from last year, based on strong sales growth and lower growth in operating expenses. The EBIT margin was 3.7% of IFRS revenue, the same level as last year.

Net financial items were an expense of NOK 112 million for the year, compared with an expense of NOK 104 million in 2021. NOK 58 million of these costs were related to facility leases, as recognized in accordance with IFRS 16 'Leases'. Otherwise, net interest expenses were NOK 75 million compared with NOK 32 million last year due to higher interest rates and borrowing levels.

Profit before tax was NOK 1,084 million compared with NOK 942 million last year. Tax expenses were NOK 235 million in 2022, compared with NOK 182 million last year. Net profit after tax grew by 11.6% to NOK 848 million. This represents a basic earnings per share of NOK 7.62 in 2022 compared with NOK 6.84 in 2021.

In accordance with section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the prerequisites for continued operations have been met, and that the financial statements have been prepared on a going-concern basis.

Gross sales per country
2022



Segmentation

Atea has commercial operations in Norway, Sweden, Denmark, Finland and the Baltics. These geographic regions have their own management and are reported as separate operating segments. There is also a Shared Services operating segment, which encompasses support functions such as Atea Logistics and Atea Global Services.

The financial performance of each business unit is presented in Note 5 of the Group financial report. A summary of business performance follows:

Sweden is Atea's largest market, representing 42% of Group gross sales in 2022. In 2022, gross sales in Atea Sweden increased by 19.5% to SEK 20,484 million, with strong growth across all business lines. Revenue (IFRS) grew by 20.6% to SEK 13,321 million. Based on higher sales and relatively low growth in operating expenses, EBIT for the full year increased by 19.5% to SEK 627 million.

Norway is Atea's second-largest market, representing 24% of Group gross sales in 2022. In 2022, gross sales in Atea Norway increased by 15.1% to NOK 11,362 million, driven by strong growth in sales of products. Revenue (IFRS) grew by 11.0% to NOK 8,052 million. EBIT in Norway was NOK 387 million, an increase of 6.6% from 2021.

Denmark is Atea's third-largest market, representing 22% of Group gross sales in 2022. In 2022, Atea's continued its business recovery following a restructuring in 2020. Gross sales in Atea Denmark increased by 6.9% to DKK 7,522 million, driven by strong growth in sales of services. Revenue (IFRS) grew by 7.5% to DKK 5,330 million. EBIT was DKK 70 million, an increase of 72.1% from 2021.

Finland represented 9% of Group gross sales in 2022. In 2022, gross sales in Atea Finland increased by 16.2% to EUR 394.9 million, driven by strong demand for hardware from public sector customers. Atea Finland also showed strong growth in its consultancy business, supported by its acquisition of Gambit Group in April 2022. Revenue (IFRS) grew by 33.1% to EUR 302.8 million. Based on high growth in sales, EBIT increased by 27.2% from last year to EUR 10.8 million.

The Baltics (Lithuania, Latvia and Estonia) represented 3% of Group gross sales in 2022. In 2022, gross sales in Atea Baltics increased by 15.0% to EUR 158.9 million based on high growth in product deliveries to the public sector and strong demand for its managed cloud services. Revenue (IFRS) grew by 16.6% to EUR 143.8 million. EBIT increased by 10.4% to EUR 6.3 million.

Balance Sheet and Cash Flow

As of 31 December 2022, Atea had total assets of NOK 17,858 million. Current assets such as cash, receivables and inventory represented NOK 11,138 million of this total. Non-current assets represented NOK 6,719 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 207 million).

Atea had total liabilities of NOK 14,129 million, and shareholders' equity of NOK 3,728 million as of 31 December 2022. 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 2022, Atea had sold receivables of NOK 1,859 million under the securitization program.

Atea entered into a temporary uncommitted revolving trade finance facility with the amount of up to USD 140 million with Deutsche Bank in May 2022, under which Deutsche Bank extended payables to one vendor on behalf of Atea ASA and its subsidiaries The facility was terminated in November 2022.

The Group's cash flow from operations was an inflow of NOK 1,030 million in 2022, based on solid cash earnings. Atea's working capital requirements increased from last year, due to a lengthening of delivery times and cash collection cycles as a result of supply constraints in the electronics industry. These supply constraints eased significantly by the end of the year and are expected to lead to lower working capital requirements in 2023.

Cash flow from investments was an outflow of NOK 441 million in 2022, primarily driven by investments in IT systems and data center equipment. Cash flow from financing was an outflow of NOK 989 million in 2022. The negative cash flow from financing was primarily due to dividend payments of NOK 612 million and lease payments of NOK 315 million.

The Group's net cash flow was an outflow of NOK 400 million in 2022. Currency fluctuations reduced the cash balance by NOK 31 million during the year. The Group's cash balance was NOK 922 million at 31 December 2022, compared with NOK 1,353 million at 31 December 2021. At the end of 2022, Atea had a net financial position as defined by Atea's loan covenants (total cash balance, less interest-bearing debt excluding right-of-use leases) of NOK 304 million.

Atea's interest-bearing debt primarily consists of a project finance loan of NOK 475 million from the European Investment Bank, due to mature in May 2023. Atea is currently working with the EIB to renew its project finance loan for the next 3-5 years. The Group has additional short-term credit facilities to manage fluctuations in liquidity throughout the year, as well as leases related to specified assets. Further information on debts and credit facilities can be found in Note 21 in the Group financial statements.

Risk factors

Market risk

The market for IT infrastructure has historically maintained a relatively stable growth rate throughout the economic cycle. According to data from IDC, the Nordic market for IT infrastructure has grown at an annual rate of approximately 6% during the last 10 years.

Atea's share of the IT infrastructure market has grown steadily over time, both through organic growth and through acquisitions. The company benefits from a unique competitive position, in which it is the largest player in the Nordic and Baltic markets, with the widest office network, and the broadest offering of products, services and system integration competence.

Due to its market share and competitive advantages, the company develops stable long-term relations with its customers. Approximately 65% of Atea's revenue comes from the public sector, in which demand is less sensitive to changes in the economic cycle. Many of Atea's customer contracts, especially in the public sector, are frame agreements in which the customer selects Atea as an IT partner for a term of roughly 3 – 5 years. In addition, a large and growing proportion of the company's service revenue comes from managed service contracts of one year or more.

The company is exposed to pricing and performance risk from its key vendors. Due to Atea's position as the third largest IT infrastructure provider in Europe, the company has the highest level of partner certification and significant negotiating power with its key vendors. When possible, the company works closely with at least two primary vendors in each product category to boost competition and avoid vendor risk.

Financial risk

Financial risk management for the Group is the responsibility of the central finance department, in compliance with guidelines approved by the Board of Directors. The Group's finance department identifies and evaluates financial risk and ensures that the necessary measures to mitigate this risk are implemented in close cooperation with the respective operating units.

In order to ensure financial stability in the event of adverse market conditions, the Group maintains a healthy balance of debt, equity and working capital. The Group's goal is to maintain an adjusted equity ratio (shareholder's equity divided by total assets excluding IFRS 16 right-of-use assets and sublease receivables) in excess of 20%. In addition, the Group maintains a maximum operational gearing (net debt divided by pro forma EBITDA) of 2.5.

Atea is exposed to foreign currency fluctuations, especially from the Swedish krona (SEK), the Danish krone (DKK), US dollars (USD) and the Euro (EUR), since part of the company's revenues and purchases of goods are in foreign currencies. It is company policy that all significant, committed goods or loan transactions with foreign currency exposure are to be hedged with forward contracts. The company is also exposed to fluctuations in interest rates, since nearly all of the company's debt facilities have floating interest rates.

Credit risk

Historically, the Group has had very few losses on receivables. The Group has not experienced materially greater losses on receivables in 2022 than in previous years. No agreements relating to offsetting claims or other financial instruments that would minimize the company's credit risk have been established, however, the Group continues to have a high focus on credit assessment and collections.

Liquidity risk

The company considers its liquidity risk to be limited. Atea has significant liquidity reserves available through credit facilities with its primary bank.

Atea's loan covenants require that the company's net debt balance remain below 2.5 times its pro forma EBITDA for the last twelve months (including acquired companies) at each quarter-end. The covenants exclude incremental net lease liabilities due to the adoption of IFRS 16 from the definition of net debt. As defined by the covenants, Atea had a positive net financial position of NOK 304 million on 31 December 2022, resulting in an available liquidity reserve of NOK 4,835 million before the debt covenant is reached.

Other risk factors

Supply chain constraints

Rapid shifts in demand for electronic devices during the COVID pandemic resulted in supply constraints in the electronics industry which became severe during 2021. This led to shortages of electronics equipment, longer delivery times to customers, and higher prices. The supply constraints eased greatly throughout 2022, and presently are not a challenge for Atea's business.

The electronics industry has historically concentrated production of major components in China but has diversified its supply chain in recent years due to geopolitical tensions. Disruption in the electronics supply chain can be considered a potential risk factor for Atea's business, although the risk does not appear material at this time.

Inflation

Price inflation had a major impact on the global economy in 2022. 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 high sales growth but decline in Atea's product and service margins in 2022.

Persistent inflation should be considered a potential risk factor for Atea's business. The profit impact is mostly neutral for Atea, as price inflation results both in higher costs and higher sales growth.

Climate change

The Group has assessed whether climate change or efforts to reduce carbon emissions will negatively impact Atea's business as a provider of IT infrastructure. The Group does not consider this risk to be material, as both the supply chain and market demand for IT infrastructure will adapt to changes in the business environment from climate change. Atea supports customers in managing their IT in a manner which reduces its potential climate impact. See Note 29 for more information.

Personnel and Organization

The Group had 8,073 full-time employees on 31 December 2022, a net increase of 415 from 1 January 2022. During the course of 2022, Atea hired additional resources to develop its services business within consulting and managed services. The average number of full-time equivalents employed by the Group was 7,881 in 2022, compared with 7,441 in 2021.

Atea's long-term success is dependent on recruiting skilled IT professionals and providing its employees with a work environment in which they can develop and contribute with their talents. The work environment and culture are central to Atea's vision of being "The Place to Be" for its employees, customers and vendors.

Common guidelines have been established for recruitment activities, to ensure that Atea is attracting and hiring skilled professionals across the organization. Extensive competence training is conducted in all parts of the organization. Employee surveys, and goal and development meetings with employees are held regularly.

An introduction program has been implemented in every country to quickly integrate new employees. This includes training in Atea's business systems, values, ethical guidelines and corporate culture. All employees are required to successfully complete an examination on Atea's Code of Conduct and sign a confirmation that they will comply with the Code.

Health, safety and the work environment

Atea has worked systematically to promote health among employees and to improve safety and environmental standards at the workplace. The risk of occupational injury is very low. In 2022, there were no occupational injuries resulting in absence.

For the Group, absence due to illness was 3.1%, up from 2.4% in 2021. Absence due to illness was 4.3% in Norway, 2.6% in Sweden, 3.2% in Denmark, 3.0% in Finland, 1.6% in the Baltics and 3.9% in Shared Services. One employee out of nine total was on long-term illness in the parent company.

Equality of opportunity

Diversity and gender equality are core values at Atea. The Group strives to provide a work environment that is free from discrimination based on gender, nationality, religion, skin color, sexual orientation, age or disability.

At 31 December 2022, women represented 25.9% of the Group's employees, compared with 25.0% at the end of the previous year. In the parent company, women represented 11.1% of the Group's employees, compared with 20.0% at the end of the previous year. There were nine employees in the parent company at the end of 2022, and eight of these are men.

The low percentage of female employees within the Group reflects the IT industry in which the company operates. The Group works systematically to recruit women at all levels and to encourage that they remain with Atea. We continue to encourage more women to work in the IT industry by arranging activities to promote gender balance. As stipulated in the Anti-Discrimination Act, our company adheres to a policy that forbids discrimination against any employee because of age, national origin, religion, sexual orientation or disability.

Atea provides a suitable work environment for employees with disabilities. The company modifies the physical environment of the workplace as necessary to facilitate employees with special needs.

More information about equal opportunity is disclosed in the latest Sustainability Report at atea.com.

Corporate Governance

Atea's guidelines for Corporate Governance are in accordance with the Norwegian Code of Practice for Corporate Governance, dated 14 October 2021, as required for all listed companies on the Oslo Stock Exchange. Furthermore, the guidelines meet the disclosure requirements of the Norwegian Accounting Act and the Securities Trading Act. The guidelines are included separately in the annual report.

The Group has an ordinary Directors & Officers Insurance protecting the Board of Directors and management from personal liability. The maximum liability amount covered is NOK 250 million.

Corporate Social Responsibility

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 vision for its sustainability agenda. The vision is described in our latest Sustainability Report, published in March 2023 at atea.com.

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 51st in 2022 to 49th in 2023, placing Atea 1st 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 our 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.

Atea observes the UN Global Compact's principles in the areas of human rights, labor rights, the environment and anti-corruption. Atea also participates in a number of recognized national and international initiatives focused on sustainability, including the UN Global Compact, Carbon Disclosure Project and Responsible Business Alliance.

On 1 July 2022, the Norwegian Transparency Act entered into force. It established processes for the public to gain access to information about how enterprises covered by the law address adverse impacts on human rights and working conditions. More information about The Atea Group´s efforts within this area can be found in the latest Sustainability Report, available on atea.com.

Environmental initiatives

Atea sells IT products that are developed and manufactured by international technology companies. The Group does not manufacture its own products, and distribution is mainly outsourced to logistics partners. The Group does not have any research and development activities.

Atea recognizes the impact its operations have on the environment and are determined to take the necessary actions to reduce its impact. In 2022, we have broadened our Scope 3 reporting to include more categories. This approach provides us with a more complete view of the total environmental impact generated by our business. This will also help our customers understand the actions they can take to meet their climate goals. Since 2019, Atea has decreased its own emissions by 46% (scope 1 and 2). For more information, see our Sustainability Report, available on atea.com.

Atea supports its customers in implementing sustainability policies regarding their use of information technology. Atea has formed a coalition with its customers called Atea Sustainability Focus (ASF), which uses the collective voice of Nordic IT buyers to influence the electronic industry towards more sustainable operations. Atea promotes "circular economy" solutions relating to the use of IT. The circular economy is a concept that seeks to minimize resource consumption and the need to extract virgin materials through recycling and reuse.

In Växjö, Sweden, Atea operates one of the largest electronic recycling-and-reuse operations in the Nordic and Baltic regions. Electronic devices can be a major driver of carbon emissions and waste within organizations. Most of the carbon emissions from an electronic device occurs when the device is manufactured or disposed of. Therefore, extending the lifecycle of electronic equipment is a highly effective way of reducing carbon emissions and waste.

Through its innovative "Goitloop" program with customers, Atea processed over 604 thousand electronic devices for recycling and reuse during 2022, the vast majority of which are PCs, mobile phones and tablets. Atea receives older used equipment from its customers, fully cleanses the equipment of data, and refurbishes the equipment for reuse. This recycling operation has a major impact on the carbon footprint and electronic waste of Atea's customers.

Finally, Atea's cloud computing solutions help customers to reduce carbon emissions and resource use. Atea's data center operations are scaled for energy efficiency by consolidating many customers on one multitenant platform. At the same time, customers benefit from higher and more stable utilization of server capacity when sharing resources in a multitenant environment, reducing the need for managing the excess capacity of servers and storage units.

The company's work in promoting sustainable IT solutions across the Nordic and Baltic regions is further described within the annual Sustainability Report at atea.com.

Allocation of Net Profit

Atea ASA is the parent company of the Group. The parent company has a total of 9 employees, including the Group's CEO, CFO and associated staff functions. In 2022, the net profit of Atea ASA was NOK 921 million, up from 436 million in 2021. The improvement in net profit compared to 2021 is mainly due to increased dividend from subsidiaries. The Board of Directors proposes to transfer the entire net profit of Atea ASA to retained earnings.

Based on the Atea Group's financial performance in 2022, the Board will propose a dividend of NOK 6.25 per share at the annual general meeting in April 2023. Atea's dividend policy is to distribute approximately 70 – 100 percent of the Group's net profit after tax to shareholders in the form of a dividend. The dividend payment represents over 80 percent of Atea's basic earnings per share during 2022. The dividend will be paid in two installments of NOK 3.125 per share in May and November 2023.

Atea ASA has been actively repurchasing shares during 2022 based on its strong cash position. Over the course of 2022, the company returned NOK 230 million to shareholders through the buyback of 1,800,000 shares. The sale of treasury shares amounted to NOK 59 million used to fulfill the Groups obligation related to the Share based compensation. The Board will propose that the AGM renews its mandate to authorize a share buyback at the annual general meeting in April 2023.

Business Outlook

Atea's financial objectives are to maintain a long-term rate of organic revenue growth faster than the IT infrastructure market, and to further expand its competitive position through selective acquisitions. At the same time, Atea aims to steadily increase its operating profit through a combination of revenue growth, expansion in higher margin products and services, and operating efficiencies. Finally, the company seeks to convert profits into a solid cash flow, through a business model which requires both low capital expenditures and net working capital.

As the market leader in IT infrastructure in the Nordic and Baltic regions, Atea is very well-positioned to achieve its financial targets. Atea has a unique competitive position in its markets as a full-service IT infrastructure partner - 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 start of 2023, before transitioning to a longer-term trend. The company's sales forecast is supported by a high order backlog of over NOK 5 billion at the end of 2022.

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.

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 practices across each of its business lines, including Hardware/lifecycle management, Software/cloud transformation, Professional services and Managed services. The program is also accelerating the alignment of back-office functions and supply chain operations in order to drive efficiencies through scale and improved use of automation.

Based on its unique competitive advantages in an expanding market, Atea expects to continue to grow and capture market share in the coming years. At the same time, the company will slow its rate of hiring in 2023 and enhance productivity through the "One Atea" program. In this manner, Atea expects continued, long-term growth in its profitability and cash flow.

Members of the Board

Ib Kunøe (born 1943)
Chairman of the Board

Ib Kunøe has decades of experience as an entrepreneur and investor in the IT sector. He brings strategic insight and practical experience from building profitable businesses and from turn-around processes. Kunøe holds an HD Graduate Diploma in Organisation and Management as well as a background as a professional officer (major). He is the founder and owner of Consolidated Holdings A/S and is the main shareholder and Chairman of the Board in a broad variety of Danish owned companies such as Columbus A/S and X-Yachts A/S. Ib Kunøe has participated in 8 of 8 board meetings in 2022.
Ib Kunøe is the Chairman of the nomination and remuneration committees.

Morten Jurs (born 1960)
Member of the Board

Morten Jurs currently holds a CEO position at SpinChip Diagnostics AS and has extensive leader ship experience from leading roles in both public and private companies. His prior experiences include the role of partner in Pegasus Industrier AS as well as CEO at Stamina Group AS between 2013-2016, CFO at Pronova BioPharma ASA from 2006 – 2009, CEO at Pronova BioPharma ASA from 2009-2013 and CFO at Kitron ASA from 2001-2006. Jurs brings with him over 30 years' experience within general management, financial administration and strategic planning. He holds a Master of Science/MBA in Business and Economics from the University of Wyoming. Morten Jurs participated in 8 of 8 board meetings in 2022.
Morten Jurs is the Chairman of the audit committee.

Sven Madsen (born 1964)
Member of the Board

Sven Madsen is Chief Financial Officer in Consolidated Holdings A/S. He has extensive experience from working with corporate reporting, financing, corporate management and M&A activities in companies such as Codan Insurance, FLS Industries, SystemForum and Consolidated Holdings. Madsen provides special competence within financial reporting, and is a member of the Atea's audit committee. He holds Board positions with Consolidated Holdings A/S, Columbus A/S, X-Yachts A/S, core:workers AB, Ejendomsaktieselskabet af 1920 A/S, MonTa Biosciences ApS, Dansk Emballage A/S and DAN-Palletiser Finans A/S. Madsen holds a Graduate Diploma in Financial and Management Accounting as well as an MSc in Business Economics and Auditing. Sven Madsen has participated in 8 of 8 board meetings in 2022.
Sven Madsen is member of the audit committee.

Saloume Djoudat (born 1977)
Member of the Board

Saloume Djoudat has been a partner in Bull & Co Advokatfirma AS since 2013, coming from a previous position as a General Counsel in Uno-X Energi AS. Saloume Djoudat is Head of Corporate at Bull & Co. She specializes in corporate law including M&A and contract negotiations. Djoudat has managed negotiations and acted as legal adviser in projects both in Norway and for inter-national corporations. In light of her combination of academia and industry experience, Djoudat has a strong ability to give legal advice from a business perspective. She also serves on the Board of Directors of AF Gruppen ASA. Djoudat is a graduate of the Faculty of Law in the University of Oslo. Saloume Djoudat has participated in 7 of 8 board meetings in 2022.

Lisbeth Toftkær Kvan (born 1967)

Member of the Board

Lisbeth Toftkær Kvan is Branch and Commercial Manager in Ikano Bank Norway. She is an experienced financial services executive and previously held the position as Country Manager in Ford Credit Norway and has additionally been Member of Board and Control Committee as well as Country Manager in GE Capital Solutions AS, Norway. She brings experience within financial services and management to the Atea Board and audit committee. Her previous roles include various positions within the GE Capital organization in UK and Germany. Kvan holds an MSc in International Business Administration from Copenhagen Business School. Lisbeth Toftkær Kvan has participated in 7 of 8 board meetings in 2022. Lisbeth Toftkær Kvan is member of the audit committee.

Leiv Jarle Larsen (born 1973)

Member of the Board (employee elected)

Leiv Jarle Larsen joined Atea in 1998. Larsen has a broad experience in IT infrastructure, both as an engineer and infrastructure architect. He has worked both as an infrastructure consultant and presales engineer focusing on hybrid platforms. He now holds the position as Enterprise Architect, helping customers to align technology with business goals. His main focus is to use technology to find and harvest business values for the customers. Larsen has studied media science and information science at the University of Bergen. Leiv Jarle Larsen has participated in 8 of 8 board meetings in 2022.

