

Q2

2024

Interim Report

Gross sales of NOK 14.7 billion,
in line with last year

Gross profit of NOK 2.6 billion,
in line with last year

EBIT of NOK 243 million,
down from NOK 291 million last year

Operating cash flow of NOK 665 million,
up NOK 326 million y-o-y



ATEA

03 Key Figures

04 Financial Review

Group
Norway
Sweden
Denmark
Finland
The Baltics
Balance Sheet
Cash Flow
Shares
Business Overview
Business Outlook

15 Condensed Financial Information

Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of cash flow
Consolidated statement of changes in equity
Note 1 - General information and accounting policies
Note 2 - Operating segment information
Note 3 - Disaggregation of revenue
Note 4 - Share capital and premium
Note 5 - Net financial items
Note 6 - Borrowing
Note 7 - Taxes
Note 8 - Seasonality of operations
Note 9 - Events after the balance sheet date
Note 10 - Alternative performance measures
Responsibility statement

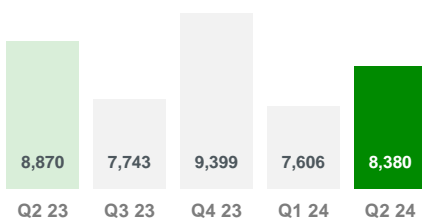
37 Contacts

Key Figures* Q2 2024

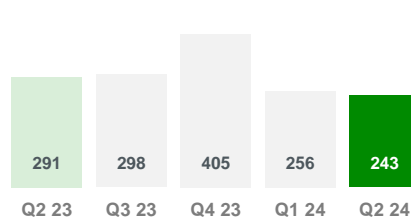
NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Gross sales	14,659	14,657	26,058	26,858	51,938
Revenue	8,380	8,870	15,986	17,561	34,704
Gross profit	2,642	2,656	5,197	5,163	10,249
EBIT	243	291	499	541	1,244
EBIT margin (%)	2.9%	3.3%	3.1%	3.1%	3.6%
Net profit	139	194	330	369	800
Earnings per share (NOK)	1.24	1.75	2.96	3.33	7.22
Diluted earnings per share (NOK)	1.23	1.73	2.93	3.30	7.14
Cash flow from operations	665	340	-238	545	1,878
Free cash flow	554	233	-429	365	1,558

NOK in million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Net financial position	-84	-46	961
Liquidity reserve	4,680	4,786	5,791
Working capital	-1,205	-1,256	-2,169
Working capital in relation to last 12 months gross sales (%)	-2.4%	-2.4%	-4.2%
Adjusted equity ratio (%)	25.4%	24.6%	24.4%
Number of full-time employees, end of period	8,098	8,169	8,152

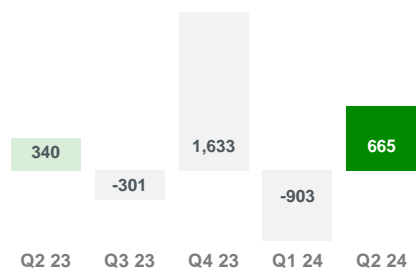
Revenue
NOK in million



EBIT
NOK in million



Cash Flow
NOK in million



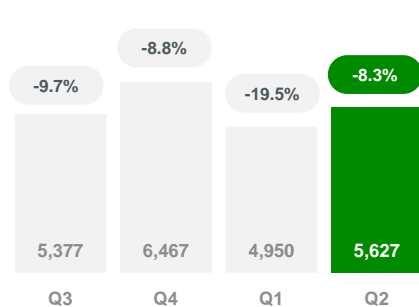
* Alternative performance measures (APM) presented in the key figures table are described in [Note 10](#) of this report.

Financial Review Q2 2024

Group

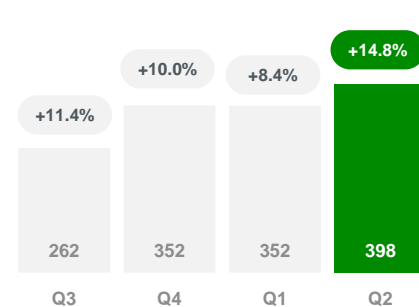
Hardware revenue and growth

NOK in million



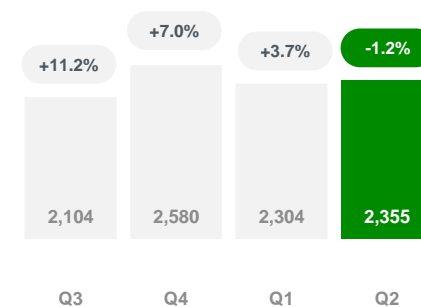
Software revenue and growth

NOK in million



Service revenue and growth

NOK in million



Atea reported lower financial results in the second quarter of 2024, as shipments of networking equipment fell from abnormally high levels in Q2 last year.

Gross sales in Q2 2024 were NOK 14.7 billion, in line with last year. Revenue (IFRS) fell by 5.5% to NOK 8.4 billion. Currency fluctuations had a negative impact of 1.0% on revenue growth in Q2 2024.

Hardware revenue fell by 8.3% from last year. The entire decline was due to lower deliveries of networking equipment. Shipments of networking equipment were exceptionally high in Q2 last year due to an easing of supply constraints. Outside of the networking category, hardware sales in Q2 2024 increased from last year.

Software revenue increased by 14.8% from last year, with strong growth in sales of cloud subscriptions. Services revenue was down 1.2% from last year, with lower demand for consultants.

Although revenue fell from last year, the longer-term growth trend remains intact. Over a two-year period since Q2 2022, total group revenue has grown at a rate of 5.1% per year (CAGR). During this time, hardware revenue has grown at a rate of 2.8% per year, software at 16.1% per year, and services at 9.3% per year.

Gross profit was NOK 2,642 million, down 0.5% from last year. The gross margin improved to 31.5% in Q2 2024 from 29.9% last year, driven by a higher proportion of software in the revenue mix.

Total operating expenses increased by 1.4% from last year to NOK 2,399 million. The average number of full-time employees fell by 66 (-0.8%) from last year.

EBIT in Q2 2024 was NOK 243 million, compared with NOK 291 million last year. Net financial items were an expense of NOK 65 million, up from NOK 42 million last year. The difference was driven by the impact of currency fluctuations on balance sheet items. See [Note 5](#) for more information.

Net profit after tax was NOK 139 million in Q2 2024, compared with NOK 194 million last year.

FIRST HALF OF 2024

Group revenue in the first half of 2024 fell by 9.0% to NOK 15,986 million from an exceptionally strong comparable period last year.

In the first half of 2023, supply constraints in the electronics industry eased, enabling Atea to ship a high volume of hardware orders that had been held up in backlog. As a result of high shipments in 1H 2023, hardware revenue fell by 13.9% in the first half of 2024.