Nelly Flatland (born 1991)

Member of the Board (employee elected)

Nelly Flatland joined Atea in 2020 and holds the position as Head of Sustainability in Atea Norway. Flatland has broad experience from the field of corporate social responsibility and sustainability, both on a strategic and operational level. Flatland currently works on developing and managing the sustainability work in Atea Norway proving how sustainability and profitability is a synergy and not a trade-off. Doing so by focusing on delivering shared value within the field of sustainability, and how we as a company can harvest business value for our customers. At the same time Flatland continuously strives for Atea to improve our sustainability measurements. Flatland received her degree from BI Norwegian Business School. Nelly Flatland has participated in 5 of 5 board meetings since she joined the board in April 2022.

Marius Hole (born 1981)

Member of the Board (employee elected)

Marius Hole joined Atea in 2007. Hole has a broad experience in IT infrastructure and security, as both an engineer and infrastructure architect. Hole has achieved several high level expert certifications in technology and architecture that are only held by a select few specialists in the world. He is currently working as infrastructure architect and strategic advisor, helping customers to develop and implement digital strategies and solutions. His focus is to solve challenges with technology and to secure the value chain for all stakeholders. Marius Hole has participated in 5 of 5 board meetings since he joined the board in April 2022.

Shareholder Information

Atea's objective is to provide a competitive long-term return to shareholders, relative to the underlying risk of the Company's operations. The Company endeavours to achieve this objective through a high dividend payout and through capital appreciation on the value of the underlying business.

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. During 2022, the Company paid dividends of NOK 5.50 per share to shareholders in two equal instalments of NOK 2.75 during May and November. This represented a total dividend of NOK 612 million, or 80% of net profit after tax in the prior year. In addition, the company repurchased its own shares for an additional sum of NOK 230 million in 2022.

At the end of 2022, the Company's net financial position was cash positive of NOK 304 million, compared with NOK 822 million at the end of 2021. The Company has entered into an unsecured loan agreement for NOK 475 million with the European Investment Bank in May 2018, with a covenant that its net debt must remain below 2.5 times pro forma EBITDA for the prior twelve months (EBITDA includes any acquisitions made during this period). Atea was NOK 4,835 million below this debt covenant at the end of 2022.

Investor relations

Atea aims to increase investor awareness of the Company through an open, transparent and reliable information policy. In this manner, the Company seeks also to promote the liquidity of its shares and ensure that its share price reflects the fair value of the Company.

Presentations will be held for shareholders, brokers and analysts in connection with the quarterly and annual reporting dates.

Furthermore, Atea keeps the financial markets informed of important developments through stock exchange and press releases, and other market updates. Atea holds regular meetings with investors and analysts to enhance communication. More information can be found on Atea's investor pages online at atea.com.

Share capital and shareholder structure

At 31 December 2022, the VPS registered share capital in the company was NOK 112,384,093, divided into 112,384,093 shares with a nominal value of NOK 1 per share. Atea has one class of shares, with each share carrying one vote. Ib Kunøe, Chairman of the Board, with associated companies and close associates, was the largest shareholder controlling 28.4 per cent of the shares at the end of 2022. Otherwise, Atea ASA has a diversified shareholder structure, with a total of 8,251 shareholders at the end of the year.

Robert Giori
CFO of Atea ASA

Robert Giori joined Atea as Chief Financial Officer in 2014. He has extensive experience in financial management for public companies within the IT industry. Prior to joining Atea, Robert spent over five years as Chief Financial Officer of Nordic Semiconductor ASA. He has also worked as Chief Financial Officer of TeleComputing ASA and as Finance Director for Dell's operations in Norway. In addition, he has previously been a consultant with McKinsey & Company.

Robert Giori has an MBA from Harvard University and a Bachelor degree from Stanford University. He has completed the Certified Public Accountant (CPA), Certified Management Accountant (CMA) and Chartered Financial Analyst (CFA) examinations in the United States.

Share performance

- At the end of 2022, Atea's share price was NOK 114.0 compared with NOK 164.0 end of 2021.
- During 2022, a dividend payout of NOK 5.50 per share was made to shareholders, yielding a direct return of 3.4 per cent compared to the share price at the end of 2021.
- The total return on the Company's shares during 2022 was -27.1 percent, including the dividend yield and share price decrease from NOK 164.0 to NOK 114.0.
- The share's highest close price during 2022 was NOK 161.4 on 12 January and its lowest close price was NOK 93.5 on 29 September.
- At the end of 2022, the number of shareholders was 8,251, down from 8,573 at the start of the year.

Financial calendar 2023

Atea ASA will publish quarterly interim accounts and provisional annual accounts on the following dates:

1st quarter 2023:	Thursday, 27 April 2023
2nd quarter 2023:	Tuesday, 18 July 2023
3rd quarter 2023:	Thursday, 19 October 2023
4th quarter 2023 and provisional accounts for 2023:	Thursday, 8 February 2024

Annual General Meeting: Thursday, 27 April 2023

Visit www.atea.com for more shareholder information.

Main Shareholders[1]

at 31 December 2022

Main Shareholders[1]	Shares	%
Systemintegration APS[2]	31,251,063	27.8%
Folketrygdfondet	7,646,060	6.8%
State Street Bank and Trust Co.[3]	6,527,702	5.8%
State Street Bank and Trust Co.[3]	3,815,939	3.4%
Verdipapirfond Odin Norden	3,656,029	3.3%
State Street Bank and Trust Co.[3]	3,197,375	2.8%
RBC Investor Services Trust[3]	3,091,261	2.8%
State Street Bank and Trust Co.[3]	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%
Total number of shares	112,384,093	100.0%

[1] Source: Verdipapirsentralen
[2] Includes shares held by Ib Kunøe
[3] Includes client nominee accounts

Ownership structure by number of shares

Number of shares held	Number of shareholders	Proportion of share capital	Total shares held
1 - 100	5,063	0.2%	169,417
101 - 1 000	2,303	0.8%	869,727
1001 - 10 000	606	1.7%	1,908,664
10 001 - 100 000	178	5.3%	5,895,841
100 001 - 500 000	71	15.7%	17,672,122
500 001 -	30	76.4%	85,868,322
	8,251	100.0%	112,384,093

More information can be found on Atea's investor pages online at atea.com/analysts.

Analysts following Atea

Company	Name	Telephone
ABG Sundal Collier	Eirik Thune Øritsland	+47 22 01 61 40
Arctic Securities	Kristian Spetalen	+47 22 93 72 28
Carnegie	Oliver Schüler Pisani	+47 22 00 94 25
DnB	Christoffer Wang Bjørnsen	+47 24 16 91 43
Handelsbanken	Daniel Djurberg	+46 72 544 55 75
SB1	Petter Kongslie	+47 98 41 10 80
Nordea	Kristoffer Bollestad Pedersen	+47 93 66 32 57
Danske Bank	Mads Ek Strøm	+47 97 09 41 75

Financial Statements

Atea Group Financial Statements

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Consolidated statement of Comprehensive Income

NOK in million	Note	2022	Restated 2021
Revenue (IFRS)	5, 6	32,397	28,491
Cost of sales	14	-23,395	-20,045
Gross profit		9,002	8,446
Payroll and related costs	7, 16	-6,540	-6,130
Other operating costs	8	-651	-656
EBITDA		1,811	1,660
Depreciation and amortisation	12, 13, 19	-615	-614
Operating profit (EBIT)		1,196	1,046
Financial income	9, 19	8	14
Financial expenses	9, 19	-121	-118
Net financial items	9, 19	-112	-104
Profit before tax		1,084	942
Tax	2, 10	-235	-182
Profit for the period	2	848	760

NOK in million	Note	2022	Restated 2021
Profit for the period attributable to:			
Shareholders of Atea ASA		848	760
Earnings per share			
– earnings per share (NOK)	2, 11	7.62	6.84
– diluted earnings per share (NOK)	2, 11	7.55	6.67
Profit for the period		848	760
Currency translation differences		73	-183
Items that may be reclassified subsequently to profit or loss		73	-183
Other comprehensive income		73	-183
Total comprehensive income for the period		922	577
Total comprehensive income for the period attributable to:			
Shareholders of Atea ASA		922	577

Consolidated statement of Financial Position

NOK in million	Note	31 Dec 2022	Restated 31 Dec 2021	Restated 1 Jan 2021
ASSETS				
Property, plant and equipment	12	541	493	538
Right-of-use assets	19	1,253	1,200	1,288
Deferred tax assets	10	207	276	303
Goodwill	13	4,132	3,942	4,088
Other intangible assets	13	452	328	289
Investment in associated companies	14	0	0	17
Long-term subleasing receivables	19, 23	36	53	83
Other long-term receivables	15	99	29	20
Non-current assets		**6,719**	**6,321**	**6,626**
Inventories	14	1,198	1,191	797
Trade receivables	6, 15, 23	6,701	5,189	5,818
Other receivables	6, 15, 23	2,268	1,916	1,606
Short-term subleasing receivables	19, 23	45	71	126
Other financial assets		4	7	5
Cash and cash equivalents	23	922	1,353	1,605
Current assets		**11,138**	**9,727**	**9,957**
Total assets		**17,858**	**16,048**	**16,584**

NOK in million	Note	31 Dec 2022	Restated 31 Dec 2021	Restated 1 Jan 2021
EQUITY AND LIABILITIES				
Share capital and premium	16	680	657	503
Other reserves		1,518	1,444	1,627
Retained earnings	2	1,531	1,406	1,234
Equity		**3,728**	**3,507**	**3,363**
Interest-bearing long-term liabilities	18, 20, 23	-	475	475
Long-term sublease liabilities	19, 20, 23, 27	36	53	83
Long-term leasing liabilities	19, 23	1,018	986	1,039
Other long-term liabilities	23	116	190	7
Deferred tax liabilities	2, 10	145	164	185
Non-current liabilities		**1,316**	**1,867**	**1,790**
Trade payables	17, 23	8,100	6,574	6,934
Interest-bearing current liabilities	18, 20, 23	586	8	7
Current sublease liabilities	19, 20, 23, 27	45	71	126
Current leasing liabilities	19, 23	318	284	310
Tax payable		265	136	133
Provisions	22	50	27	184
Other current liabilities	6, 17, 23	3,424	3,562	3,710
Other financial liabilities	23	26	12	28
Current liabilities		**12,813**	**10,674**	**11,430**
Total liabilities		**14,129**	**12,541**	**13,220**
Total equity and liabilities		**17,858**	**16,048**	**16,584**

Oslo, 29 March 2023
Approved by
The Board of Directors

Ib Kunøe
Chairman of the Board

Morten Jurs
Member of the Board

Sven Madsen
Member of the Board

Saloume Djoudat
Member of the Board

Lisbeth Toftkær Kvan
Member of the Board

Leiv Jarle Larsen
Member of the Board
(employee elected)

Marius Hole
Member of the Board
(employee elected)

Nelly Flatland
Member of the Board
(employee elected)

Steinar Sønsteby
CEO of Atea ASA

Consolidated statement of changes in Equity

	Share capital and premiums[1]		Other reserves		Retained earnings		
NOK in million	Share capital	Share premium	Other paid-in capital	Currency translation differences	Option programmes	Retained earnings	Total equity
Balance at 1 January 2021	110	393	879	748	332	922	3,384
Effect of correction of error[3]	-	-	-	-	-	-20	-20
Balance at 1 January 2021 - as restated	110	393	879	748	332	902	3,363
Other comprehensive income	-	-	-	-183	-	-	-183
Profit for the period	-	-	-	-	-	760	760
Issue of share capital	2	153	-	-	-		155
Employee share-option schemes	-	-	-	-	49	-	49
Dividend	-	-	-	-	-	-555	-555
Changes related to own shares [2]	0	-	-	-	-	-82	-81
Balance at 31 December 2021	111	546	879	565	381	1,025	3,507
Balance at 1 January 2022	111	546	879	565	381	1,025	3,507
Other comprehensive income	-	-	-	73	-	-	73
Profit for the period	-	-	-	-	-	848	848
Issue of share capital	0	23	-	-	-	-	23
Employee share-option schemes	-	-	-	-	54	-	54
Dividend	-	-	-	-	-	-612	-612
Changes related to own shares [2]	-1	-	-	-	-	-164	-166
Balance at 31 December 2022	111	569	879	639	434	1,097	3,728

[1] See Note 16.
[2] Own shares has been used to fulfill the Groups obligation related to the Share based compensation. The amount is net of tax. The tax effect is NOK 5 million in reduced tax (NOK 24 million in 2021).
[3] See Note 2.1b.

Consolidated statement of Cash Flow

NOK in million	Note	2022	2021
Profit before tax		1,084	942
Adjusted for:			
Net interest expenses		133	84
Depreciation and amortisation	12, 13, 19	615	614
Share based compensation		53	49
Gains on sale of property, plant and equipment and intangible assets		-72	-44
Change in inventories		-10	-446
Change in trade receivables		-1,537	306
Change in trade payables		1,510	-40
Change in other accruals		-372	-136
Taxes paid		-240	-151
Interest paid		-140	-92
Interest received		7	12
Net cash flow from operational activities		1,030	1,096

NOK in million	Note	2022	2021
Acquisition of subsidiaries/businesses	25	-119	-1
Purchase of property, plant and equipment and intangible assets	12, 13	-397	-328
Sale of property, plant and equipment and intangible assets	12, 13	76	56
Net cash flow from investment activities		-441	-273
Payment from changes in treasury shares		-170	-106
Proceeds from new shares issue		23	155
Dividend paid		-612	-555
Proceeds from sublease		43	75
Payments of sublease liabilities	20	-43	-75
Payments of lease liabilities	19, 20	-315	-327
Proceeds from raising loans	20	4,923	5,955
Repayment of loans	20	-4,838	-5,991
Cash flow from financing activities		-989	-870
Net change in cash and cash equivalents for the year		-400	-47
Cash and cash equivalents at the start of the year	21	1,353	1,605
Foreign exchange effect on cash held in a foreign currency		-31	-205
Cash and cash equivalents at the end of the year		922	1,353

Note 01 General information

The Atea Group ("Atea") is the leading supplier of IT infrastructure solutions in the Nordic and Baltic countries. Atea is present in seven countries – including Norway, Denmark, Sweden, Finland, Lithuania, Latvia, and Estonia.

The principal activities for the Group's various business areas are described in more details in Note 5 – Segment information.

Atea ASA is a public limited company that is registered and domiciled in Norway. The office address is Karvesvingen 5, Oslo. Atea ASA is listed on Oslo Stock Exchange and had 8,251 shareholders as of 31 December 2022, compared with 8,573 shareholders at the start of the year.

These consolidated accounts were approved by the Board of Directors on the 29 March 2023.

Note that there may be figures and percentages that do not always add up correctly due to rounding differences.

Note 02 Summary of significant accounting principles

Basis of the consolidated financial statements
The consolidated financial statements of Atea have been prepared in accordance with International Financial Reporting Standards (IFRS), as determined by the EU, and include Atea ASA and subsidiaries in which Atea ASA, directly or indirectly, has a controlling interest through ownership interests or agreements. The consolidated financial statements have been prepared under the historical cost basis and modified by any revaluation of assets and liabilities at fair value through profit or loss according to the policies for the relevant areas. All the figures are presented in NOK and rounded to the closest million. Notice is given of any exceptions.

02.1 Accounting Policies, Changes in Accounting Estimates and Errors

Adoption of new and revised International Financial Reporting Standards (IFRS)

a) New and amended standards adopted by the Group

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, 2022, 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 sales).

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

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

The changes have been applied retrospectively. The impact on Atea's financial statements for financial year 2021 is:

- 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.

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/

No other standards adopted by the Group for the financial year beginning on or after 1 January 2022 have a material impact on the Group.

b) Prior period Errors

Change in equity in the opening balance as at 1 January 2021
The equity in the opening balance as of 1 January 2021 has been changed due to prior period accounting errors. The errors are due to historical calculation of deferred tax assets in Atea Denmark related to goodwill, resulting in understated deferred tax liabilities.

Because the errors have accumulated over multiple years, it has been impracticable to allocate the period-specific effects of the errors to specific years. Consequently, the opening balance sheet of the comparison financial period to 31 December 2021 has been restated to reflect adjustments relating to all prior years.

The changes have been applied retrospectively. The impact on Atea's financial statements for financial year 2021 is:

- Deferred tax expense is increased by NOK 3 million.
- Profit for the period is reduced by NOK 3 million.
- Earnings per share and diluted earnings per share is reduced by NOK 0.03 per share.
- Deferred tax liabilities opening balance 1 January 2021 is increased by NOK 20 million.
- Retained earnings in the opening balance 1 January 2021 is reduced by NOK 20 million.

c) New standards, amendments and interpretations not yet adopted

Several new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023. There are no IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Group.

02.2 Critical accounting estimates and judgments

The preparation of accounts in accordance with IFRS requires use of certain critical accounting estimates. In addition, the application of the Atea's accounting principles requires that the management exercise judgment. Areas that contain a high degree of such discretionary assessments, or a high degree of complexity, or areas where the assumptions and estimates are of significance to the consolidated accounts are described separately. This applies to the valuation of goodwill (Note 13), valuation of deferred tax assets (Note 10) and presentation of Revenue (Note 2.1b). Changes to accounting estimates are included in the accounts for the period in which the change occurs. See also Note 4 for more explanation.

02.3 Consolidation principles

02.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

02.3.2 Business combinations

Atea uses the acquisition method to account for the acquisition of subsidiaries. Consideration for the acquisition of subsidiaries is measured at the fair value of the transferred assets, obligations assumed, and equity instruments issued. The fair value of any assets or obligations that are contingent on the agreement is also included in the consideration. Identifiable assets and liabilities are recognized at fair value on the acquisition date. Expenses related to business combinations are recognized when they are incurred. Correspondingly, if there were to be a discrepancy between the estimated fair value based on the conditional settlement and fair value, and this cannot be attributed to new information on the fair value or more than 12 months passing from the takeover, the difference shall be recognized in the income statement.

02.3.3 Intercompany transactions

Intercompany transactions, balances, and unrealized gains on transactions between Group companies are eliminated. The accounting principles for subsidiaries are amended as required in order to be consistent with Atea's accounting principles.

02.3.4 Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's Share of the profit or loss of the investee after the date of acquisition.

02.4 Comparative figures

Comparative figures for previous years are changed in the event of significant changes in accounting principles.

If changes are made in classifying and grouping accounting items, the comparative figures are changed accordingly. This also applies when presenting discontinued operations on separate lines in the income statement (the corresponding figures for the balance sheet are not changed).

Historical figures are not restated in the event of changes in accounting principles.

02.5 Segment reporting

A segment is a portion of the business operations that delivers products or services that are subject to a risk and return that are distinct from that of other business areas. In the segment reporting, the internal sales between the various segments are eliminated.

Atea's business segment reporting is primarily by geography. A geographical business segment is engaged in providing products or services within a country or region that are subject to risks and returns that are different from other geographical segments.

The Group's executives (CEO/CFO) perform financial planning and business control in each geographical business segment as well as in separate shared service units that deliver products and services internally to other geographical segments.

02.6 Foreign currency translation

02.6.1 Functional and presentation currencies

Items included in the financial statements of each of the Atea Group's entities are measured primarily using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional and presentation currency of Atea ASA.

02.6.2 Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

02.6.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
2. Income and expenses for each income statement are translated at accumulated average monthly exchange rates during the financial year.
3. All resulting exchange differences are recognized in OCI and specified as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments are entered directly in OCI. When a foreign business is sold, the associated exchange difference is entered directly in OCI through profit and loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

02.7 Classification

Assets are classified as current when intended for sale or consumption in the normal operating cycle, or held primarily for the purpose of being traded, or expected to be realized within twelve months, or classified as cash or equivalents. All other assets are classified as non-current. Liabilities are classified as current when expected to be settled in the normal operating cycle, or held primarily for the purpose of being traded, or due to be settled within twelve months, or there are no unconditional rights to defer settlement for at least twelve months. All other liabilities shall be classified as non-current.

02.8 Property, plant and equipment

02.8.1 Recognition

Property, plant, and equipment are stated at historical cost less depreciation. Historical cost includes expenses that are directly attributable to the acquisition of the items. Costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will pass to Atea and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

1. Buildings, 20-30 years
2. Land, No depreciation
3. Vehicles & office machines, 3-5 years
4. Furniture and fittings, 3-10 years
5. Computer equipment, 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

02.8.2 Leases

02.8.2.1 As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all the economic benefits from use of the asset thorough the period of use, and
- the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Groups incremental borrowing rate (IBR). The Group does not have any variable lease payments. The Group includes an extension of the contracts in the lease valuation if it is reasonably certain that the Group will extend the contracts (See Note 19). From practical perspective and to avoid mistakes single discount rate will be used to portfolio of leases. Different IBR were estimated for portfolios based on economic environment. IBR for the different portfolios is based on information about credit spreads which the Group believes are relevant to compare with an interest rate that would be achieved when financing similar assets. IBR will be calculated separately on contact by contract basis for leases which do not fit to portfolios.

Short term leases and leases of low-value assets:
The Group has elected not to recognise the right-of-use assets and liabilities for short-term leases of equipment and low value assets with an underlying value of USD 5,000 or less when they are new. This is not related to Financial sub-leases.

The Group did not make any adjustments in lease terms or modification of lease contracts during the periods presented that have significantly affected the lease liability and corresponding right-of-use assets.

More information about leasing activities is disclosed in Note 19.

02.8.2.2 As a lessor

When the Group is a lessor, it determines a lease commencement whether each lease is a finance lease or an operation lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all the risks and rewards of ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. The leasing income is mainly related to subleasing of premises and is not material.