Software revenue grew by 11.7%, based on strong demand from public sector customers. Services revenue was up 1.2%, driven by growth in managed services. Currency fluctuations had a positive impact of 1.1% on revenue growth in the first half of 2024.

Gross profit in the first half of 2024 grew by 0.7% to NOK 5,197 million. Operating expenses grew by 1.7% to NOK 4,698 million. EBIT was NOK 499 million, down from NOK 541 million during the same period last year.

Net profit after tax was NOK 330 million, compared with NOK 369 million in the first half of 2023.

Financial Review Q2 2024

Norway

NOK in million	Q2 2024	Q2 2023	Change %	H1 2024	H1 2023	Change %
Products revenue	1,510	1,462	3.3%	2,815	2,750	2.4%
Services revenue	605	573	5.5%	1,199	1,159	3.4%
Total revenue	2,114	2,035	3.9%	4,014	3,910	2.7%
Gross profit	728	667	9.1%	1,411	1,333	5.8%
Gross margin %	34.4%	32.8%	1.6%	35.2%	34.1%	1.1%
OPEX	630	586	7.5%	1,254	1,197	4.8%
EBIT	97	81	20.0%	158	136	15.5%
EBIT %	4.6%	4.0%	0.6%	3.9%	3.5%	0.4%

Atea Norway reported higher revenue and EBIT in Q2 2024, with increased sales across all lines of business.

Revenue in Q2 2024 was NOK 2,114 million, up 3.9% from last year. Hardware revenue grew by 0.8%, due to higher shipments of data center equipment. Software revenue grew by 45.9%, based on strong demand from both the private and public sectors. Services revenue increased by 5.5%, with higher sales of consulting and managed services.

Gross profit was NOK 728 million, up 9.1% from last year. Gross margin was 34.4% in Q2 2024, up from 32.8% last year, primarily due to a higher proportion of software and services in the revenue mix.

Total operating expenses grew by 7.5% to NOK 630 million. The average number of full-time employees fell by 16 (-0.9%) from last year.

With strong growth in sales of software and services, EBIT increased by 20.0% to NOK 97 million in Q2 2024.

Financial Review Q2 2024

Sweden

SEK in million	Q2 2024	Q2 2023	Change %	H1 2024	H1 2023	Change %
Products revenue	2,222	2,568	-13.5%	4,230	4,959	-14.7%
Services revenue	871	911	-4.4%	1,737	1,754	-0.9%
Total revenue	3,093	3,480	-11.1%	5,967	6,713	-11.1%
Gross profit	945	986	-4.2%	1,905	1,931	-1.3%
Gross margin %	30.5%	28.3%	2.2%	31.9%	28.8%	3.2%
OPEX	839	834	0.5%	1,616	1,606	0.7%
EBIT	106	152	-30.1%	289	325	-11.2%
EBIT %	3.4%	4.4%	-0.9%	4.8%	4.8%	0.0%

Atea Sweden reported lower revenue and EBIT in the second quarter of 2024, primarily due to reduced shipments of networking solutions compared with an exceptionally strong period last year.

Revenue in Q2 2024 was SEK 3,093 million, down 11.1% from last year. Hardware revenue fell by 14.8%, with the entire decline due to lower deliveries of networking equipment. Shipments of networking equipment were abnormally high in Q2 last year due to an easing of supply constraints. Outside of the networking product category, hardware sales increased from last year.

Software revenue grew by 7.0%, driven by increased demand from the public sector. Services revenue fell by 4.4%, with reduced demand for services related to hardware deliveries.

Gross profit was SEK 945 million, down 4.2% from last year. Gross margin was 30.5% in Q2 2024, up from 28.3% last year, driven by improved hardware margins and a higher proportion of software in the revenue mix.

Total operating expenses were SEK 839 million, on the same level as last year. The average number of full-time employees fell by 84 (-3.0%) from last year.

Due to lower hardware volumes, EBIT for Q2 2024 was SEK 106 million, down from SEK 152 million in Q2 2023. Atea Sweden has not seen any significant loss of share among its customer base and expects its hardware and services revenue to return to growth as the market strengthens.

Financial Review Q2 2024

Denmark

DKK in million	Q2 2024	Q2 2023	Change %	H1 2024	H1 2023	Change %
Products revenue	763	828	-7.8%	1,442	2,010	-28.2%
Services revenue	408	390	4.6%	785	772	1.6%
Total revenue	1,171	1,217	-3.8%	2,227	2,783	-20.0%
Gross profit	348	355	-1.8%	675	711	-5.1%
Gross margin %	29.7%	29.1%	0.6%	30.3%	25.6%	4.7%
OPEX	339	338	0.5%	673	684	-1.6%
EBIT	9	17	-47.5%	2	27	-93.9%
EBIT %	0.8%	1.4%	-0.6%	0.1%	1.0%	-0.9%

Atea Denmark reported lower financial results in Q2 2024, due to a decline in hardware revenue compared with last year.

Revenue in Q2 2024 was DKK 1,171 million, down 3.8% from last year. Hardware revenue fell by 8.9%, driven by lower shipments of networking equipment and PCs. Deliveries of networking equipment fell from abnormally high levels in Q2 last year when supply constraints eased.

Atea expects PC sales to grow rapidly in the coming months as public sector customers are onboarded to a very large frame agreement (SKI 50.40 part 1) which Atea won in Q1 2024. Additional information on the new frame agreement can be found in the Business Outlook section of this report (page 13).

Software revenue grew by 8.8%, driven by strong demand from the private sector. Services revenue increased by 4.6%, with solid growth in managed service agreements.

Gross profit was DKK 348 million, down 1.8% from last year. Gross margin improved to 29.7% in Q2 2024 from 29.1% last year, primarily due to a higher proportion of software and services in the revenue mix.

Total operating expenses were DKK 339 million, in line with last year. The average number of full-time employees was unchanged from last year.

EBIT for Q2 2024 was DKK 9 million, down from DKK 17 million in Q2 2023.

Financial Review Q2 2024

+ Finland

EUR in million	Q2 2024	Q2 2023	Change %	H1 2024	H1 2023	Change %
Products revenue	72.3	75.8	-4.6%	135.4	152.7	-11.3%
Services revenue	12.5	11.6	8.0%	24.4	23.2	5.4%
Total revenue	84.8	87.4	-2.9%	159.9	175.8	-9.1%
Gross profit	17.2	17.8	-3.6%	33.5	34.7	-3.3%
Gross margin %	20.3%	20.4%	-0.1%	21.0%	19.7%	1.2%
OPEX	13.8	14.0	-1.6%	28.2	28.7	-1.8%
EBIT	3.4	3.8	-11.1%	5.3	6.0	-10.8%
EBIT %	4.0%	4.3%	-0.4%	3.3%	3.4%	-0.1%

Atea Finland reported lower revenue and EBIT in Q2 2024, as product revenue fell from last year. This was partly offset by strong growth in services revenue.

Revenue in Q2 2024 fell by 2.9% to EUR 84.8 million. Hardware revenue declined by 4.5% from Q2 last year, when Atea had very high deliveries to public sector customers during a major reorganization of the healthcare sector. Software revenue was down 9.4%, driven by a decline in sales to public sector customers. Services revenue increased by 8.0%, based on strong demand for consulting services.

Gross profit was down 3.6% from last year to EUR 17.2 million. Total gross margin was 20.3% in Q2 2024, in line with last year.

Total operating expenses fell by 1.6% to EUR 13.8 million, due to lower variable compensation costs. The average number of full-time employees grew by 6 (1.0%) from last year.

EBIT in Q2 2024 was EUR 3.4 million, compared with EUR 3.8 million last year.

Financial Review Q2 2024



EUR in million	Q2 2024	Q2 2023	Change %	H1 2024	H1 2023	Change %
Products revenue	23.5	18.8	24.7%	40.8	39.2	4.3%
Services revenue	13.2	13.5	-2.4%	26.3	26.0	1.1%
Total revenue	36.7	32.4	13.4%	67.1	65.2	3.0%
Gross profit	12.7	11.4	11.7%	24.7	22.7	8.9%
Gross margin %	34.6%	35.1%	-0.5%	36.8%	34.8%	2.0%
OPEX	11.2	10.0	11.9%	21.8	20.0	9.0%
EBIT	1.5	1.4	9.9%	2.9	2.6	8.5%
EBIT %	4.1%	4.2%	-0.1%	4.3%	4.0%	0.2%

Atea Baltics reported higher EBIT during the second quarter of 2024, driven by very strong growth in sales of products.

Total revenue increased by 13.4% from last year to EUR 36.7 million. Hardware revenue grew by 24.6%, mainly due to higher sales of data center and AV equipment to the public sector. Software revenue was up 28.0% from last year, driven by large public sector deliveries in Estonia. Services revenue fell by 2.4%, as a decline in sales of third-party consulting services was partly offset by strong growth in sales of Atea's consultants and managed services.

Gross profit grew by 11.7% from last year to EUR 12.7 million. Gross margin was 34.6% in Q2 2024, down from 35.1% last year, mainly due to a shift in the revenue mix toward products resale.

Total operating expenses increased by 11.9% to EUR 11.2 million in Q2 2024, primarily due to higher personnel costs related to the expansion of the services team. The average number of full-time employees grew by 38 (5.3%) from last year.

Based on strong sales growth, EBIT in the second quarter of 2024 grew by 9.9% to a record high EUR 1.5 million.

Balance Sheet

As of 30 June 2024, Atea had total assets of NOK 18,040 million. Current assets such as cash, receivables and inventory represented NOK 10,735 million of this total. Non-current assets represented NOK 7,305 million of this total, and primarily consisted of goodwill (NOK 4,360 million), right-of-use leased assets (NOK 1,407 million) property, plant and equipment (NOK 503 million), and deferred tax assets (NOK 239 million).

Atea had total liabilities of NOK 13,857 million, and shareholders' equity of NOK 4,183 million as of 30 June 2024. Atea's policy is to maintain an equity ratio above 20%, adjusting for the impact of IFRS 16 ("adjusted equity ratio"). The adjusted equity ratio at the end of Q2 2024 was 25.4%.

Atea's financial position was a net debt of NOK 84 million at the end of Q2 2024 as defined by Atea's debt covenants. Atea's debt covenants require that the Group maintains a maximum net interest bearing debt of 2.5x pro forma EBITDA over the last twelve months. Based on the calculation of the debt covenants, Atea's net interest-bearing debt is 0.0x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 4,680 million before the debt covenant would be reached. See additional information on the liquidity reserve in [Note 10](#) of this report.

In order to reduce the volatility of its working capital and debt balances throughout the year, Atea sells specified accounts receivable through a securitization program organized by its bank. At the end of Q2 2024, Atea had sold receivables of NOK 1,845 million under the securitization program, compared with NOK 1,859 million last year. Additional information on the securitization program can be found in [Note 6](#) of this report.

Cash Flow

Cash flow from operations was an inflow of NOK 665 million in the second quarter of 2024, based on cash earnings and a reduction in the working capital balance from the end of last quarter. This compares with a cash flow from operations of NOK 340 million last year.

Cash flow from investing activities was an outflow of NOK 112 million in Q2 2024. This is in line with last year's level and represents capital expenditure in Atea's IT systems, data centers, and office facilities.

Cash flow from financing activities was an outflow of NOK 162 million in Q2 2024, compared with an outflow of NOK 110 million last year. The difference was mostly due to an increase in the dividend paid to shareholders in Q2 2024 versus Q2 2023.

Shares

Atea had 9,728 shareholders on 30 June 2024 compared with 8,885 shareholders on 30 June 2023.

The 10 largest shareholders as of 30 June 2024 were:

Main Shareholders*	Shares	%
Systemintegration APS **	31,391,063	27.9%
Folketrygdfondet	8,546,086	7.6%
State Street Bank and Trust Co. ***	5,552,351	4.9%
State Street Bank and Trust Co. ***	3,855,116	3.4%
Verdipapirfond Odin Norden	3,656,029	3.3%
State Street Bank and Trust Co. ***	2,806,017	2.5%
State Street Bank and Trust Co. ***	2,556,345	2.3%
RBC Investor Services Trust ***	2,516,798	2.2%
Verdipapirfond Odin Norge	2,287,192	2.0%
J.P. Morgan Bank Luxembourg ***	1,932,071	1.7%
Other	47,285,025	42.1%
Total number of shares	112,384,093	100.0%

* Source: Verdipapirsentralen

** Includes shares held by Lone Schøtt Kunøe

*** Includes client nominee accounts

As of 30 June 2024, Board Member Lone Schøtt Kunøe and close associates controlled a total of 28.5% of the shares, including the shares held by Systemintegration APS.

As of 30 June 2024, Atea's senior management team held 438,358 shares.

Business Overview

Background

Atea is the leading provider of IT infrastructure and related services to organizations within the Nordic and Baltic regions. The company is the largest player by far in its local markets, with a market share of approximately 20%. About 65% of Atea's sales are to the public sector, with the remainder of sales to private companies.

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

Atea's market share in the Nordic and Baltic regions far exceeds that of other IT infrastructure providers. Today, the company has offices in 88 cities in the Nordic and Baltic regions and over 8,000 employees. This scale provides Atea with critical competitive advantages in purchasing, local market presence, breadth and depth of product offering, system integration competence, and efficient shared services and logistics functions.

The market for IT infrastructure in the Nordic and Baltic regions has grown steadily during the last several years. Since 2020, the market for IT infrastructure and related services grew by approximately 8% per year, according to preliminary estimates from IDC*.