The classification of sublease agreements that the Group has entered is determined with the reference to the right-of-use asset arising from the head lease not with the reference to the underlying asset, Atea has classified these agreements as financial leases. The Group accounts for its interest in the head lease and the sub-lease separately. The Subleasing receivables and liabilities are recognized in the Statement of Financial position. In these agreements, Atea has a credit risk.

When Atea is a lessor, Atea acts as a dealer and recognizes revenue and the Cost of sales when the underlying assets are available for use by the customer.

The "Device as a service" contracts (see 2.22.3.4 below) include a financial lease with the customer who obtains a right to use the devices. The contracts are often supported by financing solutions from external finance institutions. Typically, the product elements in the contracts are financed by leasing from external leasing companies. The leasing arrangement can either be a direct agreement between the customer and the leasing company, or an agreement between Atea and the customer, supported by a separate lease agreement between the leasing company and Atea. In the latter, Atea sells the devices to the leasing company and leases them back with an obligation or a right to buy back at the end of the lease term. This transaction is, for accounting purposes, classified as a financing transaction (secured borrowing) and the Group does not recognize revenue, cost, or sales profit (see Note 2.11 for details on recognition and derecognition of financial instruments related to these contracts). In the first case (leasing agreement directly between the leasing company and the customer), the Group is not a part of the agreement and does not recognize the lease.

02.9 Intangible assets

02.9.1 Recognition

Intangible assets are recognized on the balance sheet if it can be proven that there are probable future economic benefits that can be attributed to the asset, which is owned by Atea, and the cost of the asset can be measured reliably.

Intangible assets are recognized at their cost price. Intangible assets with indefinite useful lives are not amortized, but impairment losses are recognized if the recoverable amount is less than the cost price.

02.9.2 Business combinations and goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of Atea's share of the net identifiable assets of the acquired business at the time of the acquisition. Goodwill is tested annually for impairment, or more frequently when there is an indication that the unit may be impaired and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in a subsequent period. Goodwill is allocated to the relevant cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the lowest levels for which there are separately identifiable cash flows. Gains and losses on the sale of business interests include the carrying amount of goodwill relating to the entity sold.

02.9.3 Other intangible assets

Computer software and rights

Acquired computer software licences are recognized on the balance sheet based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software or system solutions controlled by the Group, which will probably generate economic benefits related to the asset that will pass to Atea and can be measured reliably, are recognized as intangible assets. Computer software costs/solutions and rights recognized on the balance sheet are amortized over their estimated useful lives, normally 3-7 years.

Contracts and customer relationships

In connection with business combinations, contracts and customer relationships are recorded at fair value at the acquisition date. The amortization period for contracts and customer relationships is based on the period they are expected to generate cash flow, normally 4-5 years.

Expenses related to research activities are recognized in the income statement as they are incurred.

02.10 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

02.11 Financial instruments

Atea's financial instruments include cash and cash equivalents, trade receivables, other receivables, subleasing receivables, investments and marketable securities, derivative contracts, trade payables, long term interest-bearing liabilities, current interest-bearing liabilities, long-term subleasing liabilities, short-term subleasing liabilities, long-term leasing liabilities, current leasing liabilities, other financial liabilities, other long-term liabilities and other current liabilities.

Fair value is defined to be the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Atea classifies financial instruments in the category below. Details are disclosed in Note 23.

02.11.1 Amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

02.11.2 Fair Value Through the statement of Other Comprehensive Income (FVTOCI)

Under FVTOCI, changes in fair value are not reported as part of Profit for the period. Instead, they are reported as part of 'Comprehensive Income'.

02.11.3 Fair Value Through the statement of Profit and Loss (FVTPL)

Under FVTPL, changes in fair value are reported as part of the 'Consolidated income statement for the period'.

02.11.4 Financial instruments related to "Device as a service" contracts

In relation to the "Device as a service" contracts, see 2.22 below, Atea enters into financial lease agreements with the customer and obtains secured borrowing from the leasing company. In these cases, the Group derecognize the lease receivables on the customer as the receivables, including all credit risk, are transferred to the leasing company as settlement for Atea's liability to the leasing company.

02.12 Hedging

The Group has elected not to adopt to the hedge accounting regarding the approach to hedge effectiveness in IFRS 9.

Before a hedging transaction is carried out, the Group's finance department assesses whether a derivative (or another financial instrument in the case of a foreign currency hedge) is to be used as:

1. a fair value hedge of a recognized asset, liability or a fixed commitment,
2. a cash flow hedge of a recognized asset or liability, a future transaction identified as very probable or, in the case of foreign currency risk, a fixed commitment, or
3. a net investment hedge in a foreign entity.

Fair value hedges

Derivatives designated as hedging instruments are assessed at fair value and changes in fair value are recognized in the income statement. Correspondingly, a change in the fair value of the hedged item attributable to the hedged risk is recognized in the income statement.

Cash flow hedges

The hedging instruments are recognized in the statement of financial position and measured at fair value through the income statement.

02.13 Inventories

Goods purchased for resale are valued at the lower of historical cost or net realizable value. The net realizable value is the estimated sales price under ordinary operations less the cost of sales. The historical cost is calculated by means of the first-in, first-out principle (FIFO).

Atea also keeps inventory to cover the spare parts needed in connection with service agreements. The spare parts inventory is recognized at lower of cost and net realisable value.

02.14 Trade receivables

Trade receivables, including deferred revenue, are recognized at nominal amount. The interest element is disregarded if it is insignificant. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group is considering the risk or probability that a credit loss occurs, even if the possibility of a credit loss occurs is very low.

The provisions represent the difference between the nominal and present value of cash flows that are expected to be received. The change in the provisions for the period is accounted for in the income statement. Historically, the loss on trade receivables has been very low. See Note 3 for more information.

02.14.1 Securitization

Atea has a securitization contract organized by a bank, consisting of 2 facilities. The first facility enables Atea to sell specified receivables of up to NOK 1,900 million. The second facility is an uncommitted revolving credit facility of NOK 1,100 million secured by other receivables.

In the securitization program, receivables are transferred in a "true sale" to a bankruptcy-remote special purpose vehicle (SPV). This delinks the performance of the receivables (mostly public sector) from the credit quality of Atea and its subsidiaries.

The Group consider that the business model for an accounting perspective for Trade receivables, is a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The classification of the financial instrument, 'Trade receivables' is classified as Fair Value Through the statement of Other Comprehensive Income (FVTOCI) (see 2.11.2 above).

Changes in the loss allowance related to credit loss and agio/disagio are reported as part of the 'Consolidated income statement for the period'.

Any changes in fair value for Trade receivables which comes from other elements than credit loss and agio/disagio is recognized in Other Comprehensive Income.

02.15 Cash and cash equivalents

Cash includes cash in hand and deposits in bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months, and which contain insignificant risk elements. Bank overdrafts are presented within interest-bearing current liabilities on the balance sheet. Cash restricted for use comprises cash and cash equivalents which are not available for general use by the group. For Atea, this is mainly related to pledge of separate bank accounts related to the securitization contract organized by a bank (see 2.14 above).

02.16 Share capital and premiums

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Costs directly attributable to the issue of new shares related to an acquisition of a business are recognised directly on the Equity as part of the purchase consideration.

Where any Group company purchases the company's own shares, the consideration paid, including any directly attributable costs (net of income taxes) is deducted from equity attributable to Atea's shareholders until the shares are cancelled, reissued, or disposed of.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable transaction costs and the related income tax effects, are included in equity attributable to Atea's shareholders.

02.17 Borrowings

Borrowings are recognized at fair value when the loan is disbursed, net of the transaction costs incurred. Transaction costs are charged as an expense over the term of the loan (effective interest rate).

Borrowings are classified as current liabilities unless there exists an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. According to IFRS 9, the financial liabilities are measured at amortised cost.

02.18 Income tax

Income tax consists of the tax payable and changes to deferred tax. Deferred tax is calculated on all taxable temporary differences, except for:

1. Goodwill for which amortization is not deductible for tax purposes.
2. Temporary differences relating to investments in subsidiaries, associates, or joint ventures when the Group decides when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets are recognized when there is convincing evidence that Atea will have a sufficient profit for tax purposes to utilize the tax assets. On each balance sheet date, Atea reviews its unrecorded and unrecognized tax assets. Atea recognizes deferred tax assets on its balance sheet when the conditions for recognition have been met. Correspondingly, Atea will reduce its deferred tax assets if they can no longer be utilized.

Deferred tax and deferred tax assets are measured based on the current tax rates and laws applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as a non-current asset or a long-term liability on the balance sheet.

The Group is recognising deferred tax on leasing liabilities by reflecting the linkage between the right-of-use asset and the lease liability. Deferred tax is recognised on an aggregate temporarily difference basis.

02.19 Employee benefits

02.19.1 Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies.

For defined contribution plans, Atea pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. Atea has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

02.19.2 Share-based compensation

Employee options at Atea represent rights for employees to subscribe to shares in the company at a future date at a predetermined subscription price (subscription right). To gain the rights to subscribe requires continued employment. Once the rights are gained ("vested"), there is no employment obligation at present.

The fair value of the employee services received in exchange for the allotment of options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options allotted. On each balance sheet date, the company revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

Own shares represent the shares of the parent company Atea ASA that are held in treasury.

Own shares are recorded at cost and deducted from equity. See Note 16 for more information.

02.19.3 Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Atea recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits because of an offer made to encourage voluntary redundancy.

02.19.4 Bonus plans

Atea recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

02.20 Provisions

Provisions are recognized when Atea has a valid liability (legal or constructive) because of events that have taken place and it can be proven probable (more likely than not) that a financial settlement will take place because of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability.

Restructuring provisions only include direct expenses linked to the actual restructuring that is necessary and which is not part of the day-to-day operations. Restructuring provisions are recognized when the company has a detailed restructuring plan in which the business area is identified; the premises and type of departments that will be affected, the number of employees who will be compensated for dismissal, the type of expenses that will be incurred and when the restructuring is to begin have been clarified; and the restructuring plan has been commenced or communicated to those who will be affected by it. Provisions are not recognized for future operating losses.

02.21 Contingent liabilities and assets

Contingent liabilities are defined as:

1. Possible obligations resulting from past events whose existence depend on future events
2. Obligations that are not recognized because it is not probable that they will lead to an outflow of resources
3. Obligations that cannot be measured with sufficient reliability

Contingent liabilities are not recognized in the annual financial statements. Significant contingent liabilities are disclosed, except for contingent liabilities where the probability of the liability occurring is remote. A contingent asset is not recognized in the annual financial statements but is disclosed if there is a certain level of probability that a benefit will accrue to Atea.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15. For contingent consideration recognized as a liability regarding the acquisition of business, see Note 26.

02.22 Revenue recognition

Revenue comprises the fair value of the consideration for the sale of goods and services, net of value-added tax, rebates, and discounts. Intercompany sales are eliminated. Revenues are not recognized unless the customer has accepted the delivery and collectability of the related receivables is reasonably assured.

02.22.1 Practical expedients

The Group has used following practical expedients:

- The Group has not disclosed information about remaining performance obligations that have original expected durations of one year or less.
- The Group does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 December 2022.
- The Group has recognized the incremental costs of obtaining contracts as an expense when incurred, if the amortization period of the assets that the Group otherwise would have recognised is one year or less.
- The Group does not disclose the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Revenue is recognized as follows for Atea's different types of revenues:

02.22.2 Sale of products

The sale of products consists of hardware and software deliveries to an end customer. Atea recognizes revenue on a gross basis on product sales in which Atea purchases a product from a vendor and resells it to the end customer. In these contracts, Atea has primary responsibility for ensuring delivery of the specified product to the end customer and has discretion in establishing the price for the product sale.

Under the new guidance from the IFRS interpretations committee in 2022, 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 is recognizing revenue from these products and services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue). See 2.1a above.

When reselling products, Atea recognizes revenue when a customer obtains control of the products. In a hardware sale or traditional software license sale, the customer obtains control of the products when the products are delivered. Normally, products are delivered directly from the distributor to the customer, or from our centrally located warehouse in Sweden. The products delivered are at Atea's own risk and expense, and therefore presented as gross sales in the income statement.

In a **Software-as-a-service agreement**, software is provided over time to an end customer from a Data Center managed or contracted by the software vendor. The customer will purchase and obtain control of the software-as-a-service on a subscription or consumption basis. Revenue is therefore recognized periodically over the life of the software as a service contract. The price may contain both subscription and consumption-based offers from multiple vendors and a variety of offerings. Subscription based offers have fixed price and are billed in different models, including monthly in arrears, upfront, quarterly, and yearly. Billing cycles depend upon the type of subscription and the agreement with vendors.

Software as a service offer is sold in different pricing models, including: Fixed license prices locked for 12 months upon purchase, monetary commitments (upfront payment), consumption pricing/pay-as-you-go. The offers can be bundled into a single offer which may include application of different pricing models simultaneously, e.g., customer purchases a fixed fee license and consumption-based offer. As a result, such customer would receive a single invoice for fixed license fee and the consumption amount. The transaction price is based on the desired profitability level, competition within the market and customer size. The Software as a service agreement contracts are entered for indefinite term, unless terminated by either party. The customer contracts are usually entered for the initial term of 1-year, however, after the end of the initial term, the contracts are renewed for additional 1-year term, by providing a 30-days written notice to the other party. Nevertheless, if the subscriptions are not migrated to another provider, the contracts and corresponding billing relationship remain in force until such subscriptions are transferred to another provider.

Either party has the right to terminate the agreement by providing a 30 days' prior written notice of termination to the other party.

Whenever the sub-contractors are used to deliver any part of the service, sub-contractors are bound by the same or similar terms of termination. The rights and responsibilities pertaining to the Software as a service agreement with the customers, are corresponding with those of the agreements with Sub-contractors. If the customer can terminate the subscription within 30 days, the same subscription termination terms will apply to the agreement between Atea and the vendor providing such subscription.

Atea recognizes **commission revenue** on product sales in which Atea arranges for a product to be sold directly from the vendor to the end customer, with Atea earning a sales agent fee from the vendor for arranging the sale of the product. In these contracts, Atea does not have primary responsibility for ensuring delivery of the specified product to the end customer and does not have discretion in establishing the price for the product sale. The revenue is recognized when the commission has been earned from the vendor, typically after the vendor has delivered the product to the end customer.

Atea is a dealer and a service provider. Atea does not produce any software or hardware itself. If the customer experiences errors with the products themselves, Atea has a "back-to-back" agreement with the supplier. This means that Atea does not make any provision for warranties in the balance sheet.

Atea does not have any obligations for returns, refunds or similar of sold products.

Atea does not have any contracts with the customers where the prices vary based on the contract terms.

02.22.3 Sale of services

02.22.3.1 Consulting services

Consulting service consists of services from Atea consultants provided on an hourly basis. Revenue is recognised when the customer can obtain the benefits from the service, and simultaneously receives and consumes the benefits. A customer obtains benefit of a service when the benefit from the service meets the expectations specified in the contract with the customer.

02.22.3.2 Fixed price projects

Revenue is recognised when the customer can obtain the benefits from the fixed price projects. Fixed price projects include both fixed price consulting projects and combined consulting and product deliveries.

In general, income is recognised when the project is finalised according to the contract and the customer can obtain the benefits from the project. Revenue may be recognised over time when one of the following criteria are met:

- Customer consumes benefits as Atea performs the service.
- Customer controls benefits as Atea performs the service.
- The benefits of the service have no alternative use and Atea has the right to receive payment.

The percentage of completion method is used when revenue is recognised over time. The degree of completion is normally based on accrued cost for a project. This method is used, because normally it is reasonably possible to estimate the stages of project completion on an ongoing basis, based on the remaining costs to complete a project.

Earned revenue for the period is earned revenue at the balance sheet date, less earned revenue in prior periods. If the project is ongoing, income will be recognized continuously in accordance with the agreement, based on actual deliveries.

02.22.3.3 Service contracts

Revenue is recognised when the customer can obtain the benefits from the service contracts.

Service contracts include time-limited service & support contracts, or contracts running until termination by either party. Such revenues are normally allocated linearly over the length of the contracts. Costs related to earned service revenues are recognised as the work is performed.

02.22.3.4 Multiple element arrangements or "Device as a Service"

"Device-as-a-Service" is a commercial model in which organizations procure IT solutions, including equipment and service, from a service provider at a fixed fee for use (e.g., monthly fee per user). The deliveries of equipment are provided with a service contract. Atea is then responsible for delivering the IT solution and maintaining an agreed service level.

When the Group delivers multiple services and/or equipment as part of one contract or arrangement, the consideration is allocated to the separate identifiable performance obligations. Our assessment shows that the combination of products and services can be unbundled and are not considered as one performance obligation. The timing of the revenue streams in the Multiple element arrangements or "Device-as-a-Service" can be different. Typically, revenue from sales of the products is recognised immediately when the customer obtains control of the product, while the service element in the contract is recognised over time. Revenue is only recognized when control of the promised good or service is transferred to the customer.

The stand-alone selling prices can be identified and allocated to the different elements in the contracts.

These contracts are often supported by financing solutions from external finance institutions. Typically, the product elements in the contracts are financed by leasing from external leasing companies.

When the contracts contain a lease, the Group separates the elements of the contract that are in scope of IFRS 16 and recognize these accordingly, see 2.8.2 above for further detail on leases. The remaining elements of the contracts are allocated to each performance obligation in scope of IFRS 15 and recognized as revenue accordingly.

02.22.3.5 Data Center outsourcing agreements

The contracts involve the day-to-day management responsibility for operating server or host platforms, including distributed servers and storage. Such revenues are normally allocated linearly over the length of the contracts. The duration of the contracts are typically 3-years with a possibility for renewal. The customer typically needs to pay a cancellation fee if the contract is cancelled before the end of the contract period.

02.22.4 Payment terms and finance components

The typical payment terms with the customers vary between 14 and 60 days. The Group does not have any significant customer contracts with finance components. When the customer contract includes a finance component, this is normally financed by an external party.

02.22.5 Revenue from customer contract with duration more than one year after the balance date

Most of the contracts with customers are with a duration less than one-year. Data Center outsourcing agreements in 2.22.3.5 above is an exception. See more details in Note 6.

02.23 Cost of sales

Atea aggregates expenses within the income statement according to their nature. 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, including freight. Direct costs related to services include leasing and outsourcing.

Note 03 Financial risk and capital management

03.1 Financial risk factors

The Group's activities cause different financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk and floating interest rate risk. The group's overall risk management plan focuses on the unpredictability of the capital markets and attempts to minimise the potential negative effects on the group's financial results.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Treasury policy approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

03.1.1 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Group enters forward foreign exchange contracts to hedge the exchange rate risk arising mainly from purchase of goods.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

03.1.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk in multiple foreign currencies. This risk is particularly relevant with respect to the Swedish krone (SEK), Danish krone (DKK), Euro (EUR), and US dollar (USD). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Atea main foreign currency exposure is from purchases of goods denominated in foreign currency. Parent company Atea ASA is exposed to foreign currency risk due to dividends from its subsidiaries.

There is a transactional risk that a company will suffer a loss due to change in currency rate in the period between accepted order and payment to supplier, or from approving dividends and dividends being paid. Moreover, conversion risk arises in the company's balance sheet due to the translation of assets or liabilities in foreign currency.

Sensitivity analysis for currency translation risk is prepared at least once a year. Latest sensitivity analysis of balance sheet (equity) for -10 / + 10% fluctuations in foreign currency rates where the company has a net asset (or liability) exposure shows that possible effect is NOK 155 million.

Foreign exchange rates sensitivity analysis can be found at the end of this note.

Translation risk is arising mainly from cash/overdraft, trade payables, trade receivables balances in foreign currencies.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. Atea does not use hedge accounting principles, and all fair value changes of forward contracts are recognized in profit (loss).

The following tables detail the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items.

The table below illustrates the outstanding forward currency contracts as of 31 December 2022 and 31 December 2021.

	2022				2021			
Forward currency contracts	Average exchange rate	Contract value	Contract value	Fair value	Average exchange rate	Contract value	Contract value	Fair value
	NOK	Local currency million	NOK in million	NOK in million	NOK	Local currency million	NOK in million	NOK in million
Buy currency NOK								
Less than 3 months	0.0000	0	0	0	0.9830	119	117	2
Sell currency NOK								
Less than 3 months	0.0000	117	0	116	0.9838	177	174	-3
3 to 6 months	0.0000	2	0	1	0.9967	28	28	0
Buy currency SEK								
Less than 3 months	0.9461	477	451	0	0.9736	782	761	0
Sell currency DKK								
Less than 3 months	0.0000	36	0	50	1.3382	81	109	-1
Buy currency EUR								
Less than 3 months	8.6538	30	262	55	9.9066	35	343	4
Sell currency EUR								
Less than 3 months	9.1424	9	79	9	9.9223	7	74	-1
3 to 6 months	10.4095	0	1	0	10	1	13	0
Buy currency USD								
Less than 3 months	9.9235	90	895	-5	8.7814	58	509	4
3 to 6 months	10.0297	8	76	-1	8.7695	15	134	1
More than 6 months	10.0711	20	200	-1	0.0000	0	0	0
Sell currency USD								
Less than 3 months	9.7766	21	204	0	8.8040	17	150	-1
3 to 6 months	9.7974	3	32	0	8.7509	31	275	-1
More than 6 months	9.8966	7	68	3	0.0000	0	0	0

The company has investments in foreign subsidiaries, whose net assets are exposed to foreign currency translation risk.

03.1.3 Interest rate risk management

The interest on deposits and loans has a maturity of less than 12 months. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from borrowings. Borrowings issued at floating rate of interest expose the Group's cash flow to interest rate risk.

Sensitivity analysis for interest rate risk is prepared at least once a year. Latest sensitivity analysis of balance sheet (equity) for -2 / + 2% fluctuations in interest rates where the company has a net asset (or liability) exposure shows that possible effect is NOK 30 million. Due to low effect of interest rate changes to profit (loss), Atea accepts interest rate risk and does not use hedging instruments to mitigate it.

Interest rates sensitivity analysis can be found at the end of this note.

03.1.4 Credit risk management

Atea has for years had modest losses on trade debtors. New customers must be approved before they are granted credit. The responsibility for granting credit is decentralised to each operating unit. The Group has no significant concentrations of credit risk, since the customer base is large and unrelated. A major part of the customers are within the public sector.

Provisions for losses are accounted for when there are indicators of expected losses. These indicators include;

- In-active accounts
- Bankruptcy
- Hand over accounts to debt collectors or lawyers
- Formal arrangements on arrear debt
- Debt ageing more than 180 days (flat rate valuation adjustment)

In addition, provision for credit losses are accounted for based on flat-rate valuation adjustments (general provision) by using a provision matrix. The amount is examined as of every closing date. The matrix is supported by historical credit loss experience of trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The flat-rate reduction in value for Atea Group is following:

- Public sector: No provision
- Top 50 customers; Individual (based on outstanding amount):

Flat rate valuation adjustment:

180-270 days overdue:	25%
270-360 days overdue:	50%
More than 360 days overdue:	100%

Derivative counterparties and bank deposits are limited to high-credit-quality financial institutions.

The Group has entered into a securitization contract organized by a bank. The facility enables Atea to sell specified receivables of up to NOK 1,900 million, and customers credit risk is transferred when receivable is sold. See Note 18 for more information.

Atea's concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

03.1.5 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Group's remaining contractual maturity for its non-derivative financial liabilities is disclosed in Note 18. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk are set in Note 21.

03.2 Capital management

The Group manages its capital to secure the ongoing operations of the companies in the Group and to maximise the shareholders' return. This is accomplished through a healthy balance between liabilities, equity and earnings. Atea assesses its operational gearing (net interest-bearing liabilities/operating profit before depreciation) and the Group's equity ratio on an ongoing basis.

The Group's target is to have an adjusted equity ratio[1] of 20% or more and maximum operational gearing of 2.5. At the end of 2022 the Group had an adjusted equity ratio of 22.6% (23.8% in 2021).

[1] Atea's adjusted equity ratio is defined as its equity as a percentage of its adjusted total assets. See APM for more information.

Sensitivity analysis 2022:

	Interest rate risk					Foreign currency risk				
		+ 200 bp[1]		- 200 bp[1]			+ 10%		- 10%	
NOK in million	Amount	Effect on profit/loss	Other effects on equity	Effect on profit/loss	Other effects on equity	Amount	Effect on profit/loss	Other effects on equity	Effect on profit/loss	Other effects on equity
Financial assets[2]										
-NOK	162	3	-	-3	-	971	97	-	-97	-
-SEK	25	0	-	-0	-	1 159	116	-	-116	-
-DKK	-89	-2	-	2	-	2 449	245	-	-245	-
-EUR	105	2	-	-2	-	-3	-0	-	0	-
-USD	-131	-3	-	3	-	-131	-13	-	13	-
Effect on financial assets before tax		**1**	**-**	**-1**	**-**		**444**	**-**	**-444**	**-**
		-0	-	0	-		-98	-	98	-
Tax expense (22%)		1	-	-1	-		347	-	-347	-
Effect on financial assets after tax		**9**	**-**	**-9**	**-**		**245**	**-**	**-245**	**-**
Financial liability items[3]										
-NOK	908	-18	0	18	-0	913	-91	-	91	-
-SEK	619	-12	0	12	-0	-	-	-	-	-
-DKK	332	-7	0	7	-0	1 549	-155	-	155	-
-EUR	133	-3	0	3	-0	-	-	-	-	-
Effect on financial liabilities before tax		**-40**	**1**	**40**	**-1**		**-246**	**-**	**246**	**-**
Tax expense (22%)		9	-0	-9	0		54	-	-54	-
Effect on financial assets after tax		**-31**	**1**	**31**	**-1**		**-192**	**-**	**192**	**-**
Total increase/reduction		**-30**	**1**	**30**	**-1**		**155**	**-**	**-155**	**-**

[1] Basis points.
[2] Consists of cash and cash equivalents, loans and trade receivables bearing interest or currency risk.
[3] Consists of liabilities bearing interest or currency risk.

Sensitivity analysis 2021:

	Interest rate risk					Foreign currency risk				
		+ 200 bp[1]		- 200 bp[1]			+ 10%		- 10%	
NOK in million	Amount	Effect on profit/loss	Other effects on equity	Effect on profit/loss	Other effects on equity	Amount	Effect on profit/loss	Other effects on equity	Effect on profit/loss	Other effects on equity
Financial assets[2]										
-NOK	125	3	-	-3	-	1,038	104	-	-104	-
-SEK	49	1	-	-1	-	211	21	-	-21	-
-DKK	48	1	-	-1	-	1,644	164	-	-164	-
-EUR	260	5	-	-5	-	141	14	-	-14	-
-USD	102	2	-	-2	-	102	10	-	-10	-
Effect on financial assets before tax		12	-	-12	-		314	-	-314	-
Tax expense (22%)		-3	-	3	-		-69	-	69	-
Effect on financial assets after tax		9	-	-9	-		245	-	-245	-
Financial liability items[3]										
-NOK	847	-17	0	17	-0	962	-96	-	96	-
-SEK	564	-11	0	11	-0	-	-	-	-	-
-DKK	345	-7	0	7	-0	1,155	-116	-	116	-
-EUR	120	-2	0	2	-0	-	-	-	-	-
Effect on financial liabilities before tax		-38	1	38	-1		-212	-	212	-
Tax expense (22%)		8	-0	-8	0		47	-	-47	-
Effect on financial assets after tax		-29	1	29	-1		-165	-	165	-
Total increase/reduction		-20	1	20	-1		79	-	-79	-

[1] Basis points.
[2] Consists of cash and cash equivalents, loans and trade receivables bearing interest or currency risk.
[3] Consists of liabilities bearing interest or currency risk.

Note 04 Critical estimates and judgements in applying the entity's accounting policy and key sources of estimation uncertainty

When applying the entity's accounting policies, the management makes judgements that have significant effects on the amounts recognized in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results can differ from estimates.

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are specified below. Important and critical judgements in applying the entity's accounting policies are also specified.

Impairment of goodwill

The most important estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to impairment of goodwill. The book value of goodwill as of 31 December 2022 is NOK 4,132 million.

Goodwill has an indefinite useful life and is tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Sensitivity analysis indicates that even with the use of conservative estimates with regard to future cash flows and discount rates, the book value of any of the assets will not exceed the recoverable amounts. See more information in Note 13.

Recoverable amounts of cash-generating units are determined based on judgements of fair values less costs to sell or value-in-use estimates.

Deferred tax

The recognition of deferred tax assets and liabilities requires that judgement being exercised. Atea recognizes deferred tax assets on its balance sheet when it has been deemed adequately probable that the operations in the individual country will generate a taxable profit that the tax loss carry forward can be used to offset.

The main part of the recognized deferred tax asset of NOK 207 million (NOK 276 million in 2021), is related to the tax losses carry forward in Norway. Atea consider the future taxable profit as probable, as tax loss carry forward is expected to be utilized within 3 years.

Revenue recognition

The Group recognizes revenue from many different product groups and services. Different customer contracts contain varying terms and conditions and may include bundles of products and services.

"Device as a Service" is a commercial model in which organizations procure IT solutions from a service provider at a fixed fee for use (e.g., monthly fee per user). Atea is then responsible for delivering the IT solution and maintaining an agreed service level. Atea is currently expanding its "Device as a Service" offering to several new concepts such as videoconferencing, digital signage and networks.

Different revenue streams make the revenue recognition complex. The main challenge is to distinguish between sales of products (revenue recognized at a point in time) and sales of services (revenue recognized over time). The customer contracts might include a bundling of the elements above and including financing solutions.

The contracts require manual consideration and judgement of which accounting policy that is relevant for each contract. This consideration impacts the timing of revenue recognition.

Due to the high number and variety of contracts, the manual processes cause a risk that an inappropriate accounting policy is selected.

As a significant proportion of sales and deliveries are made close to year-end, the risk related to this manual process is especially relevant for transactions recorded close to year-end.

Note 05 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 within these geographical areas. The performance of these geographical areas are 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.

2022

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Shared services	Group cost/ eliminations	Total
Gross sales	11,362	19,472	10,214	3,989	1,605	8,905	-8,883	46,664
Revenue (IFRS)	8,052	12,663	7,237	3,059	1,452	8,791	-8,857	32,397
Cost of sales and operating expenses	-7,549	-11,912	-6,969	-2,922	-1,330	-8,649	8,744	-30,586
Depreciation and amortisation	-116	-154	-173	-29	-59	-83	-1	-615
Operating profit (EBIT)	**387**	**596**	**95**	**109**	**64**	**59**	**-114**	**1,196**
Net financial items								-112
Profit before tax								**1,084**
Number of full-time employees at 31 December	1,779	2,712	1,499	507	706	860	9	8,073

2021

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Shared services	Group cost/ eliminations	Total
Gross sales	9,872	17,169	9,617	3,454	1,404	7,363	-7,564	41,316
Revenue (IFRS)	7,255	11,068	6,774	2,312	1,254	7,303	-7,475	28,491
Cost of sales and operating expenses	-6,776	-10,376	-6,544	-2,198	-1,142	-7,163	7,367	-26,831
Depreciation and amortisation	-116	-166	-174	-29	-54	-74	-1	-614
Operating profit (EBIT)	**363**	**526**	**56**	**86**	**58**	**66**	**-109**	**1,046**
Net financial items								-104
Profit before tax								**942**
Number of full-time employees at 31 December	1,753	2,570	1,404	426	682	813	10	7,658

2022

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Shared services	Group cost/ eliminations	Total
Assets	5,596	5,138	3,233	1,004	900	6,142	-4,156	17,858
Liabilities	4,493	4,993	2,765	978	570	6,026	-5,697	14,129
Investments to PPE and Intangible assets	67	135	72	11	58	61	-	404

2021

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Shared services	Group cost/ eliminations	Total
Assets	5,108	4,945	2,752	575	681	5,420	-3,433	16,048
Liabilities	3,967	4,621	2,395	596	432	5,317	-4,811	12,518
Investments to PPE and Intangible assets	49	97	79	9	37	36	-	308

Operating revenues (IFRS) by category:

NOK in million	2022	2021
1. Product revenue	24,262	21,159
2. Services revenue	8,135	7,332
3. Total revenue	**32,397**	**28,491**

Note 06 Revenue (IFRS) recognition and contract balances

In the following table, the major revenue (IFRS) lines are disaggregated by geographical areas as disclosed in our segment information (Note 5 and APM).

Figures are in local currency and does not include eliminations, except for Atea Group.

1. Product revenue (IFRS)

1.1 Hardware

Local currency in million		2022	2021
Norway	NOK	5,600	4,939
Sweden	SEK	9,507	7,713
Denmark	DKK	3,669	3,529
Finland	EUR	253	183
The Baltics	EUR	96	81
Group Shared Services[1]	NOK	7,952	6,707
Atea Group	**NOK**	**23,176**	**20,212**

1.2 Software

Local currency in million		2022	2021
Norway	NOK	312	242
Sweden	SEK	500	446
Denmark	DKK	143	125
Finland	EUR	9	7
The Baltics	EUR	1	1
Group Shared Services[1]	NOK	4	3
Atea Group	**NOK**	**1,087**	**947**

[1] Revenue (IFRS) from Group Shared Services are eliminated on Group level.

2. Services revenue (IFRS)

Local currency in million		2022	2021
Norway	NOK	2,140	2,075
Sweden	SEK	3,314	2,888
Denmark	DKK	1,517	1,303
Finland	EUR	42	37
The Baltics	EUR	47	42
Group Shared Services[1]	NOK	834	593
Atea Group	**NOK**	**8,135**	**7,332**

3. Total revenue (IFRS)

Local currency in million		2022	2021
Norway	NOK	8,052	7,255
Sweden	SEK	13,321	11,047
Denmark	DKK	5,330	4,957
Finland	EUR	303	228
The Baltics	EUR	144	123
Group Shared Services[1]	NOK	8,791	7,303
Atea Group	**NOK**	**32,397**	**28,491**

Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

NOK in million	2022	2021
Receivables, which are included in		
Trade receivables[1]	6,701	5,189
Contract assets[2]	329	223
Contract liabilities[3]	1,156	1,296

[1] See Note 15 for an ageing analysis of receivables and description of the changes in receivables.

[2] The contract assets primarily relates to revenues accrued, but not invoiced. Contract assets are recognised for performance obligations satisfied over time, mainly from services and projects where progress is measured over time. The contract assets are transferred to Trade receivables when the rights to receive payment become unconditional. The contract assets are assessed for impairment in accordance with IFRS 9.

[3] The contract liabilities primarily consists of advance considerations received from customers. See Note 17.

Changes in the contract assets and the contract liabilities balances during the period are as follows:

NOK in million	Contract assets	Contract liabilities
At 1 January 2022	225	1,296
Recognised during the year:		
Merge (+/-) internal	-1	5
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-972
Invoiced in advance	-	819
Transfers from contract assets recognized at the beginning of the period to receivables	73	-
Increases as a result of changes in the measure of progress	29	10
Currency translation differences	3	-1
At 31 December 2022	329	1,156

NOK in million	Contract assets	Contract liabilities
At 1 January 2021	181	1,551
Recognised during the year:		
Merge (+/-) internal	2	-3
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-1,072
Invoiced in advance	-	885
Transfers from contract assets recognized at the beginning of the period to receivables	21	-
Increases as a result of changes in the measure of progress	23	5
Currency translation differences	-2	-70
At 31 December 2021	225	1,296

Remaining performance obligations at year-end

The remaining performance obligations expected to be recognised in more than one year after the year end 2022, is estimated to NOK 1,187 million (NOK 1,184 million in 2021). This is mainly related to Data Center outsourcing agreements that normally that can not be cancelled before the contract period of 3-years, without a significant penalty. All the other remaining performance obligations are expected to be recognised within one year. See Note 2.22.5.

Note 07 Payroll and related costs

NOK in million	2022	2021
Wages and salaries to employees	-4,949	-4,590
Total social security costs	-833	-829
Share based compensation	-34	-94
Pension costs	-432	-411
Other personnel costs	-292	-206
Total Payroll and related costs	**-6,540**	**-6,130**
Average number of full time employees	7,881	7,441

Compensation to Executive Directors[3]

NOK in million	2022	2021
Fixed salary	-24	-23
One-year variable salary	-11	-11
Multi-year variable salary[1]	-27	-24
Pension costs	-3	-1
Extraordinary items[2]	-	-3
Total remuneration	**-65**	**-62**

[1] Related to Share-based compensation and reflects IFRS 2 expense for outstanding stock options to the employee during period.
[2] Extraordinary items include severance payments.
[3] Wages and remuneration to the CEO, CFO, Board of Directors and the employees' share option plans are described in a separate Remuneration report published at atea.com.

Note 08 Other operating costs

NOK in million	2022	2021
Car and travel costs	-168	-119
Communication and IT costs	-402	-451
Premises costs	-133	-113
Marketing costs	-45	-31
Bad debts	-5	-1
Other income[3]	109	70
Other costs and cost reimbursement[1, 2]	-7	-9
Total other operating costs	**-651**	**-656**

[1] **Audit fees**
The table below shows Deloitte's total charges for auditing and other services. All amounts are exclusive of VAT.

NOK in million	2022	2021
Auditor's fees	-8.3	-7.5
Assurance services	-0.0	-0.2
Tax advisory services	-0.2	-0.4
Other non-audit services	-	0.0
Total	-8.5	-8.1

[2] **Remuneration to the Board of Directors of Atea ASA**
NOK 1.8 million was paid in fees to the Board of Directors of Atea ASA in 2022 (NOK 1.2 million in 2021). Fees to the Chairman of the Board amounted to NOK 500,000, fees to the employee representatives amounted to NOK 150,000 each and the rest of the Board of Directors received a fee of NOK 200,000 each.

NOK 350,000 was paid in fees to the Audit Committee of Atea ASA in 2022 (NOK 300,000 in 2021). Fees to the Chairman of the Audit Committee was NOK 150,000, and NOK 100,000 to each other two members.

[3] **Other income**
The amount includes a gain of NOK 72 million related to sale of Atea Mobile business in Norway in 2022. See Note 25.

Other income of NOK 37 million in 2022 mainly consist of leasing of premises to companies controlled by Ib Kunøe, who is the Board Chairman and largest shareholder of Atea ASA (NOK 20 million), see Note 28. In adition, interest invoiced to customers for late payment, (NOK 14 million).

In 2021, the amount includes a gain of NOK 32 million related to sale of shares in a company facilitating Atea Mobile business in Norway.

Note 09 Net financial items

NOK in million	2022	2021
Interest income	3	6
Interest income, subleasing	4	6
Other financial income	1	3
Total financial income	**8**	**14**
Interest costs on loans	-78	-38
Interest costs on leases	-58	-52
Interest expenses, subleasing	-4	-6
Foreign exchange effects	30	-15
Other financial expenses	-11	-8
Total financial expenses	**-121**	**-118**
Total net financial items	**-112**	**-104**

Foreign exchange effects included in operating profit total NOK 30 million in 2022 (operating loss of NOK 15 million in 2021).

Note 10 Taxes

Income tax recognized in profit or loss:

NOK in million	2022	2021
Current tax		
Norway	-7	-
Other countries	-178	-148
Deferred tax		
Origination and reversal of temporary differences	3	-5
Net losses utilised	-51	-27
Change in deferred tax assets due to tax losses previously unrecognized	-2	-2
Total income tax expenses	-235	-182

The income tax expense for the year can be reconciled to the accounting profit as follows:

NOK in million	2022	2021
Profit before tax	1,084	942
Income tax expense calculated at 22% (2021: 22%) [2]	-238	-207
Effect of income non-taxable and expenses non-deductible [3]	-3	14
Effect of taxable interest limitation	-8	-
Effect of different tax rates of subsidiaries operating in other jurisdictions [4]	5	8
Effect of deferred tax balances due to the change in income tax rates [4]	1	1
Effect of deferred tax changes recognised in other comprehensive income or directly in equity	6	-
Total	-236	-184
Adjustments recognised in the current year in relation to the current tax of prior years	0	1
Income tax expense recognised in profit or loss	-235	-182
Effective tax rate	21.7%	19.3%

Income tax recognised directly in equity

NOK in million	2022	2021
Current tax		
Relating to option costs	5	-
Deferred tax		
Relating to option costs	1	19
Total income tax expenses recognized directly in equity	6	19

Deferred tax balances are presented in the statement of financial position as follows:

NOK in million	31 Dec 2022	31 Dec 2021
Deferred tax assets related to carryforward losses[1]	218	269
Deferred tax assets related to temporary differences[1]	-11	6
Deferred tax liabilities	-145	-164
Net deferred tax assets (liabilities)	62	112

Deferred tax assets (liabilities)

	2022					
NOK in million	Book value at 1 Jan 2022	Recognized in P/L	Recognized in equity	Business combinations/ disposals	Currency translation differences	Book value at 31 Dec 2022
Temporary differences						
Property, plant and equipment	26	-9	-	-	1	18
Intangible assets [5]	-173	0	-	-3	-3	-179
Inventories	5	0	-	-	0	5
Trade and other receivables	4	0	-	-	0	5
Provisions and accruals	10	0	-	-	0	10
Capital gain/loss accounts	-43	5	-	-	1	-37
Financial leases	14	1	-	-	0	16
Other financial liabilities	6	6	-	-	0	12
Other differences	-7	0	1	-	0	-6
Total	-158	3	1	-3	0	-156
Unused tax losses and credits						
Tax loss carryforward	275	-51	-	-	2	226
Other temporary differences not recognized on the statement of financial position	-6	-2	-	-	-	-8
Deferred tax assets recognized on the statement of financial position	269	-53	-	-	2	218
Net deferred tax assets recognized on the statement of financial position	112	-51	1	-3	2	62

Deferred tax assets (liabilities)

	2021					
NOK in million	Book value at 1 Jan 2021	Recognized in P/L	Recognized in equity	Business combinations/ disposals	Currency translation differences	Book value at 31 Dec 2021
Temporary differences						
Property, plant and equipment	-40	66	-	0	-0	26
Intangible assets [5]	-189	7	-	-	9	-173
Inventories	5	0	-	0	-0	5
Trade and other receivables	7	-3	-	0	-0	4
Provisions and accruals	12	-2	-	-	-0	10
Capital gain/loss accounts	-62	12	-	-	6	-43
Financial leases	82	-64	-	-	-3	14
Other financial liabilities	11	-4	-	0	-1	6
Other differences	-9	-18	19	-	0	-7
Total	-183	-5	19	0	11	-158
Unused tax losses and credits						
Tax loss carryforward	304	-27	-	-	-2	275
Other temporary differences not recognized on the statement of financial position	-3	-2	-	-	-	-6
Deferred tax assets recognized on the statement of financial position	300	-29	-	-	-2	269
Net deferred tax assets recognized on the statement of financial position	117	-34	19	0	9	112

The Group's tax losses expires as follows:

NOK in million	No expiration deadline	Total at 31 Dec 2022
Norway	847	847
Denmark	143	143
Finland	0	0
The Baltic	2	2
AppXite	40	40
Total	**1,033**	**1,033**

[1] Atea recognises deferred tax assets on the statement of financial position when it has been deemed adequately probable that the operations in the indvidual country will generate a taxable profit that the tax loss carry forward can be used to offset. Taking into account the historical losses and cyclical nature, future earnings are not deemed probable until the individual company has actually reported a taxable profit for a period of time.
[2] The tax rate used for the 2022 reconciliations above is the corporate tax rate of 22% (2021: 22%) payable by corporate entities in Norway on taxable profits under the tax law in that jurisdiction.
[3] Non taxable income and non deductible expenses pursuant to the countries income tax laws.
[4] Nominal tax rates in 2022 by country: Norway - 22%, Sweden - 20.6%, Finland - 20%, Denmark - 22%, The Baltic - 0-15%.
Nominal tax rates in 2021 by country: Norway - 22%, Sweden - 20.6%, Finland - 20%, Denmark - 22%, The Baltic - 0-15%.
[5] Primarily related to depreciable excess values from business combinations.
[6] Includes prior years IFRS adjustment of NOK 20 million related to deferred tax liability in Denmark as of 1 January 2021. See Note 2.1b for more information.