Atea's competence and leading market position in IT infrastructure has enabled the company to grow at a rate higher than that of the market. Since 2020, Atea has averaged an organic sales growth rate of approximately 9%.

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. In recent years, Atea's cooperation with its technology partners has intensified. This enables Atea to stay at the forefront of the latest IT trends, and to offer its customers new and innovative IT solutions.

Digital Transformation

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

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

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

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

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

* International IT research company, International Data Corporation

Business Overview

Business Strategy

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

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

Atea's solution offering:

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

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

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

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

Atea's service portfolio:

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

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

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

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

Sustainability

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

In May 2024, Atea was recognized as a European "Climate Leader" by the Financial Times and Statista. This recognition was based on Atea's efforts to reduce greenhouse gas emissions, their transparency in reporting Scope 3 emissions, and their publication of relevant data.

In June 2024, Atea achieved the highest rating in environmental and social performance by EcoVadis for the fifth consecutive year. This platinum-level ranking placed Atea among the top 1% of more than 130,000 companies evaluated globally. In the same month, Atea was also ranked among the top 500 most sustainable companies worldwide by TIME and Statista. The companies selected for this honor are distinguished by their high standards in operational emissions, energy consumption efficiency, and prioritization of renewable energy use.

During the past year:

- Atea was again recognized as one of the most sustainable corporations in the world, by Corporate Knights as part of their annual ranking called "Global 100". Atea's overall ranking increased from 49th in 2023 to 41st in 2024, placing Atea 1st in our industry (IT Services).
- Atea was recognized for leadership in corporate transparency and performance on climate change by the global environmental non-profit CDP, securing a place on its annual 'A List'.
- Atea was ranked among Europe's Diversity Leaders by The Financial Times and Statista.
- Atea published its first Integrated Financial and Sustainability Report. This report provides a holistic view of Atea's company's performance, encompassing both financial results and sustainability initiatives. For more information see www.atea.com/esg-overview/.
- Atea maintained "Prime" (highest) status by ISS ESG, one of the world's leading rating agencies in the field of sustainable investment.
- Atea was recognized as a "Transparency Partner" by Nasdaq, an initiative focusing on improving the ESG information flow between listed companies and the investor community.

Business Outlook

Market trends

Atea is presently seeing demand from its customers normalize after a period of extraordinary growth following the end of the COVID pandemic.

During the 12 months from Q3 2022 – Q2 2023, Atea's revenue grew by an exceptionally high rate of 22% from the prior year. Hardware revenue grew by 24%, software by 23% and services by 17%.

In prior financial reports, Atea cited the following factors that drove exceptionally high growth in customer spending during this "post-COVID pandemic" period:

- *Acceleration of digital transformation:* Increased IT investment by large enterprises seeking to transform business processes following the operational disruptions of the COVID pandemic.
- *Return to the workplace:* The need to upgrade or replace IT infrastructure in the workplace as employees returned to on-premise or hybrid work after the COVID pandemic.
- *Easing of supply constraints:* Fulfillment of an order backlog of hardware deliveries which built up during the industry supply constraints in 2021 and early-2022.
- *Price inflation:* Higher costs of products and services which were passed through to customers.

Since the end of Q2 2023, temporary factors which drove surplus revenue growth during the "post-COVID pandemic" period eased. During the past four quarters (Q3 2023 – Q2 2024), Atea's revenue fell by 7% from the exceptionally high levels of the "post-COVID pandemic" period. Hardware revenue fell by 11%, while software revenue grew by 11% and services grew by 5%.

The recent decline in Atea's revenue since the end of the "post-COVID pandemic" period represents a return to the long-term growth trendline of Atea's business. Atea's revenue during the past four quarters has grown at a CAGR of 7% per year, compared with the same period two years ago. This is in line with Atea's long-term revenue trend.

Outlook

During the remainder of 2024, Atea expects revenue growth to return to a higher rate as there will no longer be a comparison with the exceptionally strong revenue levels of the "post-COVID pandemic" period. This growth expectation is also supported by the market forecasts of leading technology research companies and IT infrastructure vendors.

Atea's growth forecast is further supported by an improving economic outlook and by the following demand drivers:

- *New frame agreements in Denmark:* During Q1 2024, Atea won two very large public sector frame agreements (SKI 50.03 Servers and Storage and SKI 50.40 Computers and Accessories, part 1).

The SKI 50.03 frame agreement has a term of 2 years with an option to extend for an additional two years, and has a maximum contract value of DKK 3.7 billion. The SKI 50.40 frame agreement has a term of 2 years with an option to extend for an additional two years, and has a maximum contract value of DKK 4.3 billion.

The SKI 50.40 frame agreement was won from a competitor and is new business for Atea. The frame agreement has had very limited activity in Q2 2024 due to delays in onboarding customers. Atea expects to see high growth in sales on this frame agreement during the coming months.

The SKI 50.03 frame agreement was mostly inactive from June 2023 until May 2024 due to delays in the public sector tendering and customer onboarding processes. The SKI 50.03 frame agreement will therefore also represent incremental revenue growth for Atea during the coming quarters.

- *Increased public spending on defense:* Nordic and Baltic countries are increasing public spending on defense following Russia's invasion of Ukraine. Sweden and Finland have recently joined the NATO alliance and will need to expand communication and coordination with the alliance.

In addition to their integration within NATO, the Nordic countries have initiated activities to further coordinate military command, control and operations across the Nordic region. All of these trends will drive higher spending on information technology by Atea's customers in national security and defense.

- *IT security / NIS 2 regulation:* IT security has become a top investment priority for organizations as threats of cyberattacks and data breaches continue to grow.

An additional driver of IT security investment is the EU Network and Information Systems 2 (NIS 2) directive, which must be adopted into local law by EU countries by October 2024. The NIS 2 directive sets a new regulatory baseline of cybersecurity requirements to be implemented in public and private sector organizations which provide vital functions for society.

A large percentage of Atea's customers fall within the scope of the NIS 2 regulation and will be required to register and confirm that they have implemented the cybersecurity measures of NIS 2 by early 2025. Noncompliance with the NIS2 directive can result in heavy penalties against these organizations and directly against their management bodies.

Business Outlook

Outlook (CONT'D)

- *Windows 10 end-of-life:* Microsoft has announced that they will end support for Windows 10 by October 14, 2025. From this date, Microsoft will no longer provide users with security updates, feature updates or assisted support.

Nearly 70% of Windows PCs worldwide are presently running the Windows 10 operating system. Users can upgrade their PC to Windows 11 free of charge, but many existing PCs do not meet the strict hardware compatibility requirements of Windows 11 and are unable to make the upgrade.

Atea expects the end of Windows 10 support to lead to a large PC refresh cycle, as many organizations will purchase new PCs with Windows 11 preinstalled in order to migrate users to a new operating system.