Note 11 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

NOK in million	2022	2021
Profit for the period	848	760
Weighted average number of outstanding shares (in million)	111	111
Basic earnings per share (NOK)	7.62	6.84

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are share options issued. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

NOK in million	2022	2021
Profit for the period	848	760
Weighted average number of outstanding shares (in million)	112	114
Diluted earnings per share (NOK)	7.55	6.67

Note 12 Property, plant and equipment

NOK in million	Buildings and property	Vehicles and office machines	Furniture and fittings	Computer equipment	Total
Acquisition cost					
1 January 2021	66	122	346	1,439	1,973
Additions	-0	14	-1	172	185
Disposals[1]	-0	2	-8	1	-5
Currency translation effects	-2	-5	-18	-61	-87
31 December 2021	63	132	318	1,552	2,066
Additions	1	6	29	217	252
Disposals[1]	-	-5	-22	-115	-142
Currency translation effects	2	7	-2	48	55
31 December 2022	66	139	324	1,702	2,232

NOK in million	Buildings and property	Vehicles and office machines	Furniture and fittings	Computer equipment	Total
Accumulated depreciation					
1 January 2021	-32	-115	-196	-1,092	-1,435
Depreciation	-3	-12	-20	-168	-203
Disposals[1]	0	-2	8	-3	3
Currency translation effects	1	5	10	46	62
31 December 2021	-35	-124	-198	-1,217	-1,574
Depreciation	-3	-6	-32	-169	-210
Disposals[1]	0	4	21	114	139
Currency translation effects	-1	-6	-1	-40	-47
31 December 2022	-38	-132	-209	-1,312	-1,691
Acquisition cost	63	132	318	1,552	2,066
Accumulated depreciation and write downs	-35	-124	-198	-1,217	-1,574
Book value at 31 December 2021	29	9	120	335	493
Acquisition cost	66	139	324	1,702	2,232
Accumulated depreciation and write downs	-38	-132	-209	-1,312	-1,691
Book value at 31 December 2022	28	7	115	391	541

[1] Gain/loss on the disposal of property, plant and equipment accounted for insignificant amounts in 2022 and 2021.

Note 13 Goodwill and intangible assets

NOK in million	Goodwill	Contracts and customer relationships	Computer software and rights	Total other intangible assets
Acquisitions				
1 January 2021	4,088	297	1,052	1,349
Changes from prior years	5	2	-2	0
Additions				
Ordinary additions	-	7	126	133
Business combinations	-	-	-	-
Disposals[1]	-	-	-2	-2
Currency translation effects	-151	-7	-46	-53
31 December 2021	3,942	299	1,127	1,427
Changes from prior years	-	-	-	-
Additions				
Ordinary additions	-	-	160	160
Business combinations	107	50	-	50
Disposals[1]	-	-2	-70	-72
Currency translation effects	83	8	32	40
31 December 2022	4,132	355	1,250	1,605
Accumulated amortisation				
1 January 2021	-	-279	-781	-1,060
Changes from prior years	-	-	0	0
Amortisation		-10	-71	-81
Disposals[1]	-	-	2	2
Currency translation effects	-	6	34	40
31 December 2021	-	-283	-816	-1,098
Changes from prior years	-	-	-	-
Amortisation		-11	-82	-93
Disposals[1]	-	0	70	70
Currency translation effects	-	-7	-25	-32
31 December 2022	-	-300	-853	-1,153

NOK in million	Goodwill	Contracts and customer relationships	Computer software and rights	Total other intangible assets
Acquisition cost	3,942	299	1,127	1,427
Accumulated amortisation and write-downs	-	-283	-816	-1,098
Book value at 31 December 2021	**3,942**	**17**	**311**	**328**
Acquisition cost	4,132	355	1,250	1,605
Accumulated amortisation and write downs	-	-300	-853	-1,153
Book value at 31 December 2022	**4,132**	**55**	**397**	**452**

[1] Gain/loss on the disposal of intangible assets accounted for insignificant amounts in 2022 and 2021.

Allocations of goodwill

NOK in million	2022	2021
Norway	1,148	1,148
Sweden	671	661
Denmark	1,680	1,596
Finland	265	179
The Baltics	256	243
The Group Shared Services	111	114
Total	**4,132**	**3,942**

The Group does not have any significant research expenses.

Development costs related to internal systems are capitalised in the balance sheet with NOK 66 million (NOK 52 million in 2021)

Goodwill impairment test

Goodwill and other assets are allocated to the Group's cash-generating units. Atea allocates goodwill to the actual country of operation (segment) where the operations are located.

Goodwill has an indefinite useful life and is not amortised, but impairment losses are recognised if the recoverable amount is less than the book value.

Recoverable amounts for cash-generating units are estimated based on calculating the asset's value in use. Cash flow forecasts are used based on the budget for revenues, product/service mix, profit margins, costs and capital employment. Revenue growth for 2023 is based on budget approved by the Board of Directors and growth estimates for 2024-2027 varies between 1.1% and 5.7%[1] based on management estimates and expected market growth in every country. Cash flows beyond these five years are based on an expected growth rate of 0.5% - 2.1% for an indefinite period (determined primarily by external market analyses).

Discount rates represent the current market assessment of the risks specific to each cash-generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its Weighted Average Cost of Capital (WACC). The WACC rates used in discounting the future cash flows are based on a 10-year government bond rate in the respective countries, adjusted for weighted average interest margin on external Group facilities. A market risk premium and a country risk premium is added. The discount rates also take into account the gearing, corporate tax rate, and asset beta.The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying beta factor. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

The Group has assessed whether expected useful lives of non-current assets and estimated residual values are effected because of climate risks. The Group has not identified any indicator that exist that non-financial assets are impaired as a result of climate risk or Paris agreement measures. See Note 29 for more information.

Sensitivity analysis:

In addition to impairment testing using the base case assumptions above, few separate sensitivity analyses were performed for each cash-generating units:

- a discount rate analysis where the discount rate was increased by 3% due to adjusted estimates on market premium and credit risk,
- revenue growth is 1- 5% below estimated growth in 2024-2027,
- EBITDA margin is 0.25% below estimated growth in 2024-2027.

Management believes that any other reasonably possible change in the key assumptions above, will not cause the aggregate carrying amount to exceed the aggregate recoverable amount of any of the cash generating units.

WACC (Weighted Average Cost of Capital) used[2]:

NOK in million	2022	2021
Norway	12.0%	7.3%
Sweden	10.0%	5.6%
Denmark	10.8%	5.3%
Finland	11.0%	5.1%
The Baltics[3]	11.6%	5.2%

[1] Average growth rates in total for the period 2024-2027.
[2] At 30 September 2022.
[3] Volume-weighted average for Estonia, Latvia and Lithuania.

Note 14 Inventories

NOK in million	2022	2021
Cost of inventories	1,245	1,231
Accumulated provisions for write-downs	-46	-40
Book value at 31 December	**1,198**	**1,191**
Provision for write-downs at 1 January	**-40**	**-43**
Additional provisions	-11	-9
Used provisions	5	11
Foreign exchange effects on inventory write-downs	0	1
Provision for write-downs at 31 December	**-46**	**-40**
Write-down of inventories recognised as an expense and included in Cost of sales	9	1
Inventories recognised as an expense during the period	-20,219	-17,162

Inventory of spare parts are written-down over the average length of the service contracts.

Note 15 Trade and other receivables

NOK in million	2022	2021
Trade receivables	6,720	5,206
Provisions for bad debts	-19	-18
Net book value of trade receivables	**6,701**	**5,189**
Prepaid expenses	1,088	1,165
Accrued revenue (Contract assets, Note 6)	329	223
Other current receivables	851	528
Other receivables	**2,268**	**1,916**
Total trade and other receivables	**8,969**	**7,105**
Other long-term receivables	99	29
Total other long-term receivables	**99**	**29**
Provisions for bad debts at 1 January	**-18**	**-24**
Additional provisions	-1	-8
Used provisions	2	12
Amount collected during the year	-1	1
Foreign exchange effect on bad debts	0	1
Provisions for bad debts at 31 December	**-19**	**-18**

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers spread across several countries. Maximum exposure to trade receivables corresponds to NOK 6,720 million (NOK 5,206 million in 2021).

As of 31 December 2022, Atea subsidiaries in Norway, Sweden, Denmark sold receivables of NOK 1,859 million under the securitization facility (NOK 1,848 million at the end of 2021). The maximum balance of accounts receivable which may be sold at any time during the term of contract is NOK 1,900 million. See Note 18 for more information.

As of 31 December 2022 the Group can borrow up to NOK 1,100 million through a securitization facility secured by receivables. Trade receivables up to this limit are pledged as security for revolving credit facility. See Note 18 and Note 27 for additional information.

The Group has recognised a loss of NOK 5 million related to trade receivables in 2022. (NOK 1 million in 2021). See Note 8 for more information.

See otherwise Note 3.1.4 with regard to credit risk.

Maturity analysis for trade receivables not due

NOK in million	2022	2021
Non-due < 30	5,557	4,185
Non-due 31-90	629	708
Non-due > 91	8	3
Total	**6,194**	**4,896**

Maturity analysis for trade receivables due

NOK in million	2022	2021
Non-due < 30	467	291
Non-due 31-90	35	31
Non-due > 91	23	-12
Total	**525**	**310**

Note 16 Share capital and premium, options and shareholders

NOK in million, except number of shares	Number of shares		Share capital			
	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total paid-in equity
At 1 January 2021	110,119,046	-736,844	110	-1	393	503
Issue of share capital[1]	2,011,563	-	2	-	153	155
Changes related to own shares[1]	-	128,277	-	0	-	0
At 31 December 2021	112,130,609	-608,567	112	-1	546	657
At 1 January 2022	112,130,609	-608,567	112	-1	546	657
Issue of Share capital[3]	253,484	-	0	-	23	23
Changes related to own shares[4]	-	-1,177,931	-	-1	-	-1
At 31 December 2022	112,384,093	-1,786,498	112	-2	569	680

[1] The company has traditionally issued new shares to meet the contractual obligations of its share options, based on authorizations to increase the share capital granted by the General Meeting to the Board of Directors. From 2021 the company also used treasury shares to meet the contractual obligations of its share options. The company also retains the right to settle share options in cash based on the difference between the share price on the date of exercise and the strike price of the option contract.

Shares and share capital
In 2022 the nominal value of shares was NOK 1 per share. All the shares issued by the company are fully paid.

Own shares
Atea ASA holds 1,786,498 own shares at 31 December 2022 (608,567 at 31 December 2021).

Share options
Share options have been allotted to the management and selected employees. Each share option allows for the subscription of one share in Atea ASA. The fair value of the options is calculated when they are allotted and expensed over the vesting period. The maximum term of the options granted is normally 4 years.

A cost of NOK 53 million has been charged as an expense in the income statement in 2022 relating to the share option programmes (NOK 49 million in 2021). In addition, National Insurance contribution expenses of NOK 19 million have been charged in 2022 (NOK 45 million in 2021).

See Note 7 - Payroll and related costs for more information.

	2022		2021	
	Number of options	Weighted average exercise price (NOK)	Number of options	Weighted average exercise price (NOK)
Outstanding at 1 Jan	7,599,487	107	9,691,938	92
Granted	2,254,332	110	2,319,832	146
Exercised	-911,141	93	-3,627,533	79
Lapsed/terminated	-612,666	110	-769,750	107
Expired	-25,876	87	-15,000	90
Outstanding at 31 Dec	8,304,136	104	7,599,487	107
Vested options	2,428,640	92	1,888,658	92

The weighted average value of the share options granted in 2022 was NOK 29 (NOK 37 in 2021). The share options were valued by a third party according to the Black-Scholes valuation model. The conditions for exercising the different share option programmes are set for each programme on an individual basis.

Terms of the outstanding options are as follows:

	Outstanding options			Vested options	
Exercise price	Outstanding options at 31 Dec 2022	Weighted average contractual life (Year)	Weighted average exercise price (NOK)	Vested options at 31 Dec 2022	Weighted average exercise price (NOK)
70-80	2,500	0.96	71.10	2,500	71.10
80-90	124,000	1.30	89.82	9,000	88.90
90-100	1,614,332	1.96	98.00	-	-
100-110	2,205,332	3.96	109.80	-	-
110-120	2,417,140	1.35	115.00	2,417,140	115.00
120-130	-	-	-	-	-
130-140	-	-	-	-	-
140-150	1,940,832	2.96	145.50	-	-
Total	**8,304,136**	**2.54**	**117.05**	**2,428,640**	**114.86**

Variables in the model for the allotment of options in 2022:

Weighted average share price at the time of allotment (NOK)	110
Weighted average exercise price (NOK)	79
Weighted average volatility[2]	30.9%
Weighted average risk-free interest rate	2.5%
Weighted average expected life (years)	3.5

[2] The expected volatility was determined based on historical volatility with the same lifetime as the options issued. As the strike price is adjusted for dividends, this is not taken into account in the valuation.

10 largest shareholders at 31 December 2022[1]

Shareholder	Shares	%
Systemintegration APS[2]	31,251,063	27.8%
Folketrygdfondet	7,646,060	6.8%
State Street Bank and Trust Co.[3]	6,527,702	5.8%
State Street Bank and Trust Co.[3]	3,815,939	3.4%
Verdipapirfond Odin Norden	3,656,029	3.3%
State Street Bank and Trust Co.[3]	3,197,375	2.8%
RBC Investor Services Trust[3]	3,091,261	2.8%
State Street Bank and Trust Co.[3]	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%
Total number of shares	**112,384,093**	**100.0%**

Number of shareholders:	8,251	
Percentage of foreign shareholders:	70%	

[1] Source: Verdipapirsentralen.
[2] Includes shares held by Ib Kunøe.
[3] Includes client nominee accounts.

Note 17 Trade payables and other current liabilities

NOK in million	2022	2021
Trade payables	8,100	6,574
Public fees payable	945	966
Prepayments from customers (Contract liabilities, Note 6)	845	1,096
Accrued holiday payments	581	539
Deferred income (Contract liabilities, Note 6)	311	199
Other accr. expenses (products & services)	229	269
Other current liabilities	514	492
Total other current liabilities	**3,424**	**3,562**
Total trade payables and other current liabilities	**11,524**	**10,135**

Maturity analysis trade payable:

NOK in million	2022	2021
Due < 30	5,927	4,520
Due 31-90	2,001	2,036
Due > 91	173	18
Total	**8,100**	**6,574**

Note 18 Borrowings

NOK in million	2022	2021
Long-term borrowings		
EIB loan	-	475
Long-term interest-bearing borrowings	-	475
Current borrowings		
EIB loan	475	-
Uncommitted securitization facility	95	-
Overdraft facility secured by receivables	11	-
Other	5	8
Current interest-bearing borrowings	586	8
Total borrowings excluding leasing	586	483

Securitization

In December 2018, Atea ASA and its subsidiaries in Norway, Sweden and Denmark entered into a securitization contract organized by a Nordea Denmark, Benchmark of Nordea bank Abp, consisting of 2 facilities. The first facility enables Atea to sell specified receivables of up to NOK 1,900 million at the end of 2022. The facility was extended at the end of 2021 for the next three years term, and has an implicit discount rate of IBOR 3M + 0.60%.

The second facility is an uncommitted revolving credit facility secured by other receivables of NOK 1,100 million at the end of 2022. Atea borrowings secured by receivables amounted NOK 95 million at the end of 2022 (facility was not used at the end of 2021).

EIB loan

Atea ASA has entered into a loan agreement for NOK 475 million with the European Investment Bank in May 2018 for a term of five years. The loan is unsecured, and will be repaid in a single installment in 2023, therefore, it has been reclassified as short-term debt at the end of 2022.

Overdraft facility

The Group has an overdraft facility of NOK 300 million provided by Nordea Denmark, Benchmark of Nordea bank Abp. Facility used amounted NOK 11 million at the end of 2022 (facility was not utilised at 31 December 2021). Amounts drawn on this facility are cash and cash equivalents. The facility has standard terms and conditions for this type of financing.

Money market line

The Group had a uncommitted money market line of NOK 600 million provided by a Nordea Denmark, Benchmark of Nordea bank Abp at the end of 2022 (600 MNOK at the end of 2021). None of this facility had been utilised at 31 December 2022 and 31 December 2021. Amounts drawn on this facility are classified as short-term debt. The facility has standard terms and conditions for this type of financing.

Term loan

Atea ASA has entered into a loan agreement for NOK 500 million arranged by Nordea Bank, Denmark, in May 2022, a rate of interest of NIBOR +1.2%. The loan was short-term and fully repaid in December 2022.

Supplier financing

Atea Group entered into a temporary uncommitted revolving trade finance facility with the amount of up to USD 140 million with Deutsche Bank in May 2022, under which Deutsche Bank extended payables to one vendor on behalf of Atea ASA and its subsidiaries at a rate of interest of CME SOFR + 2.00%. The facility was terminated in November, 2022.

Financial covenant

The financial covenant which applies to the above EIB loan facility and the Nordea facilities is a Leverage Ratio for the Group of 2.5x. Leverage Ratio means the ratio of net interest-bearing Debt to EBITDA. EBITDA in this calculation is pro forma, i.e. adjusted for acquisition of businesses, and sale of existing business units in the Group. The financial covenant is measured end of each quarter. The Group is compliant with the covenant at the balance date (see Note 21 and Alternative Performance Measures section).

See Note 27 for disclosure of asset pledged under financing contracts.

The Group is exposed to interest rate changes with respect to loans based on the following repricing structure

NOK in million	2022	2021
6 months or less	586	8
6-12 months	-	-
1-5 years	-	475
Total	**586**	**483**

Interest on the date of the balance sheet was as follows:

NOK in million	2022	2021
Long-term loans		
EIB loan	4.6%	2.0%
Short-term loans		
Securitization - sale of receivables	3.3%	0.9%
Securitization - uncommited facility secured by receivables	3.7%	1.3%
Overdraft facility	4.3%	1.7%
Average weighted interest rate	**3.7%**	**1.2%**

Maturity analysis for loans 2022[1]

NOK in million	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Long-term financing	2	4	479	-	486
Short-term financing	111	-	-	-	111
Total	113	4	479	-	597

Maturity analysis for loans 2021[1]

NOK in million	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Long-term financing	1	1	5	499	506
Short-term financing	8	-	-	-	8
Total	8	1	5	499	514

[1] Includes interest payable.

Note 19 Leases

Atea as a lesse

The nature of the lessee's leasing activities

The Group leases different kind of assets. The main amounts are related to leases of office buildings and cars. The leases of offices typically run for a period of 5-12 years. The lease of cars typically run for a period of 3-5 years. The Group does not have any leasing contracts with variable payment terms.

Practical expedients applied

Leases with a lease term of 12 months or shorter, except Financial subleases, will not be capitalised. Low-value leases, meaning mainly office equipment with an underlying value of USD 5,000 or less when they are new, will not be capitalised. This is not related to Financial subleases.

Contracts with extension options

Some leases of premises contain extension options exercisable by the Group. The extension options held are exercisable only by the Group, and not by the lessors. The Group includes an extension of the contracts in the lease valuation if it is reasonably certain that the Group will extend the contracts.

Subleasing

The Group is subleasing products to the customers as part of the regular operations. In addition, some of its properties are subleased under operating and finance leases. As of 31 December 2022, the Group had a net present value of NOK 82 million recognised in the Financial position as sublease contracts (NOK 124 million as of 31 December 2021). The residual value obligation of leases is disclosed in Note 27 Commitments.

The information about leases for which the Group is a lessee is presented to the right:

Right-of-use assets

NOK in million	ROU, Buildings and property	ROU, Computer equipment	ROU, Motor vehicles	Total right-of-use assets
Acquisition cost				
1 January 2021	1,300	371	350	2,024
Ordinary additions	215	16	129	360
Revaluation decrease	-152	-97	-85	-334
Currency translation effects	-49	-10	-19	-78
31 December 2021	1,315	280	376	1,972
Ordinary additions	262	13	102	377
Revaluation decrease	-6	-30	-87	-122
Currency translation effects	9	4	3	16
31 December 2022	1,580	268	394	2,243
Accumulated depreciation				
1 January 2021	-280	-304	-152	-736
Depreciation	-189	-33	-103	-326
Eliminated on revaluation	110	96	61	266
Currency translation effects	8	8	8	24
31 December 2021	-351	-233	-187	-772
Depreciation	-186	-25	-107	-319
Eliminated on revaluation	2	30	80	112
Currency translation effects	-7	-3	-1	-12
31 December 2022	-542	-232	-215	-990

Right-of-use assets (cont'd)

NOK in million	ROU, Buildings and property	ROU, Computer equipment	ROU, Motor vehicles	Total right-of-use assets
Acquisition cost	1,315	280	376	1,972
Accumulated depreciation and write downs	-351	-233	-187	-772
Book value 31 December 2021	**964**	**47**	**189**	**1,200**
Acquisition cost	1,580	268	394	2,243
Accumulated depreciation and write downs	-542	-232	-215	-990
Book value 31 December 2022	**1,037**	**36**	**179**	**1,253**

Lease liabilities

Maturity analysis - contractual undiscounted cash flows to be paid after reporting date

NOK in million	2022	2021
Less than one year	-416	-405
One to five years	-765	-763
More than five years	-437	-404
Total undiscounted lease liabilities at 31 Dec	**-1,618**	**-1,573**
Lease liabilities included in the Consolidated statement of financial position at 31 December	**-1,418**	**-1,394**
Current	-363	-355
Non-current	-1,055	-1,038

Atea as a lessor - age distribution operational lease

Maturity analysis - contractual undiscounted lease payments to be received after reporting date[1]

NOK in million	2022	2021
Less than one year	8	8
One to two years	0	7
	8	14

[1] Mainly related to operating subleasing of premises. See Note 2.8.2.2.

Atea as a lessor - age distribution financial lease

Maturity analysis - contractual undiscounted lease payments to be received after reporting date[2]

NOK in million	2022	2021
Less than one year	46	72
One to two years	23	33
Two to three years	10	10
Three to four years	5	11
Total undiscounted lease receivable	84	127
Unearned finance income	-2	-3
Net investement in the lease	82	124

[2] Mainly related to financial subleasing of products to customers. See Note 2.8.2.2.

Amounts recognised in the Consolidated income statement

NOK in million	2022	2021
Profit on subleasing transactions[3]	1	5
Income from subleasing right-of-use assets[4]	8	8
Expenses relating to short-term leases[5]	-19	-14
Expenses relating to leases of low-value assets[6]	-11	-4
Interest expense, leasing[7,8]	-58	-52
Interest income, subleasing[9]	4	6
Interest expenses, subleasing[9]	-4	-6

[3] Atea is subleasing products to the costomers as part of the regular operations. The Group recognizes revenue and the Cost of sales when the underlying assets are available for use by the customer.
[4] Related to operating subleasing of premises.
[5] A lease that at the commencement date has a lease term of 12 months or less.
[6] Operating lease of assets with a value below USD 5,000 not included in 3) above.
[7] Interest expenses on Finance lease liabilities.
[8] Interest paid for lease liabilities is included in Interest paid in Net cash flow from operational activities in the Consolidated Statement of Cash flow.
[9] Mainly related to interest income and expenses related to subleasing of products to the customers.

Amounts recognized in the Consolidated statement of cash flow

NOK in million	2022	2021
Total cash outflow from leases	-315	-327

Note 20 Changes in financial liabilities

NOK in million	Other long term loans	Long-term interest-bearing liabilities	Current interest-bearing liabilities	Long term leasing liabilities	Current leasing liabilities	Long-term subleasing liabilities	Current subleasing liabilities	Total
Balance at 1 January 2022	29	-475	-8	-986	-284	-53	-71	-1,848
Proceeds from overdraft/uncommitted securitization facility	-	-	-4,923	-	-	-	-	-4,923
Repayments of overdraft/uncommitted securitization facility	-	-	4,847	-	-	-	-	4,847
Lease payments	-	-	-	-	315	-	-	315
Sublease payments	-	-	-	-	-	17	26	43
Other cash payments	-13	-	5	-	-	-	-	-8
Deferred interest expenses	-	-	-1	-	-	-	-	-1
Lease contracts - non-cash items	-	-	-	-	-356	-	-	-356
Other non-cash items	-	475	-505	-27	11	-	-	-46
Currency effect	0	-	0	-6	-3	-1	-0	-10
Balance at 31 December 2022	17	-	-586	-1,018	-318	-36	-45	-1,987

NOK in million	Other long term loans	Long-term interest-bearing liabilities	Current interest-bearing liabilities	Long term leasing liabilities	Current leasing liabilities	Long-term subleasing liabilities	Current subleasing liabilities	Total
Balance at 1 January 2021	20	-475	-7	-1,039	-310	-83	-126	-2,039
Proceeds from overdraft/uncommitted securitization facility	-	-	-5,955	-	-	-	-	-5,955
Repayments of overdraft/uncommitted securitization facility	-	-	5,959	-	-	-	-	5,959
Lease payments	-	-	-	-	327	-	-	327
Sublease payments	-	-	-	-	-	27	48	75
Other cash payments	-	-	-1	-	-	-	-	-1
Deferred interest expenses	-	-0	-0	-	-	-	-	-1
Lease contracts - non-cash items	-	-	-	-	-313	-	-	-313
Other non-cash items	10	-	-4	23	-1	-	-	18
Currency effect	-1	-	0	31	13	4	6	54
Balance at 31 December 2021	29	-475	-8	-986	-284	-53	-71	-1,877

Note 21 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	2022	2021
Last 12 months pro forma EBITDA	1,812	1,659
Debt covenant ratio	2.5	2.5
Net debt limit	**4,531**	**4,147**
Net financial position (see below)	304	822
Liquidity reserve	**4,835**	**4,969**

Liquidity reserve breakdown:

NOK in million	2022	2021
Unutilised short-term overdraft facilities	1,894	2,000
Draft limitation, debt covenant	2,941	2,969
Liquidity reserve	**4,835**	**4,969**

Loan facilities (see Note 18 for more information):

NOK in million	2022	2021
Long term		
Unsecured EIB loan	-	475
-of which utilised	-	475
Short term		
Unsecured EIB loan	475	-
-of which utilised	475	-
Uncommited securitization facility	1,100	1,100
-of which utilised	95	-
Overdraft facility	300	300
-of which utilised	11	-
Money market line	600	600
-of which utilised	-	-

Net financial position

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

Net financial position does not include incremental net lease liabilities due to the adoption of IFRS 16 from 1 January 2019, as 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	2022	2021
Long-term interest-bearing liabilities	-	-475
Long-term interest-bearing leasing liabilities	-24	-30
Current interest-bearing liabilities	-586	-8
Current interest-bearing 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 22 Provisions

NOK in million	Restructuring	Legal and tax claims	Losses on fixed price contracts	Other provision for obligations	Total
At 1 January 2022	5	2	1	19	27
Recognised during the year:					
Additional provision during the year	3	5	-	22	30
Used during the year	-7	-	0	-2	-8
Currency translation effects	-0	0	-	1	1
At 31 December 2022	2	7	2	39	50

NOK in million	Restructuring	Legal and tax claims	Losses on fixed price contracts	Other provision for obligations	Total
At 1 January 2021	15	-	1	-	16
Recognised during the year:					
Additional provision during the year	3	2	-	22	27
Used during the year	-12	-	-0	-3	-15
Currency translation effects	-1	-	-	-	-1
At 31 December 2021	5	2	1	19	27

Note 23 Classifications of financial instruments

2022:

NOK in million	FVTOCI	Amortised cost	Fair value[1]
Financial assets			
Long-term subleasing receivables		36	36
Trade receivables[4]	6,701		6,701
Other receivables[2]		851	851
Short-term subleasing receivables		45	45
Cash and cash equivalents		922	922
Derivative contracts			4
Financial liabilities			
Long-term subleasing liabilities		36	36
Long-term leasing liabilities		1,018	1,018
Other long-term liabilities[3]		116	116
Trade payables		8,100	8,100
Current interest-bearing liabilities		586	586
Short-term subleasing liabilities		45	45
Current leasing liabilities		318	318
Other financial liabilities		17	17
Other current liabilities[3]		3,042	3,042
Derivative contracts			9

[1] Book value is a reasonable estimate of fair value in cases where these numbers are identical.
[2] Less prepaid expenses and accrued revenue.
[3] Less other provision.
[4] See Note 2.14.

2021:

NOK in million	FVTOCI	Amortised cost	Fair value[1]
Financial assets			
Long-term subleasing receivables		53	53
Trade receivables[4]	5,189		5,189
Other receivables[2]		528	528
Short-term subleasing receivables		71	71
Cash and cash equivalents		1,353	1,353
Derivative contracts	7		7
Financial liabilities			
Long-term interest-bearing liabilities		475	475
Long-term subleasing liabilities		53	53
Long-term leasing liabilities		986	986
Other long-term liabilities[3]		190	190
Trade payables		6,574	6,574
Current interest-bearing liabilities		8	8
Short-term subleasing liabilities		71	71
Current leasing liabilities		284	284
Other financial liabilities		8	8
Other current liabilities[3]		3,158	3,158
Derivative contracts			4

[1] Book value is a reasonable estimate of fair value in cases where these numbers are identical.
[2] Less prepaid expenses and accrued revenue.
[3] Less other provision.
[4] See Note 2.14.

Note 24 Corporate structure of the Atea Group

NOK in million	From date	Local currency	Voting rights/ ownership (%)	Primary activity
Holding				
Atea ASA		NOK	Listed	Holding
Norway				
Atea AS		NOK	100%	IT infrastructure
Atea Finans AS		NOK	100%	Leasing
Sweden				
Atea Holding AB		SEK	100%	Holding
Atea Sverige AB		SEK	100%	IT infrastructure
Atea Finans AB		SEK	100%	Leasing
Denmark				
Atea Danmark Holding A/S		DKK	100%	Holding
Atea A/S		DKK	100%	IT infrastructure
Atea Inc		USD	100%	IT infrastructure
Atea Finans A/S		DKK	100%	Leasing
Finland				
Atea Holding Oy		EUR	100%	Holding
Atea Oy		EUR	100%	IT infrastructure
BCC Finland Oy		EUR	100%	IT infrastructure
Atea Finance Finland Oy		EUR	100%	Leasing
Gambit Labs Oy	01.04.2022	EUR	100%	Consulting
Gambit Fuser Oy	01.04.2022	EUR	100%	Consulting
Gambit Quantic Oy	01.04.2022	EUR	100%	Consulting
Topnordic Finland Oy		EUR	100%	IT infrastructure

NOK in million	From date	Local currency	Voting rights/ ownership (%)	Primary activity
The Baltics				
Atea Baltic UAB		EUR	100%	Holding
Atea UAB		EUR	100%	IT infrastructure
Atea AS		EUR	100%	IT infrastructure
Atea Finance OÜ		EUR	100%	Leasing
Atea Finance Lithuania UAB		EUR	100%	Leasing
Solver UAB		EUR	100%	IT infrastructure
EIT Sprendimai UAB		EUR	100%	IT infrastructure
BMK UAB		EUR	100%	IT infrastructure
Baltnetos Komunikacijos UAB		EUR	100%	IT infrastructure
CRC SIA		EUR	100%	IT infrastructure
Atea SIA		EUR	100%	IT infrastructure
AppXite				
AppXite SIA		EUR	100%	Software distribution
AppXite AS		NOK	100%	Software distribution
AppXite AB		SEK	100%	Software distribution
AppXite B.V.		EUR	100%	Software distribution
AppXite S.R.L.		EUR	100%	Software distribution
AppXite ApS		DKK	100%	Software distribution
AppXite Oy		EUR	100%	Software distribution
Group Shared Services				
Atea Logistics AB		SEK	100%	Group Shared Services
Atea Global Services AB		SEK	100%	Group Shared Services
Atea Global Services SIA		EUR	100%	Group Shared Services
Atea Service Center AB		SEK	100%	Securitization contract management
Atea Group Functions A/S		DKK	100%	Group Shared Services

Note 25 Business combinations and other business initiatives

Business combinations
2022

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

Gambit Group is an IT services provider with headquarter 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 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.

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-Apr-22	01-Sep-22	
Country	Finland	Sweden	
Voting rights/ownership interest	100%	2	
Purchase consideration:			
Cash payment	73.9	28.2	102.2
Contingent consideration and deferred payments[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
Goodwill	77.1	30.0	107.1

[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 aquisition was related to consulting operations and not the legal company.

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
Total asset	36.9	3.9	40.8
			-
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
Total liabilities	-17.6	-4.0	-21.6
Net assets acquired	19.3	-0.1	19.1

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 2021
Operating revenue	32,443
Operating profit/loss (EBIT)	1,198

The financial performance from the acquisition date to the end of 2022 for the acquired companies 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 26 Contingent liabilities and assets

Ordinary course of business

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

For contingent considerations regarding Business combinations, see Note 25.

The Group has given guarantees in the ordinary course of business amounting to NOK 8,307 million (NOK 6,673 million in 2021) to external parties (see Note 27).

Legal disputes

Atea (the Group) is involved in lawsuits in various jurisdictions. The outcome for a number of these cases is uncertain. In management's opinion these cases will be resolved without significantly weakening the Group's financial standing. If the disputes nevertheless end with a negative outcome, Atea is insured in most cases.

Note 27 Commitments

NOK in million	2022	2021
Guarantees to financial institutions[1]	996	1,257
Guarantees to business associates[2]	6,963	5,159
Residual value obligations related to leasing activities[3]	348	257
Total guarantees	**8,307**	**6,673**

[1] In addition to facilities disclosed in Note 18, Atea ASA issued guarantees for sublease facilities of NOK 82 million in 2022 (NOK 124 million in 2021).
[2] As part of the ordinary operations, parent company guarantees are furnished to suppliers and partners on behalf of subsidiaries.
[3] The leasing companies have a residual value obligation of NOK 348 million (NOK 257 million in 2021) on the outstanding leasing contracts. No losses have been incurred as result of this, and the risk of incurring losses is considered being low.

Pledged assets under securitization contract (see Note 18)

As part of securitization contract, Atea has pledged the following asset to Nordea Denmark, Branch of Nordea Bank Abp:

- Shares and related rights of Atea Service Center AB (subsidiary, 100% owned by Atea ASA).
- Bank accounts of Atea Service Center AB. Cash balance including restricted cash in other companies amount NOK 823 million at the end of 2022 (NOK 832 million at the end of 2021).
- Trade receivables covering uncommitted revolving credit facility, but not exceeding the limit of NOK 1,100 million at the end of 2022 (limit of NOK 1,100 million at the end of 2021). Atea borrowings secured by receivables amounted NOK 95 million at the end of 2022 (facility was not used at the end of 2021).

Note 28 Related parties

Atea has ongoing transactions with related parties. All the transactions are in accordance with the arm's length principle and as part of the ordinary operations. The most important transactions are listed below.

The transactions have been carried out by companies controlled by Ib Kunøe, who is the Board Chairman and largest shareholder of Atea ASA through the company Systemintegration ApS, Ib Kunøe and Managing Director of Atea Baltic UAB, Arunas Bartusevicius. In addition, transactions with companies controlled by Elmera Group ASA. The CEO of Atea ASA, Steinar Sønsteby is Chairman of the Board in Elmera ASA.

Wages and remuneration to the CEO, CFO, Board of Directors are described in a separate Remuneration report published at atea.com. See also Note 7 and Note 8.

	Sales to(+)/ from(-) related parties		Credit (+)/debit (-) balances with related parties	
	2022	2021	2022	2021
Leasing of property or equipment	4.4	3.9	-	-
Development of software	-0.5	-1.5	-	-3.4
Other[1]	29.0	7.9	0.2	-5.7

[1] Includes transactions with companies controlled by Ib Kunøe (NOK 20 million), and companies controlled by Elmera Group (NOK 10 million).

Note 29 Consideration of climate change

In preparing the financial statements, the management have considered the impact of climate change.

The Atea Group follows the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). The company reports on climate risks and opportunities annually through CDP and is currently in the process of implementing requirements of the EU's new Corporate Sustainability Reporting Directive. More information can be found in a separate TCFD report that will be publicly available on atea.com during Q1 2023.

There has been no material impact identified on the financial reporting judgements and estimates. In particular the following areas are considered:

- going concern and viability of the Group over the next three years
- cash flow forecasts used in the impairment assessment of non-current assets including goodwill
- carrying value of useful economic lives of property, plant, and equipment
- Extreme weather events such as flooding, storms and heavy precipitation could also cause disruptions in the supply chain, which might lead to a financial impact on Atea. This risk is assessed to be quite low since Atea works with many vendors, which also enables the Group to diversify its exposure to risks.

Whilst there is currently no medium-term impact expected from climate change, the management are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Groups financial statements.

Note 30 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.

Alternative Performance Measures

The financial information is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. Additionally, it is management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of Atea's performance. As defined in ESMAs guidelines on alternative performance measures (APM), an APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the International Financial Reporting Standards as adopted by EU.

Atea uses the following APMs:

Gross sales and revenue (IFRS)
Atea has implemented a change to its accounting policy to comply with a 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 sales).

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. More details are provided in Note 2, part 2.1 Accounting Policies, Changes in Accounting Estimates and Errors.

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.

Full year 2022

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	5,600	9,037	4,983	2,551	966	23,176
Software	3,501	7,094	2,971	986	138	14,782
Services	2,261	3,341	2,260	452	500	8,706
Gross sales	11,362	19,472	10,214	3,989	1,605	46,664
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	3,188	6,618	2,777	899	125	13,696
Services IFRS 15 adjustments	122	190	200	31	27	571
Total IFRS 15 adjustments	3,310	6,809	2,977	930	153	14,266
Hardware	5,600	9,037	4,983	2,551	966	23,176
Software	312	476	194	87	13	1,087
Services	2,140	3,150	2,060	421	473	8,135
Revenue (IFRS)	8,052	12,663	7,237	3,059	1,452	32,397

Full year 2021

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	4,939	7,728	4,823	1,862	819	20,212
Software	2,694	6,313	2,817	1,180	150	13,127
Services	2,240	3,128	1,977	412	436	7,976
Gross sales	**9,872**	**17,169**	**9,617**	**3,454**	**1,404**	**41,316**
Hardware IFRS 15 adjustments	-	-	-	-	-	-
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
Total IFRS 15 adjustments	**2,617**	**6,102**	**2,843**	**1,141**	**151**	**12,824**
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
Revenue (IFRS)	**7,255**	**11,068**	**6,774**	**2,312**	**1,254**	**28,491**

Full year 2022

Local currency in million	Norway NOK	Sweden SEK	Denmark DKK	Finland EUR	The Baltics EUR	Atea Group NOK
Hardware	5,600	9,507	3,669	253	96	23,176
Software	3,501	7,463	2,188	98	14	14,782
Services	2,261	3,514	1,665	45	50	8,706
Gross sales	**11,362**	**20,484**	**7,522**	**395**	**159**	**46,664**
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	3,188	6,962	2,045	89	12	13,696
Services IFRS 15 adjustments	122	200	147	3	3	571
Total IFRS 15 adjustments	**3,310**	**7,162**	**2,192**	**92**	**15**	**14,266**
Hardware	5,600	9,507	3,669	253	96	23,176
Software	312	500	143	9	1	1,087
Services	2,140	3,314	1,517	42	47	8,135
Revenue (IFRS)	**8,052**	**13,321**	**5,330**	**303**	**144**	**32,397**

Full year 2021

Local currency in million	Norway NOK	Sweden SEK	Denmark DKK	Finland EUR	The Baltics EUR	Atea Group NOK
Hardware	4,939	7,713	3,529	183	81	20,212
Software	2,694	6,302	2,061	116	15	13,127
Services	2,240	3,122	1,447	41	43	7,976
Gross sales	**9,872**	**17,137**	**7,037**	**340**	**138**	**41,316**
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	2,452	5,856	1,937	109	14	12,180
Services IFRS 15 adjustments	165	234	144	3	1	644
Total IFRS 15 adjustments	**2,617**	**6,090**	**2,080**	**112**	**15**	**12,824**
Hardware	4,939	7,713	3,529	183	81	20,212
Software	242	446	125	7	1	947
Services	2,075	2,888	1,303	37	42	7,332
Revenue (IFRS)	**7,255**	**11,047**	**4,957**	**228**	**123**	**28,491**

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	Full year 2022	Full year 2021
Gross sales	46,664	41,316
Adjustment for acquisitions	46	84
Pro forma gross sales	**46,709**	**41,400**
Pro forma gross sales on last year currency	47,861	42,537
Pro forma growth in constant currency	**15.6%**	

NOK in million	Full year 2022	Full year 2021
Revenue (IFRS)	32,397	28,491
Adjustment for acquisitions	46	84
Pro forma revenue (IFRS)	**32,443**	**28,575**
Pro forma revenue (IFRS) on last year currency	33,202	29,364
Pro forma growth in constant currency	**16.2%**	

EBITDA

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	Full year 2022	Full year 2021
EBITDA	1,811	1,660
Adjustment for acquisitions	1	-1
Pro forma EBITDA	**1,812**	**1,659**

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	Full year 2022	Full year 2021
Revenue (IFRS)	32,397	28,491
Cost of sales	-23,395	-20,045
Gross profit	**9,002**	**8,446**

Gross sales margin

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

NOK in million	Full year 2022	Full year 2021
Gross sales – products	37,958	33,339
Gross sales – services	8,706	7,976
Total gross sales	**46,664**	**41,316**
Product gross profit	4,029	3,607
Services gross profit	4,973	4,840
Total products and services gross profit	**9,002**	**8,446**
Product margin	10.6%	10.8%
Services margin	57.1%	60.7%
Gross sales margin %	**19.3%**	**20.4%**

Operating expenses

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

NOK in million	Full year 2022	Full year 2021
Payroll and related costs	6,540	6,130
Other operationg costs	651	656
Depreciation and amortization	615	614
Total operating expenses	**7,806**	**7,400**

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	Full year 2022	Full year 2021
Cash flow from operations	1,030	1,096
Purchase of PPE and intangible assets	-397	-328
Sale of PPE and intangible assets	76	56
Capital expenditures through cash	-322	-272
Free cash flow	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

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
Net debt limit	4,531	4,147
Net financial position	304	822
Liquidity reserve	4,835	4,969

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 18 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
Working capital	**-1,672**	**-2,003**
Securitization effect	1,859	1,848
Working capital before securitization	**187**	**-154**
Year to date gross sales	46,664	41,316
Working capital in relation to last 12 months gross sales	**-3.6%**	**-4.8%**