- *New AI-driven software releases:* Artificial intelligence is now being embedded in a broad range of new and updated software applications, including Microsoft Windows 11 and M365 Copilot. The new AI-enabled features are driving customer interest in purchasing new software upgrades and releases.

As organizations purchase new software applications with embedded AI features, this will drive additional spending on a broad range of IT infrastructure and support services - including hardware, software, consultancy services and managed services.

In sum, the Nordic market for IT infrastructure is expected to return to steady growth during the remainder of 2024, as organizations invest further in information technology.

Atea is by far the market leader in the Nordic and Baltic regions and has a unique competitive position as a full-service IT infrastructure partner for its customers - enabling its customers to successfully pursue their digital transformation initiatives and manage the increasing complexity of their IT environments.

Based on its unique competitive advantages in an expanding market, Atea expects to continue to grow and increase its market share in the coming years. At the same time, the company expects to increase its operating profit through a combination of revenue growth, expansion within higher margin products and services, and tight control of operating expenses.

Condensed Financial Information

For the 6 months ended 30 June 2024

Consolidated statement of comprehensive income

NOK in million	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Revenue	2, 3, 8, 10	8,380	8,870	15,986	17,561	34,704
Cost of sales	10	-5,738	-6,214	-10,789	-12,398	-24,455
Gross profit		2,642	2,656	5,197	5,163	10,249
Payroll and related costs		-2,005	-1,956	-3,923	-3,825	-7,396
Other operating costs	10	-215	-234	-416	-454	-921
EBITDA	10	422	467	858	885	1,932
Depreciation and amortization		-179	-175	-359	-343	-688
Operating profit (EBIT)	2	243	291	499	541	1,244
Net financial items	5	-65	-42	-75	-68	-223
Profit before tax		178	249	423	473	1,021
Tax	7	-39	-55	-93	-104	-221
Profit for the period		139	194	330	369	800
Earnings per share						
Earnings per share (NOK)	4	1.24	1.75	2.96	3.33	7.22
Diluted earnings per share (NOK)	4	1.23	1.73	2.93	3.30	7.14
Profit for the period		139	194	330	369	800
Currency translation differences		-91	71	26	381	289
Items that may be reclassified subsequently to profit or loss		-91	71	26	381	289
Other comprehensive income		-91	71	26	381	289
Total comprehensive income for the period		48	265	356	750	1,090
Total comprehensive income for the period attributable to:						
Shareholders of Atea ASA		48	265	356	750	1,090

Consolidated statement of financial position

NOK in million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets				
Property, plant and equipment		503	549	514
Right-of-use assets		1,407	1,269	1,314
Deferred tax assets	7	239	201	209
Goodwill		4,360	4,417	4,336
Other intangible assets		617	538	572
Other long-term receivables		180	208	182
Non-current assets		7,305	7,181	7,127
Inventories		998	1,232	785
Trade receivables		5,968	6,151	6,946
Other receivables		2,579	2,571	2,191
Cash and cash equivalents		1,190	1,161	1,587
Current assets		10,735	11,116	11,509
Total assets		18,040	18,297	18,636
Equity and liabilities				
Share capital and premium	4	681	680	680
Other reserves		1,832	1,899	1,806
Retained earnings		1,670	1,563	1,712
Equity		4,183	4,142	4,199
Interest-bearing long-term liabilities	6	588	588	588
Long-term leasing liabilities		1,183	1,100	1,093
Other long-term liabilities		165	177	168
Deferred tax liabilities		150	154	151
Non-current liabilities		2,086	2,018	2,000
Trade payables		7,118	7,521	8,045
Interest-bearing current liabilities	6	655	585	5
Current leasing liabilities		458	448	418
Tax payable		159	116	200
Provisions		38	40	55
Other current liabilities		3,343	3,427	3,715
Current liabilities		11,771	12,137	12,437
Total liabilities		13,857	14,155	14,437
Total equity and liabilities		18,040	18,297	18,636

Consolidated statement of cash flow

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Profit before tax	178	249	423	473	1,021
Adjusted for:					
Depreciation and amortisation	179	175	359	343	688
Share based compensation	20	16	35	28	64
Gains/Losses on disposals of PPE and intangible assets	0	0	-2	0	0
Net interest expenses	52	48	88	91	196
Taxes paid	-55	-39	-154	-121	-251
Net interest paid	-52	-46	-87	-89	-196
Cash earnings	322	406	662	727	1,521
Change in trade receivables	-1,530	-1,449	951	958	193
Change in inventories	-116	28	-212	41	487
Change in trade payables	2,037	891	-927	-650	-567
Other changes in working capital	-48	465	-712	-531	243
Cash flow from operating activities	665	340	-238	545	1,878
Purchase of PPE and intangible assets	-112	-108	-194	-181	-322
Sale of PPE and intangible assets	0	1	3	1	2
Cash flow from investing activities	-112	-107	-191	-180	-320
Dividend paid	-391	-346	-391	-346	-693
Proceeds(+)/Payments (-) from changes in treasury shares	9	6	18	7	27
Payments of lease liabilities	-94	-87	-189	-169	-362
Change in debt	314	317	620	220	-55
Cash flow from financing activities	-162	-110	59	-289	-1,082
Net cash flow	392	123	-371	76	476
Cash and cash equivalents at the start of the period	830	1,053	1,587	922	922
Foreign exchange effect on cash held in a foreign currency	-32	-15	-26	164	190
Cash and cash equivalents at the end of the period	1,190	1,161	1,190	1,161	1,587

Consolidated statement of changes in equity

NOK in million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Equity at start of period - 1 January		4,199	3,729	3,728
Currency translation differences		26	381	289
Other comprehensive income		26	381	289
Profit for the period		330	369	800
Total recognised income for the year		356	750	1,090
Employee share-option schemes		1	2	33
Dividend		-391	-346	-693
Changes related to own shares	4	18	7	42
Equity at end of period		4,183	4,142	4,199

Note 1

General information and accounting policies

The condensed interim financial statements for the six months ending 30 June 2024 were approved for publication by the Board of Directors on 11 July 2024. These Group financial statements have not been subject to audit or review.

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

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group's Annual Report for 2023, which has been prepared according to IFRS as adopted by EU. There are no changes in accounting policy effective from 1 January 2024, which has an impact on the Group accounts.

In the interim financial statements for 2024, judgements, estimates and assumptions have been applied that may affect the use of accounting principles, book values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2024 and the major sources of uncertainty in the statements are similar to those found in the Annual accounts for 2023.

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

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

Note 2

Operating segment information

Atea is located in 88 cities in Norway, Sweden, Denmark, Finland, and the Baltic countries of Lithuania, Latvia and Estonia, with over 8,000 employees. For management and reporting purposes, the Group is organized by these geographical areas. The performance of these geographical areas is evaluated on a regular basis by Atea's Executive Team, consisting of among others the Managing Directors of each geographical segment.