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	17,858	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	16,523	14,724
Equity	3,728	3,507
Equity ratio	**22.6%**	**23.8%**

Atea ASA Financial Statements

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Statement of Comprehensive Income Atea ASA

NOK in million	Note	2022	2021
Revenue	1	70	66
Payroll and related costs	3	-49	-64
Depreciation and amortisation		-1	-1
Other operating costs		-53	-42
Operating profit (EBIT)		-33	-41
Financial income	4	1,114	563
Financial expenses	4	-121	-100
Net financial items	4	993	463
Profit before tax		960	422
Tax	5	-39	14
Profit for the period		921	436
Profit for the period		921	436
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		921	436

Statement of Financial Positions Atea ASA

NOK in million	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Deferred tax assets	5	189	221
Other long-term receivables	10, 13	800	800
Investments in subsidiaries	6	3,841	3,804
Non-current assets		**4,830**	**4,826**
Trade receivables	13	139	65
Other receivables	7, 13	1,758	1,173
Cash and cash equivalents	11, 13	-	460
Current assets		**1,897**	**1,698**
Total assets		**6,727**	**6,524**

NOK in million	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Share capital and premium	8	680	657
Other reserves		879	879
Retained earnings		623	431
Equity		**2,184**	**1,968**
Interest-bearing long-term liabilities	11, 13	0	475
Non-current liabilities		**0**	**475**
Trade payables	9	25	12
Interest-bearing current liabilities	11, 13	477	2
Tax payable	5	7	-
Other current liabilities	9	194	160
Other financial liabilities	9, 13	3,839	3,906
Current liabilities		**4,543**	**4,081**
Total liabilities		**4,543**	**4,556**
Total equity and liabilities		**6,727**	**6,524**

Oslo, 29 March 2023
Approved by
The Board of Directors

Ib Kunøe
Chairman of the Board

Morten Jurs
Member of the Board

Sven Madsen
Member of the Board

Saloume Djoudat
Member of the Board

Lisbeth Toftkær Kvan
Member of the Board

Leiv Jarle Larsen
Member of the Board
(employee elected)

Marius Hole
Member of the Board
(employee elected)

Nelly Flatland
Member of the Board
(employee elected)

Steinar Sønsteby
CEO of Atea ASA

Statement of Cash Flow Atea ASA

NOK in million	Note	2022	2021
Profit before tax		960	422
Adjustment for:			
Net interest expenses		64	33
Depreciation and amortization		1	1
Share-based compensation		17	13
Interest received		72	42
Interest paid		-136	-75
Change in trade receivables		-73	11
Change in trade payables		13	-4
Other changes in working capital		-552	345
Cash flow from operational activities		**364**	**787**
Dividend paid		-612	-555
Payments from changes in treasury shares	8	-170	-106
Proceeds from new share issue	8	23	155
Payments of lease liabilities		-1	-1
Changes in debt		-64	-411
Cash flow from financing activities		**-824**	**-918**
Net change in cash and cash equivalents at the start for the year		-460	-131
Cash and cash equivalents at the start of the year	11	460	590
Cash and cash equivalents at the end of the year	11	**-**	**460**

Statement of Changes in Equity Atea ASA

	Share capital and premiums		Other reserves	Retained earnings		
NOK in million	Share capital[1]	Share premium	Other paid-in capital	Option programmes	Retained earnings	Total equity
Balance at 1 January 2021	110	393	879	332	258	1,972
Profit for the year	-	-	-	-	436	436
Issue of share capital	2	153	-	-	-	155
Employee share option programmes, value of employee contributions	-	-	-	49	-	49
Dividend	-	-	-	-	-555	-555
Changes related to own shares	-	-	-	-	-88	-88
Equity at 31 December 2021	112	546	879	381	50	1,968
Balance at 1 January 2022	112	546	879	381	50	1,968
Profit for the year	-	-	-	-	921	921
Issue of share capital	0	23	-	-	-	23
Employee share option programmes, value of employee contributions	-	-	-	54	-	54
Dividend	-	-	-	-	-612	-612
Changes related to own shares	-	-	-	-	-170	-170
Equity at 31 December 2022	112	569	879	435	189	2,184

[1] See also Note 8.

Note 01 General information and accounting principles

About Atea ASA
These are the financial statements of Atea ASA, which is the holding company for the Group and includes the Group's top management and associated staff functions (9 employees). See also Note 1 in the Group's consolidated financial statements.

Revenue
Atea ASA charges group costs to subsidiaries. As a holding company, Atea ASA is a purely administrative unit offering services for the subsidiaries in all the countres. All revenue is related to intercompany transactions and based on market prices.

Accounting principles
The accounts have been prepared in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act.

The explanation of the accounting policies for the group also apply to the parent company, and the notes to the consolidated financial statements will in some cases cover the parent company. See Note 2 in the explanation of the accounting policy in the Group's consolidated financial statements.

Critical accounting estimates and assessments in applying the group's accounting policies is mainly related to the valuation of assets (investment in subsidiaries with a book value of NOK 3,841 million, as well as deferred tax assets of NOK 189 million at 31 December 2022). See also Note 4 in the Group's consolidated financial statements.

There may be figures and percentages that do not always add up correctly due to rounding differences.

Note 02 Sensivity analysis

Sensitivity analysis 2022:

NOK in million	Amount affected	Interest rate risk: + 200 bp[1] Effect on profit/loss	Interest rate risk: + 200 bp[1] Other effects on equity	Interest rate risk: - 200 bp[1] Effect on profit/loss	Interest rate risk: - 200 bp[1] Other effects on equity	Amount affected	Foreign currency risk: + 10% Effect on profit/loss	Foreign currency risk: + 10% Other effects on equity	Foreign currency risk: - 10% Effect on profit/loss	Foreign currency risk: - 10% Other effects on equity
Financial assets										
- NOK	959	19	-	-19	-	-	-	-	-	-
- SEK	-2	-0	-	0	-	-2	-0	-	0	-
- DKK	-134	-3	-	3	-	1,410	141	-	-141	-
- EUR	97	2	-	-2	-	97	10	-	-10	-
- USD	-131	-3	-	3	-	-131	-13	-	13	-
Effect on financial assets before tax		16	-	-16	-		137	-	-137	-
Tax expense (22%)		-3	-	3	-		-30	-	30	-
Effect on financial assets after tax		12	-	-12	-		107	-	-107	-
Financial liability items										
- NOK	-2,767	-55	-	55	-	-	-	-	-	-
- SEK	-447	-9	-	9	-	-447	-45	-	45	-
- DKK	-243	-5	-	5	-	-243	-24	-	24	-
- EUR	-566	-11	-	11	-	-566	-57	-	57	-
- USD	-492	-10	-	10	-	-492	-49	-	49	-
Effect on financial liability items before tax		-90	-	90	-		-175	-	175	-
Tax expense (22%)		20	-	-20	-		38	-	-38	-
Effect on financial liability items after tax		-70	-	70	-		-136	-	136	-
Total increase/reduction		-58	-	58	-		-29	-	29	-

[1] Basis points.

At the end of 2022 Atea ASA had following forward contracts:
- buying SEK 476,8 million and selling NOK 451,1 million, in less than three months, at the exchange rate of 0.9461137 with an estimated fair value of NOK -0,1 million
- buying USD 48 million and selling DKK 334,4 million, in less than three months, at the exchange rate of 6.96557 with an estimated fair value of NOK -0,6 million
- buying USD 13,1 million and selling NOK 128,6 million, in less than three months, at the exchange rate of 9.85579 with an estimated fair value of NOK -0,2 million

Sensitivity analysis 2021:

		Interest rate risk					Foreign currency risk			
		+ 200 bp[1]		- 200 bp[1]			+ 10%		- 10%	
NOK in million	Amount affected	Effect on profit/loss	Other effects on equity	Effect on profit/loss	Other effects on equity	Amount affected	Effect on profit/loss	Other effects on equity	Effect on profit/loss	Other effects on equity
Financial assets										
- NOK	920	18	-	-18	-	-	-	-	-	-
- SEK	-8	-0	-	0	-	-8	-1	-	1	-
- DKK	-3	-0	-	0	-	1,152	115	-	-115	-
- EUR	249	5	-	-5	-	249	25	-	-25	-
- USD	102	2	-	-2	-	102	10	-	-10	-
Effect on financial assets before tax		25	-	-25	-		150	-	-150	-
Tax expense (22%)		-6	-	6	-		-33	-	33	-
Effect on financial assets after tax		20	-	-20	-		117	-	-117	-
Financial liability items										
- NOK	-2,375	-47	-	47	-	-	-	-	-	-
- SEK	-1,111	-22	-	22	-	-1,111	-111	-	111	-
- DKK	-499	-10	-	10	-	-499	-50	-	50	-
- EUR	-213	-4	-	4	-	-213	-21	-	21	-
- USD	-343	-7	-	7	-	-343	-34	-	34	-
Effect on financial liability items before tax		-91	-	91	-		-217	-	217	-
Tax expense (22%)		20	-	-20	-		48	-	-48	-
Effect on financial liability items after tax		-71	-	71	-		-169	-	169	-
Total increase/reduction		-51	-	51	-		-52	-	52	-

[1] Basis points.

At the end of 2021 Atea ASA had following forward contracts:
- buying SEK 781,6 million and selling NOK 760,9 million, in less than three months, at the exchange rate of 0.9735783 with an estimated fair value of NOK -0,08 million
- buying USD 26,7 million and selling DKK 175,6 million, in less than three months, at the exchange rate of 6.5678728 with an estimated fair value of NOK -0,4 million
- buying SEK 332,4 million and selling DKK 241,5 million, in less than three months, at the exchange rate of 1.3764331 with an estimated fair value of NOK -1,8 million

Note 03 Payroll and audit fee

NOK in million	2022	2021
Wages and salaries to employees	-29	-30
Total social security costs	-4	-4
Option plans for the management and employees	-15	-28
Pension costs	-1	-1
Total payroll and related costs	**-49**	**-64**
Average number of full time employees	9	10

Wages and remuneration to the CEO, CFO, Board of Directors and the employees' share option plans are described in Note 7 in the Group's consolidated financial statements.

Deloitte is the auditor of Atea ASA. The table below shows Deloitte's total charges for auditing and other services in 2022. All amounts are exclusive of VAT.

NOK in million	2022	2021
Auditor's fees	-1.6	-0.9
Total	**-1.6**	**-0.9**

Note 04 Net financial items

NOK in million	2022	2021
Dividend from subsidiaries	829	499
Group contribution	189	-
Other financial income	24	22
Interest income from subsidiaries	21	11
Other interest income	51	31
Total financial income	**1,114**	**563**
Foreign exchange effects	20	-22
Interest expenses from other loans	-136	-75
Other financial expense	-4	-3
Total financial expenses	**-121**	**-100**
Total net financial items	**993**	**463**

Note 05 Taxes

Income tax recognized in profit or loss:

NOK in million	2022	2021
Current tax	-7	-
Deferred tax	-33	14
Total income tax expenses	**-39**	**14**

The income tax expense for the year can be reconciled to the accounting profit as follows:

NOK in million	2022	2021
Profit before tax	960	422
Income tax expense calculated at 22%	-211	-93
Tax effect of:		
- income non taxable and expenses non deductible	172	107
Total income tax expenses recognised in Comprehensive income	**-39**	**14**

Effective tax rate	**-4.1%**	**3.3%**

The tax payable is related to limitation of taxable interest deduction.

Deferred tax balances are presented in the statement of financial position as follows:

NOK in million	2022	2021
Deferred tax assets related to carryforward losses [1]	186	218
Other temporary differences	2	2
Net deferred tax assets	**189**	**221**

[1] Atea ASA tax loss carryforwards amounted to NOK 848 million at the end of 2022 (NOK 990 million at the end of 2021)
The amount is recognised in the Financial position as deferred tax assets, because Atea ASA is receiving taxable group contributiopn from its subsidiary Atea AS. There are no time restrictions on the utilisation of tax loss carryforwards.

Note 06 Shares in subsidiaries

Financial year 2022

NOK in million	Head office	Ownership and voting share (%)	Equity at 31 December	Book value	Primary activity
Atea AS (Norway)	Oslo, Norway	100	1,104	466	IT infrastructure
Atea Holding AB (Sweden)	Stockholm, Sweden	100	966	1,104	IT infrastructure
Atea Holding A/S (Denmark)	Copenhagen, Denmark	100	1,709	1,595	IT infrastructure
Atea Holding OY (Finland)	Helsinki, Finland	100	286	319	IT infrastructure
Atea Baltic UAB (Baltics)	Vilnius, Lithuania	100	265	231	IT infrastructure
Atea Global Services SIA	Riga, Latvia	100	49	0	Services
AppXite SIA	Riga, Latvia	100	52	127	IT infrastructure
Atea Service Center AB	Stockholm, Sweden	100	6	0	Securitization contract management
Total shares in subsidiaries				**3,841**	

Financial year 2021

NOK in million	Head office	Ownership and voting share (%)	Equity at 31 December	Book value	Primary activity
Atea AS (Norway)	Oslo, Norway	100	1,124	460	IT infrastructure
Atea Holding AB (Sweden)	Stockholm, Sweden	100	1,137	1,072	IT infrastructure
Atea Holding A/S (Denmark)	Copenhagen, Denmark	100	1,634	1,526	IT infrastructure
Atea Holding OY (Finland)	Helsinki, Finland	100	251	296	IT infrastructure
Atea Baltic UAB (Baltics)	Vilnius, Lithuania	100	195	272	IT infrastructure
Atea Global Services SIA	Riga, Latvia	100	33	1	Services
AppXite SIA	Riga, Latvia	100	60	177	IT infrastructure
Atea Service Center AB	Stockholm, Sweden	100	4	0	Securitization contract management
Total shares in subsidiaries				**3,804**	

Note 07 Trade and other receivables

NOK in million	2022	2021
Prepaid expenses (short-term)	4	7
Other short-term receivables in the same group	210	11
Junior Note[1]	1,544	1,155
Total other receivables	1,758	1,173

[1] Junior Note is receivables from subsidiaries related to Securitization program.
See Note 18 in Atea Group Financial Statements and Notes.

Note 08 Paid-in capital, shareholders and options

	Number of shares		Share capital			
NOK in million, except Number of shares	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total share capital and premiums
At 1 January 2021	110,119,046	-736,844	110	-1	393	503
Issue of Share capital [1]	2,011,563	-	2	-	153	155
Changes related to own shares [2]	-	128,277	-	0	-	0
At 31 December 2021	112,130,609	-608,567	112	-1	546	657
At 1 January 2022	112,130,609	-608,567	112	-1	546	657
Issue of Share capital [1]	253,484	-	0	-	23	23
Changes related to own shares [2]	-	-1,177,931	-	-1	-	-1
At 31 December 2022	112,384,093	-1,786,498	112	-2	569	680

All the shares have equal rights. All the shares issued by the company are fully paid.
Atea ASA holds 1,786,498 treasury shares at 31 December 2022 (608,567 at 31 December 2021).

[1] Issue1) Issue of Share capital is related to Share options for the Management and selected employees.
Share options have been allotted to the management and selected employees. Each share option allows for the subscription of one share in Atea ASA
The fair value of the options is calculated when they are allotted and expensed over the vesting period.
A cost of NOK 17 million has been charged as an expense in the income statement in 2022 relating to the share option programmes (NOK 13 million in 2021).
In addition, National Insurance contribution expense of NOK -2 million has been charged as an expense in 2022 (NOK 16 million in 2021).
See Note 16 in Atea Group Financial Statements and Notes.

[2] Related to Share options for the Management and selected employees
The sales price for the shares in 2022 was NOK 59 million (with remaining NOK 58 million affecting retained earnings).
The purchased price for the shares in 2022 was NOK 230 million (with remaining NOK 228 million affecting Other unrecognized reserves).
Total effect on Equity was negative by NOK 170 million.

Note 09 Trade payables and other current liabilities

NOK in million	2022	2021
Trade payables	22	1
Trade payables in the same group	3	11
Total trade payables	**25**	**12**
Other current liabilities[1]	**194**	**160**
Deposit in cash pool from subsidiaries[2]	3,839	3,904
Total other financial liabilities	**3,839**	**3,904**

[1] Includes Other payable related to securitization, NOK 169 million (NOK 105 million in 2021). See Note 18 in Atea Group Financial Statements and Notes.

[2] Atea ASA has entered into a multicurrency cash pool agreement, or global cash pool system ("cash pool"), and established a cash pooling account with Nordea that it uses to facilitate the daily working capital requirements of the majority of the group's subsidiaries. Atea is charged or receives interest on the net Top Currency Accounts. Under the cash pool arrangement each Participants accounts are credited/debited interest irrespective of the net position on the Top Currency Accounts.

Note 10 Long term receivables

NOK in million	2022	2021
Long-term receivables		
Long-term receivables from subsidiaries[1]	800	800
Total receivables	**800**	**800**

[1] Interest is charged on long-term claims against subsidiaries at the 12-month interbank rate plus a company-specific margin calculated based on the subsidiaries' respective creditworthiness. The interest is charged and falls due annually in arrears. The principal amount will not fall due for payment in the foreseeable future.

Note 11 Interest-bearing liabilities

Interest-bearing long-term liabilities

NOK in million	2022	2021
Other long-term debt [2]	0	475
Interest-bearing long-term liabilities	**0**	**475**

[2] European Investment Bank, NOK 475 million
Atea ASA has entered into a loan agreement with the European Investment Bank in May 2018. The loan is unsecured, and will be repaid in a single installment following a term of five years.

Interest-bearing current liabilities

NOK in million	2022	2021
Short-term loan facility	477	1
Interest-bearing current liabilities	**477**	**2**

Maturity analysis for loans 2022

NOK in million	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Short-term financing	-	-	477	-	477
Long-term financing	-	-	-	0	0
Total	**-**	**-**	**477**	**0**	**477**

Maturity analysis for loans 2021

NOK in million	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
Short-term financing	-	-	2	-	2
Long-term financing	-	-	-	475	475
Total	**-**	**-**	**2**	**475**	**477**

Note 12 Liquidity reserve

Atea Group liquidity reserve is limited by a bond covenant ratio in 2022 and 2021 of 2.5x Atea Group EBITDA (net debt/last twelve months pro forma EBITDA). See Note 21 in Atea Group Financial Statements and Notes. Atea ASA (as standalone company) liquidity is not limited by any covenants.

Note 13 Classification of financial instruments

2022

NOK in million	Amortised cost	Fair value[1]
Financial assets		
Interest-bearing long-term receivables	800	800
Trade receivables	139	139
Other receivables[2]	1,754	1,754
Cash and cash equivalents	-	-
Financial liabilities		
Trade payables	22	22
Trade payables in the same group	3	3
Other current liabilities[3]	4,515	4,515

[1] Book value is a reasonable estimate of fair value in cases where these numbers are identical
[2] Less prepaid expenses
[3] Including deposit in Cash pool from subsidiaries. See Note 9.

2021

NOK in million	Amortised cost	Fair value[1]
Financial assets		
Interest-bearing long-term receivables	800	800
Trade receivables	65	65
Other receivables[2]	1,166	1,166
Cash and cash equivalents	460	460
Financial liabilities		
Interest-bearing long-term liabilities	475	475
Trade payables	1	1
Trade payables in the same group	11	11
Other current liabilities[3]	4,065	4,065

[1] Book value is a reasonable estimate of fair value in cases where these numbers are identical
[2] Less prepaid expenses
[3] Including deposit in Cash pool from subsidiaries. See Note 9.

Note 14 Commitment

NOK in million	2022	2021
Guarantees to financial institutions[1]	1,896	2,157
Guarantees to business associates[2]	6,963	5,159
Total commitments	**8,859**	**7,316**

[1] Atea ASA has issued guarantees in favor of Nordea Bank and Nordea Finans as security for the facilities provided for the subsidiaries (see Note 18 and Note 27 in Atea Group Financial Statements and Notes).

In addition to facilities disclosed in Note 18, Atea ASA issued guarantees for sublease facilities of NOK 82 million in 2022 (NOK 124 million in 2021).

[2] As part of the ordinary operations, parent company guarantees are furnished to suppliers and partners on behalf of subsidiaries.

It is considered improbable (i.e. < 10%) that Atea ASA will incur any charges as a result of guarantee liabilities the company has incurred on behalf of the subsidiaries. Since the financing companies were established in 2007, no losses have been incurred with respect to the residual value of leasing activities.

A bank guarantee of NOK 3.5 million has been issued to cover the witholding tax for employees in Atea ASA.

Note 15 Events after the balance sheet date

See Note 30 in Atea Group Financial Statements and Notes.

Auditor's Report

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NO-0103 Oslo, Norway
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To the General Meeting of Atea ASA
INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Atea ASA, which comprise:

- The financial statements of the parent company Atea ASA (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Atea ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 16 years from the election by the general meeting of the shareholders on 27 April 2006 for the accounting year 2006.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit mattes identified in our audit are:

- Impairment of goodwill

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Impairment of goodwill

Key audit matter

As disclosed in note 13 the carrying amount of goodwill amounted to NOK 4,132 million as at 31 December 2022.

The Group allocates goodwill to the cash-generating units which management has determined are the countries of operation, which also are defined as the Group's segments.

Determining whether goodwill and are impaired requires estimation of the value in use. As disclosed in note 4 and 13, the value in use calculation requires management to make significant estimates and assumptions related to future revenues, profit margins, costs and capital employment. The outcome of impairment assessments may vary significantly, dependent on the assumptions applied.

Due to the significant judgment involved in determining the assumptions used in the testing for impairment of goodwill we have assessed this to be a Key Audit Matter.

How the matter was addressed in the audit

We challenged the assumptions and judgement used in the impairment model for assessing the recoverability of the carrying amount of goodwill. Our procedures included:

- We obtained an understanding of management's process for impairment testing of goodwill.
- We assessed the appropriateness of the identification of cash-generating units.
- We tested the methodology applied to estimate recoverable amount against the requirements of IAS 36, Impairment of assets.
- We obtained an understanding of and assessed the basis for the key assumptions for the estimated cash flows.
- We challenged the key assumptions used in the estimation of cash flow including the growth rate.
- We assessed the discount rate applied by benchmarking against independent market data.
- We tested the mathematical accuracy of management's impairment model.
- We used Deloitte valuation specialists in our audit of the impairment assessment of goodwill.
- We also assessed the adequacy of the related notes in the financial statements.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Atea ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXINVS13-2022-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

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As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 29 March 2023
Deloitte AS

Espen Johansen
State Authorised Public Accountant

(This document is signed electronically)

Responsibility statement

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2022 have been prepared in accordance with IFRS as adopted by EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the financial statements for the parent company for 2022 have been prepared in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that
- the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and Group, and includes a description of the principal risks and uncertainties.

Oslo, 29 March 2023
Approved by
The Board of Directors

Ib Kunøe
Chairman of the Board

Morten Jurs
Member of the Board

Sven Madsen
Member of the Board

Saloume Djoudat
Member of the Board

Lisbeth Toftkær Kvan
Member of the Board

Leiv Jarle Larsen
Member of the Board
(employee elected)

Marius Hole
Member of the Board
(employee elected)

Nelly Flatland
Member of the Board
(employee elected)

Steinar Sønsteby
CEO of Atea ASA

Statement of Corporate Governance

The Board of Directors and management of Atea ASA (the "company") aim to execute their respective tasks in accordance with the highest standards for corporate governance. Atea's standards for corporate governance provide a critical foundation for the company's management. These principles must be viewed in conjunction with the company's efforts to constantly promote a sound corporate culture throughout the organization. The company's core values of respect, trust, accountability and equal treatment are central to the Board's and management's efforts to build confidence in the company, both internally and externally.

The company's and its subsidiaries' ("Atea" or the "Group") policy on corporate governance are provided in the annual report and on the company's website. Atea's principles for corporate governance are based on Norwegian law, regulations by the Oslo Stock Exchange and the Norwegian Code of Practice for Corporate Governance (the "Code") published by the Norwegian Corporate Governance Board on October 14, 2021. These principles are described in detail below.

1. Implementation and reporting on corporate governance

The Board of Directors is responsible for the implementation of sound corporate governance policies across the Group, in accordance with the Norwegian Code of Practice for Corporate Governance. If Atea does not fully comply with this Code, the company provides an explanation of the reason for the deviation and what solution it has selected.

2. Business operations

The business objective of Atea as stated in the Articles of Association is as follows: "The objective of the company is the sale of IT services, equipment, systems and related products, hereunder to participate in other companies having financial purposes." The Articles of Association are available on the company's website.

Each year, the Board of Directors conducts a full-day meeting with Management to evaluate the Group's business strategy. During the meeting, clear objectives, strategies and risk profiles for the Group's business activities are defined in order to create value for shareholders. The business strategy provides Management with a basis for carrying out investments and other structural measures.

Atea's sustainability guidelines are an essential component of the Group's business strategy. The sustainability guidelines include an impact assessment of the Group's business strategy on external stakeholders. An annual Sustainability report containing these guidelines is published at atea.com/esg-overview/.

3. Equity and dividends

Capital structure

The Board of Directors continuously assesses Atea's capital structure, financial strength and capital requirements in light of Atea's business objectives, strategy and risk profile.

Dividend

Atea's objective is to offer competitive returns to its shareholders through capital appreciation and a high dividend pay-out.

The company's policy is to distribute approximately 70-100% of net profit after tax to shareholders in the form of a dividend. Any dividends proposed by the Board to the General Meeting shall be justified based on the company's dividend policy and its capital requirements, in accordance with the Norwegian Public Companies Act (allmennaksjeloven) § 8-1.

Powers of attorney to the Board of Directors

Powers of attorney granted by the shareholders to the Board of Directors at the General Meeting to increase the company's share capital or to purchase own shares shall be limited to specific purposes, and each purpose shall be treated as a separate issue in the General Meeting. Powers of attorney to the Board of Directors are only provided with a term until the next Annual General Meeting.

The general meeting can approve multiple mandates. In such an instance, the proposals for the mandates should stipulate a limit on the overall amount by which the board shall be permitted to increase the company's share capital.

4. Equal treatment of shareholders

Equal treatment

Neither the Board of Directors, Management, or the General Meeting may make any decision that is intended to give an unreasonable advantage to certain shareholders at the expense of other shareholders or the company.

Decisions to waive the share-holders' pre-emption rights

Any proposal to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of share capital increase will be justified. If the Board of Directors has been granted a power of attorney to increase the company's share capital and waive the pre-emption rights of existing shareholders, justification of such resolution will be disclosed in a stock exchange announcement issued in connection with the resolution.

Purchase of own shares

Transactions the company will carry out in its own shares will be made either through the stock exchange or if made otherwise, at a prevailing stock exchange price. In case of limited liquidity in the company's shares, the company will consider other means of such transactions to ensure equal treatment of all shareholders.

Insider trading

The Board of Directors has adopted instructions for the Group's employees and primary insiders relating to inside information and trading in financial instruments, including the duty of confidentiality, prohibition of trading, investigation and reporting requirements, and ban on giving advice.

5. Shares and negotiability

Atea ASA has only one class of shares. All shares have equal rights. The Articles of Association do not contain any restrictions when it comes to voting rights, ownership or trading of shares.

6. General meetings

The General Meeting guarantees shareholder's participation in the company's highest body. An Annual General Meeting shall be held within June 30 each year. Notice of the General Meeting shall be sent to all the shareholders with a known address.

The right to participate in and vote at the General Meeting may only be exercised when ownership of shares has been recorded in the company's shareholder register (VPS) on the fifth weekday prior to the General Meeting being held, pursuant to Article 9 of the company's Articles of Association. Shareholders that wish to participate in the General Meeting (personally or through proxy) must, pursuant to Article 10 of the Articles of Association, notify the company within a deadline that will be provided in the summons, and which shall be no less than 5 days prior to the date on which the General Meeting is held. Registration for the General Meeting is made in writing by letter or through the Internet.

The Notice will provide the agenda for the General meeting, and sufficiently detailed, and specific information on each item on the agenda for the General Meeting so that the shareholders can make a decision on the matters that are to be resolved. The Notice will provide information on direct and proxy voting procedures (including information on a person who will be available to vote on behalf of the shareholders as their proxy), which enable shareholders to vote separately for each individual agenda item or candidate that shall be elected. Shareholders may provide their votes in writing or electronically, although no later than two days in advance of the General Meeting.

At a minimum, the Board Chairman, Chief Executive Officer, Chief Financial Officer, auditor, and a member of the Nomination Committee participate at the General Meeting. The General Meeting is chaired by an independent chairperson elected in the meeting.

In addition to the Annual General Meeting, an Extraordinary General Meeting may be called by the Board. Shareholders who represent at least 5% percent of the shares may, pursuant to Section 5–7 of the Norwegian Public Limited Companies

Act, demand an Extraordinary General Meeting to address a specific matter.

7. The Nomination Committee

The Nomination Committee shall, pursuant to Article 7 of the Articles of Association, consist of the Board Chairman and two members elected by the General Meeting. The members who are elected by the General Meeting have a term of office of two years. The Nomination Committee was re-elected by the Annual General Meeting in 2021.

The Nomination Committee's duties should be to propose candidates for election to the Board of Directors and to propose the fees to be paid to the Board members. The Nomination Committee may also propose new members to the Nomination Committee. The nomination committee should justify its recommendations for each candidate separately.

The General Meeting has stipulated guidelines for the duties and composition of the Nomination Committee. The guidelines state that elected members of the Nomination Committee should a) be independent of the Board of Directors and the company's main shareholders, b) have competence and experience with respect to the position as Board member, c) have good knowledge and competence within the area of the Group's business and d) be well oriented within the Nordic industry and commerce. The guidelines further state that the Nomination Committee should have contact with major shareholders, Board members and the CEO as part of its work on proposing candidates for election to the Board of Directors.

Atea has made arrangements on its website (atea.com/compliance/) whereby shareholders may submit proposals to the Nomination Committee for candidates for election as members of the Board of Directors.

The Code (article 7) states that; "The nomination committee should not include any executive personnel or any member of the company's board of directors." The company deviates from the recommendation as the Board Chairman is a member of the Nomination Committee. The participation of the Board Chairman in the Nomination committee is stated in the Articles of Association of the company, which have been approved by the Annual General Meeting. The Board is of the opinion that the Board Chairman is a valuable member of the Nomination committee, as the Chairman has frequent contact with the shareholders and is in the best position to understand the operation of the Board and contribution of the individual Board members.

8. Board of directors: composition and independence

Corporate Assembly

An agreement has been entered into with the employees of the Norwegian part of the Group, whereby a Corporate Assembly shall not be established, but the employees shall instead increase their representation in the Board of Directors as provided by the Norwegian Public Limited Companies Act § 6-4 (3).

Election and composition of the Board of Directors

The General Meeting elects the shareholder's representatives to the Board of Directors. The Nomination Committee prepares the nominations for shareholder-elected Board members prior to the election, as stated in Article 7 above. Resolutions concerning the composition of the Board of Directors are made on the basis of a simple majority. The Board of Directors elects the Board Chairman. This deviates from the Code, which states that the Board Chairman should be elected by the General Meeting. The reason for such deviation is that it has been agreed with employees and shareholders that a Corporate Assembly shall not be established and then the Board Chairman shall, pursuant to the Norwegian Public Limited Companies Act § 6-1 (2), be elected by the Board of Directors.

Systemintegration ApS is the company's largest shareholder and is represented by two Board members. The other Board members are independent of the company's largest shareholders and the company's management. The Board members are elected for a term of two years and may stand for re-election.

Independence of the Board of Directors

The Board of Directors considers itself to be independent of the Group's management, and free of any conflict of interest between the shareholders, Board of Directors, corporate management and the company's other stakeholders. The annual report provides information on the Board member's participation in Board meetings and their competence.

Members of the Board of Directors are encouraged to own shares in Atea.

9. The Board of Directors work

The Board of Director's duties in general

The Board of Directors has primary responsibility for governance of the Group. The function of the Board of Directors is primarily to safeguard the interests of the shareholders. However, the Board of Directors also bears responsibility for the company's other stakeholders.

The Board of Directors shall hire the Chief Executive Officer, direct the Group's strategy, and ensure proper control and risk management of the company's assets, business operations and financial reporting. Matters of importance for these objectives shall be reviewed and, if necessary, approved by the Board of Directors. For example, the Board will formally approve the Group's annual and quarterly reports, business strategy and M&A plans.

Rules of procedure

The work of the Board of Directors is described in guidelines which are approved by the Board. The guidelines relate to the Board's responsibilities and authority, the administration of Board meetings, and the Board's confidentiality and conflict of interest requirements.

The Board of Directors has routines in place to ensure that members of the Board and executive personnel make the company aware of any material interests that they may have in items to be considered by the Board of Directors. A member of the Board of Directors or executive team may not participate in the discussion or decision of any matter which is of such particular importance or financial interest to himself or any related party. If the chairman of the Board is or has been personally involved in matters of a material character, the Board's consideration of such matters is chaired by another member of the Board of Directors.

Transactions with related parties

In the event of transactions between the company and its related parties, such as transactions with a shareholder, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties, the Board of Directors will arrange for an assessment of the transaction to be obtained from an independent third party, however, this will not apply if the transaction requires approval from the General Meeting pursuant to the Public Limited Liability Companies Act. Further, independent valuations will also be arranged in case of transactions between companies in the Group where any of the companies involved have minority shareholders.

The Board charter states how the board of directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained.

Notice and structure of meetings

The Board of Directors schedules fixed meetings every year. Normally six to eight meetings are held annually. Additional meetings are called as required.

The Board of Directors discussions and minutes of meetings are kept confidential, unless the Board of Directors determines otherwise or if there is clearly no need for such treatment. In addition to the Board members, the Chief Executive Officer, Chief Financial Officer and the company secretary will regularly participate in the Board meetings. Other participants are invited as required.

Board members receive information on the Group's operational and financial performance, including monthly financial reports. The Board members are free to consult the Group's management if they feel a need to do so. The Board charter can be found in the Corporate Governance document at atea.com/compliance/.

Audit Committee

The Company has an Audit Committee, that also serves as the Compliance Committee for the Group.

The Audit committee schedules fixed meetings every year. Normally six to eight meetings are held annually. Additional meetings are called as required. The Audit Committee charter can be found in the Corporate Governance document at atea.com/compliance/.

Use of other Board Committees

The Group has a Nomination Committee pursuant to the Articles of Association. The Nomination Committee also serves as the Group's Compensation Committee. The Compensation Committee's responsibility is to prepare to the Board of

Director's guidelines for executive compensation and to monitor these compensation guidelines. Details of the company's use of Board Committees are provided in the annual report. The Nomination Committee charter can be found in the Corporate Governance document at atea.com/compliance/.

The Board of Directors self-evaluation

The Board of Directors performs an annual evaluation of how the Board members function individually and as a group.

10. Risk management and internal control

Guidelines for internal control

The Group has established guidelines for internal control which include routines for financial reporting, communication, authorization, risk management, ethics and social responsibility. These guidelines are reviewed annually by the Board of Directors, in a full day meeting with Management to evaluate the Group's business strategy. During the business strategy review, the Board performs an assessment of the Group's most important areas of risk exposure, including its internal control arrangements.

Financial reporting controls

In order to ensure internal control and manage risk, the Group conducts comprehensive financial reporting and reconciliation on a monthly basis, on both a consolidated, segment and subsidiary level.

Immediately after the completion of the monthly financial report, the Group's financial administration holds a meeting with the financial management of each of the business segments. The purpose of the meeting is to follow up on the performance of each business segment and to identify potential errors and omissions in the financial statements. During the meetings, Management analyzes variances between each segment's actual performance and forecast, as well as its performance in the previous year. External market data is also used to analyze business performance across the group. When the financial reporting and analysis is complete, Management reports the monthly financial statements together with a summary of business operations to the Board of Directors and executive team.

All financial reporting within the Group is in accordance with IFRS. All relevant changes to IFRS and their impact on the Group is disclosed in Note 2 to the Group financial statements. The Group has implemented changes to its accounting policies and systems to adapt to these changes.

When the Group acquires companies, the reporting practices of the acquired company are reviewed and integrated with corporate practices within a month of the acquisition date so that the Group can consolidate the acquired company within the Group accounts by the next quarterly financial report.

Code of Conduct

The personal conduct of every Atea employee shapes the work culture and defines our reputation as a company. Atea employees are expected to demonstrate the highest standards of integrity and professionalism when fulfilling their job responsibilities.

The Atea Code of Conduct sets the principles with which Atea personnel work together and with outside stakeholders. It provides guidelines for our business practices which must be followed by all Atea personnel and is a source of governance for decision making across Atea. The Code of Conduct is published at atea.com/compliance/.

It is the personal responsibility of every Atea employee to review and follow the Code of Conduct. All employees must take an examination on the Code of Conduct and sign an agreement that they will abide by the Code and relevant laws and regulations when acting on behalf of Atea. Any violation of the Code of Conduct will not be tolerated, and may lead to internal disciplinary measures, notice, dismissal, or – in the event of illegal behaviour – criminal prosecution.

11. Remuneration of the Board of Directors

The General Meeting determines the annual remuneration to the Board of Directors. The remuneration shall reflect the Board of Directors responsibility, expertise, time spent and the complexity of the operation. The remuneration is not dependent on results. No stock options have been granted to the Board members.

Members of the Board of Directors and/or companies with which they are associated, do in general not take on assignments for the company. If, however, such assignments are made, the matters are disclosed to the Board of Directors and the Board of Directors approves their remuneration.

Wages and remuneration to the Board of Directors and the employees' share option plans are described in a separate Remuneration report published at atea.com/. If remuneration is provided to Board members in addition to the regular Board remuneration, this will be reported separately in the same Remuneration report.

12. Salary and other remuneration for executive personnel

The CEO's remuneration is set by the Board of Directors, based on recommendation from the Compensation Committee. The remuneration of the CEO is specified in a separate Remuneration report published at atea.com/.

The Board of Directors has established a Remuneration policy. The guidelines must be considered and approved by the general meeting in the event of any material changes, and at least every fourth year. The guidelines set out the main principles applied in determining the salary and other remuneration to executives and the board of directors, are linked to value creation for shareholders and the company's earnings performance over time and incentivises performance based on quantifiable factors of which the executives can influence.

Performance related remuneration in the form of share options, bonus programmes or similar, to executive personnel is subject to an absolute limit.

13. Information and communication

Annual and interim reporting

The Group's financial calendar and presentations are published on the company's website (atea.com/financial-calendar/). The Group presents its interim accounts on a quarterly basis and its annual accounts during the month of February. The complete financial statements and Board of Directors report are published on the company's website at least twenty-one days prior to the General Meeting.

Other market information

The Group aims to increase investor awareness of Atea through an open, transparent and reliable information policy. In this manner, the Group seeks also to promote the liquidity of its shares and ensure that its share price reflects the fair value of Atea.

Open investor presentations are arranged in connection with the publication of the Group's annual and quarterly results. The Chief Executive Officer and Chief Financial Officer present the financial results of the group and each business segment, and present additional information which is relevant to the company's future prospects. When publishing the preliminary annual accounts and the interim reports, the Group is holding public presentations that are simultaneously broadcasted through webcasts. Investor-related information and presentations associated with the annual and quarterly results are available on the Group's website, atea.com/financial-reports/.

In addition to the publication of financial results, the Board of Directors has authorized the Chairman, CEO and CFO to conduct regular meetings with analysts and investors. This improves communication and increases the Group's understanding of which matters are of particular concern to shareholders. During meetings, care is taken to ensure equal treatment of all investors. Caution with regard to distribution of non-public information is exercised in investor meetings outside of public presentations.

In the event of an emergency or serious incident at Atea, the Group has established a crisis management plan which provides additional governance and procedures on all communications from the Group.

14. Take-overs

The company's Articles of Association do not contain any defence mechanisms against the acquisition of shares, nor has any measures been taken to restrict the opportunity to acquire shares in the company. In the event of a takeover offer, the Board of Directors will seek expert advice in order to comply with applicable rules and regulations and will otherwise act in a manner to ensure equal treatment of shareholders, seek to avoid that the company's business activities are unnecessary disrupted and to ensure that the shareholders are given sufficient information and time to consider the offer.

The Board of Directors will not seek to hinder or obstruct take-over bids. In the event of a take-over bid for the company, the Board of Directors will seek to comply with the NUES recommendations, including obtaining a valuation from an independent expert and making a recommendation to Atea's shareholders regarding acceptance of the bid. The Board of Directors will ensure that shareholders are given sufficient information and time to form an opinion on an offer.

15. The Auditor

The Auditor's relationship with the Board of Directors

The auditor participates at the Board meeting where the annual accounts are discussed. At this meeting, the Board of Directors is briefed on the annual accounts and any matters of particular concern to the auditor, including matters where there has been disagreement between the auditor and the executive management of the company. In order to strengthen the board's work on financial reporting and internal control, the auditor is required by the EU's Audit Regulation to submit an annual additional report to the audit committee in which it declares its independence and explains the results of the statutory audit carried out by providing a range of information about the audit. The auditor has regular contact with the Audit Committee during the audit process so that the Audit Committee can fulfil its oversight responsibilities. At least once a year the auditor presents to the Audit Committee the main features of the audit carried out in respect of the previous accounting year, and a review of the company's internal control procedures, including identified weaknesses, if any, and proposals for improvement.

The Board of Directors and the auditor meet at least once per year without management present.

The use of the external group auditor for advisory services, tax services and other services outside the ordinary audit scope shall be pre-approved by the Audit Committee. The external Group auditor is responsible for reporting such services to the Audit Committee and to perform an ongoing assessment of independence. Furthermore, the independence of the auditor is continuously monitored by the Audit Committee.

Auditor's relationship to the corporate management

Deloitte has been the company's auditor since 2006. In addition to ordinary auditing, the auditing firm has provided services related to accounting, tax and reporting. Reference is made to Note 8 to the annual accounts. The corporate management holds regular meetings with the auditor. In these meetings the auditor reports on the company's accounting practices, risk areas and internal control routines. The auditor's remuneration is approved by the company's General Meeting, including a breakdown of remuneration between auditing and other services.

General ESEF data

Name of reporting entity or other means of identification	Atea ASA	**01**	pp://General Data/Name of reporting entity or other means of identification[taxonomy=ESEF]?allowhtml=false
Domicile of entity	Norway	**02**	pp://General Data/Domicile of entity[taxonomy=ESEF]?allowhtml=false
Legal form of entity	public limited company	**03**	pp://General Data/Legal form of entity[taxonomy=ESEF]?allowhtml=false
Country of incorporation	Norway	**04**	pp://General Data/Country of incorporation[taxonomy=ESEF]?allowhtml=false
Address of entity's registered office	Karvesvingen 5	**05**	pp://General Data/Address of entity's registered office[taxonomy=ESEF]?allowhtml=false
Principal place of business	Norway, Sweden, Denmark, Finland, and the Baltic	**06**	pp://General Data/Principal place of business[taxonomy=ESEF]?allowhtml=false
Description of nature of entity's operations and principal activities	IT infrastructure	**07**	pp://General Data/Description of nature of entity's operations and principal activities[taxonomy=ESEF]?allowhtml=false
Name of parent entity	Atea ASA	**08**	pp://General Data/Name of parent entity[taxonomy=ESEF]?allowhtml=false
Name of ultimate parent of group	Atea ASA	**09**	pp://General Data/Name of ultimate parent of group[taxonomy=ESEF]?allowhtml=false

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