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

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

Revenue

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	2,114.2	2,035.0	4,014.3	3,909.7	8,288.2
Sweden	3,100.2	3,536.1	6,009.7	6,707.4	12,844.8
Denmark	1,813.9	1,920.1	3,429.8	4,230.2	8,105.4
Finland	980.2	1,018.6	1,838.1	1,990.5	3,788.3
The Baltics	423.6	377.3	771.1	737.7	1,709.6
Group Shared Services	2,269.1	2,130.9	4,186.5	4,211.9	8,799.1
Eliminations*	-2,321.2	-2,148.2	-4,263.9	-4,225.9	-8,831.4
Atea Group	8,380.1	8,869.8	15,985.6	17,561.4	34,704.0

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

Note 2

Operating segment information (CONT'D)

EBIT

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	97.4	81.2	157.5	136.4	332.4
Sweden	106.7	155.0	291.4	324.6	649.5
Denmark	13.4	26.3	2.3	40.7	122.7
Finland	38.5	43.5	61.0	67.5	140.2
The Baltics	17.4	16.0	32.9	29.9	81.8
Group Shared Services	9.5	4.0	16.5	10.9	37.3
Group cost	-40.0	-34.9	-63.1	-68.6	-119.7
Operating profit (EBIT)	242.9	291.2	498.6	541.5	1,244.2
Net financial items	-65.2	-41.8	-75.5	-68.0	-223.1
Profit before tax	177.7	249.4	423.2	473.4	1,021.1

Quarterly revenue and gross profit

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Product revenue	6,025.1	6,486.2	11,326.8	12,957.0	25,415.9
Services revenue	2,355.0	2,383.6	4,658.8	4,604.4	9,288.0
Total revenue	8,380.1	8,869.8	15,985.6	17,561.4	34,704.0
Gross profit	2,641.6	2,655.9	5,197.1	5,163.4	10,249.3

Quarterly revenue and gross profit

NOK in million	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Product revenue	6,025.1	5,301.7	6,819.4	5,639.5	6,486.2	6,470.9
Services revenue	2,355.0	2,303.8	2,579.8	2,103.8	2,383.6	2,220.8
Total revenue	8,380.1	7,605.6	9,399.2	7,743.4	8,869.8	8,691.6
Gross profit	2,641.6	2,555.5	2,803.7	2,282.2	2,655.9	2,507.5

Note 2

Operating segment information (CONT'D) – Local Currency

Revenue

Local currency in million		Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	NOK	2,114.2	2,035.0	4,014.3	3,909.7	8,288.2
Sweden	SEK	3,092.8	3,479.7	5,967.3	6,713.5	12,896.4
Denmark	DKK	1,171.3	1,217.4	2,227.4	2,782.6	5,286.6
Finland	EUR	84.8	87.4	159.9	175.8	331.6
The Baltics	EUR	36.7	32.4	67.1	65.2	149.6
Group Shared Services	NOK	2,269.1	2,130.9	4,186.5	4,211.9	8,799.1
Eliminations*	NOK	-2,321.2	-2,148.2	-4,263.9	-4,225.9	-8,831.4
Atea Group	NOK	8,380.1	8,869.8	15,985.6	17,561.4	34,704.0

EBIT

Local currency in million		Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	NOK	97.4	81.2	157.5	136.4	332.4
Sweden	SEK	106.2	152.0	288.6	324.9	652.1
Denmark	DKK	9.0	17.0	1.6	26.8	80.0
Finland	EUR	3.4	3.8	5.3	6.0	12.3
The Baltics	EUR	1.5	1.4	2.9	2.6	7.2
Group Shared Services	NOK	9.5	4.0	16.5	10.9	37.3
Group cost	NOK	-40.0	-34.9	-63.1	-68.6	-119.7
Operating profit (EBIT)	NOK	242.9	291.2	498.6	541.5	1,244.2
Net financial items	NOK	-65.2	-41.8	-75.5	-68.0	-223.1
Profit before tax	NOK	177.7	249.4	423.2	473.4	1,021.1

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

Note 3

Disaggregation of revenue

Information about the main revenue streams and the timing of the revenue recognition is described in Note 5 – Revenue recognition, cost of sales and contract balances – in the Annual report for 2023.

The Group has disclosed geographical information about revenue from external customers.

In addition, the Group has disclosed revenue based on two main categories: products (hardware and software) and services.

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

Hardware revenue

Local currency in million		Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	NOK	1,394.3	1,382.9	2,606.8	2,581.5	5,643.0
Sweden	SEK	2,058.2	2,415.3	3,907.6	4,670.6	8,841.9
Denmark	DKK	707.5	776.2	1,345.4	1,912.3	3,525.6
Finland	EUR	70.3	73.6	131.0	148.6	275.6
The Baltics	EUR	22.8	18.3	39.7	37.6	93.1
Group Shared Services	NOK	1,959.8	1,864.7	3,579.8	3,706.2	7,743.2
Eliminations*	NOK	-1,961.3	-1,865.6	-3,576.1	-3,683.3	-7,680.6
Atea Group	NOK	5,627.0	6,139.5	10,577.1	12,285.9	24,130.0

Software revenue

Local currency in million		Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	NOK	115.4	79.1	208.1	168.7	335.8
Sweden	SEK	163.8	153.1	322.2	288.7	541.4
Denmark	DKK	56.0	51.5	97.0	97.9	183.0
Finland	EUR	1.9	2.1	4.5	4.0	8.2
The Baltics	EUR	0.7	0.5	1.1	1.6	2.9
Group Shared Services	NOK	1.6	1.0	2.7	2.3	4.6
Eliminations*	NOK	-0.2	0.2	0.3	0.3	-1.2
Atea Group	NOK	398.1	346.7	749.7	671.1	1,285.9

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

Note 3

Disaggregation of revenue (CONT'D)

Services revenue

Local currency in million		Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Norway	NOK	604.5	573.0	1,199.4	1,159.5	2,309.5
Sweden	SEK	870.8	911.3	1,737.4	1,754.1	3,513.1
Denmark	DKK	407.8	389.7	784.9	772.5	1,578.0
Finland	EUR	12.5	11.6	24.4	23.2	47.8
The Baltics	EUR	13.2	13.5	26.3	26.0	53.7
Group Shared Services	NOK	307.8	265.1	604.0	503.4	1,051.3
Eliminations*	NOK	-359.8	-282.8	-688.1	-542.9	-1,149.7
Atea Group	NOK	2,355.0	2,383.6	4,658.8	4,604.4	9,288.0

Note 4

Share capital and premium

NOK in million, except number of shares	Number of shares		Share capital			
	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total
At 1 January 2024	112,384,093	-1,233,053	112	-1	569	680
Changes related to own shares**		507,589		1		1
At 30 June 2024	112,384,093	-725,464	112	0	569	681

Average number of shares outstanding

The average number of shares outstanding during the six months of 2024 was 111,429,486. This number is used in the calculation of Basic Earnings per Share.

When calculating Fully Diluted Earnings per Share, the average number of shares outstanding during the six months of 2024 was 112,630,692. The difference relates to the dilution effect of the Employee Share Option program and Employees share savings program.

Based on the number of share options outstanding, the strike price of the options, the average share price during the six months of 2024 and the remaining vesting period of the options, the dilution impact of the share option program and Employee Share Option program is 1,201,206 shares. This calculation is in accordance with IAS 33 Earnings per Share.

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

** This is related to share based compensation for the employees.

Note 4

Share capital and premium (CONT'D)

30 June 2024	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				111,429,486
<u>Dilution effect of share options</u>				
Total share options				
Fully vested, with adjusted strike price below share price	507,040	74	74	479,011
Unvested*, with adjusted strike price below share price	6,135,496	109	122	675,285
Unvested*, with adjusted strike price above share price	2,428,832	126	165	-
All Share options	9,071,368	111	108	1,154,296
Dilution effect of Employees share savings program:				46,910
Total dilution effect:				1,201,206
Fully diluted EPS calculation**				112,630,692

Note 5

Net financial items

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Interest income	7	5	18	10	24
Other financial income	2	-	2	0	0
Total financial income	9	5	19	10	24
Interest costs on loans	-39	-36	-67	-65	-146
Interest costs on leases	-20	-18	-39	-36	-74
Foreign exchange effects	-11	8	16	26	-21
Other financial expenses	-3	-2	-5	-3	-7
Total financial expenses	-74	-47	-95	-78	-247
Total net financial items	-65	-42	-75	-68	-223

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

** Based on an average share price of NOK 137 from January 1 – June 30, 2024

Note 6

Borrowing

Credit facilities

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

EIB loan

Atea ASA has entered into an unsecured loan agreement for NOK 588 million with the European Investment Bank in May 2023. The loan has a term of 6 years, and a rate of interest of NIBOR 6M + 1.148%.

Receivables facility

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

Overdraft facility

Atea Group has an overdraft facility of NOK 300 million through its primary bank. The facility has standard terms and conditions for this type of financing.

Money market line

Atea Group has secured access to a revolving credit line of NOK 600 million through the money market. The facility has standard terms and conditions for this type of financing.

Overview of facilities used:

NOK in million	Available facility	Utilized facility	
	30 Jun 2024	30 Jun 2024	30 Jun 2023
Long-term			
EIB loan	588	588	588
Long-term interest-bearing leasing liabilities*		25	26
Short-term			
Receivables facility	1,100	651	250
Overdraft facility	300	-	-
Money market line	600	-	-
Current interest-bearing leasing liabilities*		5	9
Suppliers financing		-	330
Other		5	5
Total debt		1,274	1,208
Securitization - sale of receivables	1,900	1,845	1,859
Total borrowing utilized		3,119	3,066

Supplier financing

Atea Group entered into agreement with Deutsche Bank for a temporary uncommitted revolving trade finance facility in the amount of up to USD 110 million in May 2023, 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 agreement was inactive and there was no outstanding balance at the end of Q2 2024.

Sale of receivables

In December 2021, Atea ASA and its subsidiaries in Norway, Sweden and Denmark renewed a securitization contract organized by its primary bank which enables Atea to sell specified accounts receivable at an implicit discount rate of IBOR 3M + 0.60%. This securitization contract is separate from the Receivables facility described above.

The securitization contract has a three-year term, and the maximum balance of accounts receivable which may be sold at any time during the term is NOK 1,900 million.

Note 7

Taxes

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
Profit before tax	178	249	423	473	1,021
Tax payable expenses	-56	-46	-123	-97	-220
Deferred tax asset changes due to tax loss carry forward used	-4	-4	-5	-8	-40
Other deferred tax changes	21	-6	35	1	39
Total tax expenses	-39	-55	-93	-104	-221
Effective rate	22.1%	22.2%	22.0%	22.1%	21.6%

Income tax expense is recognized based on management's estimate of its weighted average tax rate. The estimated effective tax rate during the Q2 of 2024 is 22.1%. Deferred tax changes mainly include tax loss carryforwards used and other deferred tax items which are recognized on the balance sheet during the period.

At the year end of 2023, the tax value of the tax loss carried forward within the Group was NOK 212 million from which NOK 211 million was recognized as Deferred Tax Assets on the balance sheet.

Note 8

Seasonality of operations

Atea's revenue and cash flow are affected by the seasonality of demand for IT infrastructure investments.

Demand for IT infrastructure among Atea's customers peaks in the fourth quarter of the year, leading to higher revenue and cash flow for Atea in the fourth quarter.

Note 9

Events after the balance sheet date

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

Note 10

Alternative performance measures

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

a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the International Financial Reporting Standards as adopted by EU.

Atea uses the following APMs:

Gross sales and revenue

As stated in Note 2 in the Annual report for 2022, Atea has implemented a change to its accounting policy to comply with new guidance from the IFRS interpretations committee. In its financial reporting through 2021, Atea has recognized revenue from the resale of standard software and vendor services on a gross basis (with gross invoiced sales reported as revenue, and costs of the resold products reported as cost of goods).

The bridge from gross sales to revenue is provided below. Further information about historical figures can be found at www.atea.com/accounting-policy-change-2022. The change in accounting policy only affects revenue and cost of sales, and has no impact on Gross profit, operating profit, net profit after tax, balance sheet and cash flow statement.

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).

Q2 2024

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,394	2,063	1,095	813	263	5,627
Software	1,110	3,016	1,904	338	69	6,416
Services	683	963	698	164	160	2,616
Gross sales	3,187	6,042	3,698	1,315	493	14,659
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	994	2,852	1,818	316	62	6,018
Services IFRS 15 adjustments	78	90	66	19	7	261
Total IFRS 15 adjustments	1,072	2,942	1,884	335	69	6,279
Hardware	1,394	2,063	1,095	813	263	5,627
Software	115	164	87	22	8	398
Services	605	873	632	145	153	2,355
Revenue	2,114	3,100	1,814	980	424	8,380

Note 10

Gross sales and revenue (CONT'D)

Q2 2023

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,383	2,455	1,230	859	214	6,139
Software	956	2,893	1,731	318	53	5,957
Services	636	1,000	625	150	167	2,561
Gross sales	2,974	6,348	3,586	1,327	434	14,657
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	877	2,738	1,651	293	47	5,610
Services IFRS 15 adjustments	63	74	16	15	10	178
Total IFRS 15 adjustments	939	2,812	1,666	309	57	5,788
Hardware	1,383	2,455	1,230	859	214	6,139
Software	79	155	80	25	6	347
Services	573	926	609	135	157	2,384
Revenue	2,035	3,536	1,920	1,019	377	8,870

Full year 2023

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	5,643	8,807	5,406	3,149	1,064	24,130
Software	4,046	8,268	4,082	1,230	303	17,891
Services	2,472	3,763	2,522	597	661	9,917
Gross sales	12,162	20,837	12,009	4,976	2,027	51,938
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	3,711	7,729	3,801	1,136	270	16,605
Services IFRS 15 adjustments	163	264	103	52	48	629
Total IFRS 15 adjustments	3,874	7,992	3,904	1,188	318	17,235
Hardware	5,643	8,807	5,406	3,149	1,064	24,130
Software	336	539	281	94	33	1,286
Services	2,309	3,499	2,419	546	613	9,288
Revenue	8,288	12,845	8,105	3,788	1,710	34,704

Note 10

Pro forma accounts

Pro forma financial results are used to calculate organic growth as well as loan covenant requirements (see below).

Pro forma gross sales and revenue in constant currency exclude the effect of foreign currency rate fluctuations.

Growth in constant currency is translating gross sales and revenue recognized during the current period using exchange rates for the previous period.

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
Gross sales	14,659	14,657	26,058	26,858	51,938
Adjustment for acquisitions	-	-	-	-	-
Pro forma gross sales	14,659	14,657	26,058	26,858	51,938
Pro forma gross sales on last year currency	14,754	13,558	25,801	25,145	48,805
Pro forma growth in constant currency	0.7%		-3.9%		4.5%

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
Revenue	8,380	8,870	15,986	17,561	34,704
Adjustment for acquisitions	-	-	-	-	-
Pro forma revenue	8,380	8,870	15,986	17,561	34,704
Pro forma revenue on last year currency	8,469	8,188	15,818	16,426	32,555
Pro forma growth in constant currency	-4.5%		-9.9%		0.3%

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	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
EBITDA	422	467	858	885	1,932
Adjustment for acquisitions	-	0	-	0	0
Pro forma EBITDA	422	467	858	885	1,932

Note 10

Gross profit and gross margin

Gross profit is defined as revenue less cost of sales. The Group's revenue is recognized as either gross or net depending on sales streams. The 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.

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

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
Revenue	8,380	8,870	15,986	17,561	34,704
Cost of sales	-5,738	-6,214	-10,789	-12,398	-24,455
Gross profit	2,642	2,656	5,197	5,163	10,249
Gross margin %	31.5%	29.9%	32.5%	29.4%	29.5%

Gross sales margin

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

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
Gross sales – products	12,044	12,096	21,004	21,960	42,021
Gross sales – services	2,616	2,561	5,054	4,898	9,917
Total gross sales	14,659	14,657	26,058	26,858	51,938
Product gross profit	1,143	1,163	2,203	2,248	4,444
Total services gross profit	1,498	1,493	2,994	2,915	5,805
Total products and services gross profit	2,642	2,656	5,197	5,163	10,249
Product margin	9.5%	9.6%	10.5%	10.2%	10.6%
Services margin	57.3%	58.3%	59.2%	59.5%	58.5%
Gross sales margin %	18.0%	18.1%	19.9%	19.2%	19.7%

Note 10

Operating expenses

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

NOK in million	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
Payroll and related costs	2,005	1,956	3,923	3,825	7,396
Other operating costs	215	234	416	454	921
Depreciation and amortization	179	175	359	343	688
Total operating expenses	2,399	2,365	4,698	4,622	9,005

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	Q2 2024	Q2 2023	H1 2024	H1 2023	Full Year 2023
Cash flow from operations	665	340	-238	545	1,878
Purchase of PPE and intangible assets	-112	-108	-194	-181	-322
Sale of PPE and intangible assets	0	1	3	1	2
Capital expenditures through cash	-112	-107	-191	-180	-320
Free cash flow	554	233	-429	365	1,558

Note 10

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	30 Jun 2024	30 Jun 2023	31 Dec 2023
Interest-bearing long-term liabilities	-588	-588	-588
Interest-bearing long-term leasing liabilities	-25	-26	-25
Interest-bearing current liabilities	-655	-585	-5
Interest-bearing current leasing liabilities	-5	-9	-8
Cash and cash equivalents	1,190	1,161	1,587
Net financial position	-84	-46	961
Long-term ROU assets leasing liabilities	-1,109	-987	-1,023
Current ROU assets leasing liabilities	-367	-350	-350
Incremental net lease liabilities due to IFRS 16 adoption	-1,476	-1,337	-1,372

Note 10

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	30 Jun 2024	30 Jun 2023	31 Dec 2023
Last 12 months pro forma EBITDA	1,906	1,933	1,932
Debt covenant ratio	2.5	2.5	2.5
Net debt limit	4,764	4,833	4,830
Net financial position	-84	-46	961
Liquidity reserve	4,680	4,786	5,791
Net debt / pro forma EBITDA	0.0	0.0	-0.5

Liquidity reserve breakdown:

NOK in million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Unutilised short-term overdraft facilities	1,349	1,750	2,000
Draft limitation, debt covenant	3,330	3,036	3,791
Liquidity reserve	4,680	4,786	5,791

Note 10

Net working capital

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

much funding is needed for business operations. Net working capital is positively affected by the securitization program, see [Note 6](#) for more details.

NOK in million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Inventories	998	1,232	785
Trade receivables	5,968	6,151	6,946
Other receivables	2,486	2,464	2,115
Trade payables	-7,118	-7,521	-8,045
Tax payable	-159	-116	-200
Provisions	-38	-40	-55
Other current liabilities	-3,343	-3,427	-3,715
Working capital	-1,205	-1,256	-2,169
Securitization effect	1,845	1,859	1,872
Working capital before securitization	640	603	-296
Year to date gross sales	26,058	26,858	51,938
Proforma gross sales – last 12 months	51,138	51,266	51,938
Working capital in relation to last 12 months gross sales	-2.4%	-2.4%	-4.2%

Note 10

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	30 Jun 2024	30 Jun 2023	31 Dec 2023
Total assets	18,040	18,297	18,636
Deduct: incremental lease assets due to IFRS 16 adoption			
Right-of-use assets	-1,407	-1,269	-1,314
Long-term subleasing receivables	-49	-87	-46
Short-term subleasing receivables	-86	-89	-60
Adjusted total assets	16,499	16,851	17,216
Equity	4,183	4,142	4,199
Adjusted equity ratio (%)	25.4%	24.6%	24.4%

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2024, has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report, to the

best of our knowledge, includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties' transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Oslo, 11 July 2024

- Sven Madsen – Chairman of the Board
- Lone Schøtt Kunøe – Member of the Board
- Carl Espen Wollebekk – Member of the Board
- Morten Jurs – Member of the Board
- Saloume Djoudat – Member of the Board
- Lisbeth Toftkær Kvan – Member of the Board
- Truls Berntsen – 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 (Group)

Q2

2024

Holding

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