

# Q3

2024



# Interim Report

Revenue of NOK 8.0 billion,  
up 3.1% from last year

EBIT of NOK 307 million,  
up 3.0% y-o-y

Net profit of NOK 192 million,  
up 5.7% from last year

Cash flow from operations  
up NOK 413 million y-o-y



ATEA

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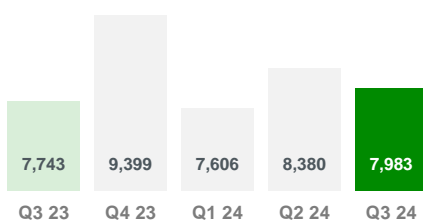
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# Key Figures\* Q3 2024

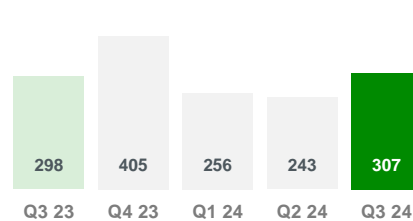
NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Gross sales	11,265	10,685	37,323	37,543	51,938
Revenue	7,983	7,743	23,968	25,305	34,704
Gross profit	2,357	2,282	7,554	7,446	10,249
EBIT	307	298	806	840	1,244
EBIT margin (%)	3.8%	3.9%	3.4%	3.3%	3.6%
Net profit	192	182	522	551	800
Earnings per share (NOK)	1.72	1.64	4.68	4.97	7.22
Diluted earnings per share (NOK)	1.71	1.62	4.64	4.91	7.14
Cash flow from operations	112	-301	-126	244	1,878
Free cash flow	25	-341	-404	24	1,558

NOK in million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Net financial position	-108	-171	961
Liquidity reserve	4,715	4,734	5,791
Working capital	-1,301	-934	-2,169
Working capital in relation to last 12 months gross sales (%)	-2.5%	-1.8%	-4.2%
Adjusted equity ratio (%)	28.4%	30.2%	24.4%
Number of full-time employees, end of period	8,006	8,111	8,152

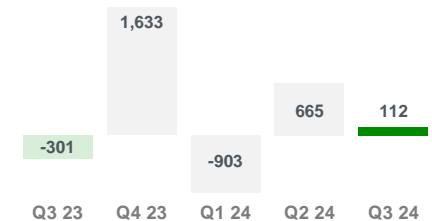
**Revenue**  
NOK in million



**EBIT**  
NOK in million



**Cash Flow**  
NOK in million



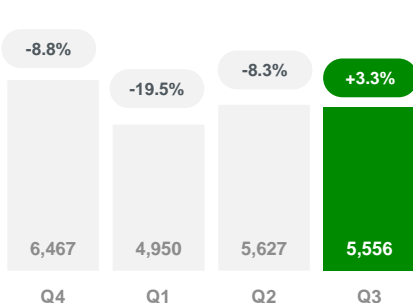
\* Alternative performance measures (APM) presented in the key figures table are described in [Note 11](#) of this report.

# Financial Review Q3 2024

## Group

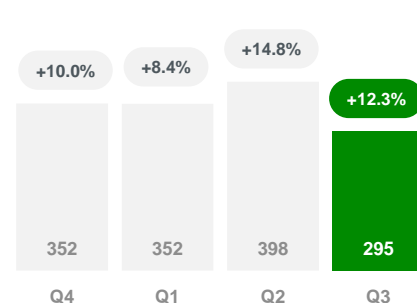
### Hardware revenue and growth

NOK in million



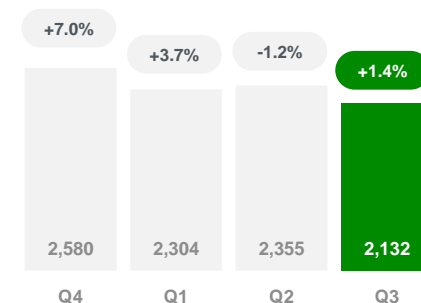
### Software revenue and growth

NOK in million



### Service revenue and growth

NOK in million



**Atea returned to sales and profit growth in Q3 2024, driven by new customer agreements and improving market conditions across most product categories.**

Gross sales increased by 5.4% to NOK 11.3 billion. Currency fluctuations had a positive impact of 4.9% on sales growth in Q3 2024.

Total revenue (IFRS) grew by 3.1% to NOK 8.0 billion. Hardware revenue grew by 3.3% from last year. Atea had high growth in sales of PCs and servers/storage equipment, but this was offset by lower sales of networking and AV equipment compared with a strong period in Q3 last year. Additional information on product trends is provided in the Business Outlook section of this report.

Software revenue increased by 12.3% from last year, with high growth in demand for productivity applications and data center / public cloud solutions. Services revenue grew by 1.4% from last year, as growth in contracted services was offset by lower demand for consulting services.

Gross profit was NOK 2,357 million, up 3.3% from last year. The gross margin was 29.5% in Q3 2024, on the same level as last year.

Total operating expenses increased by 3.3% from last year to NOK 2,050 million. Adjusted for currency movements, operating expenses declined from last year. The average number of full-time employees fell by 105 (-1.3%) from last year.

As a result of higher revenues across all lines of business, EBIT in Q3 2024 grew by 3.0% to NOK 307 million. The EBIT margin was 3.8%, compared with 3.9% last year.

Net financial items were an expense of NOK 57 million, down from NOK 61 million last year. Income tax expense was NOK 58 million, compared with NOK 55 million last year. See [Note 5](#) and [Note 7](#) for more information.

Net profit after tax increased by 5.7% to NOK 192 million.

# Financial Review Q3 2024

## Norway

NOK in million	Q3 2024	Q3 2023	Change %	YTD 2024	YTD 2023	Change %
Products revenue	1,413	1,542	-8.4%	4,228	4,292	-1.5%
Services revenue	555	540	2.9%	1,755	1,699	3.3%
<b>Total revenue</b>	<b>1,968</b>	<b>2,082</b>	<b>-5.5%</b>	<b>5,982</b>	<b>5,992</b>	<b>-0.2%</b>
Gross profit	633	615	2.9%	2,044	1,948	4.9%
Gross margin %	32.1%	29.5%	2.6%	34.2%	32.5%	1.7%
OPEX	519	526	-1.4%	1,773	1,723	2.9%
<b>EBIT</b>	<b>114</b>	<b>88</b>	<b>28.5%</b>	<b>271</b>	<b>225</b>	<b>20.6%</b>
EBIT %	5.8%	4.2%	1.5%	4.5%	3.8%	0.8%

Atea Norway reported strong growth in EBIT during the third quarter of 2024, driven by higher sales of software and services, improved gross margins and tight control of operating expenses.

Revenue in Q3 2024 was NOK 1,968 million, down 5.5% from last year. Hardware revenue fell by 9.7%, mainly due to lower sales of networking equipment compared with a strong period last year. Software revenue grew by 17.3%, based on strong demand for productivity applications and data center / public cloud solutions. Services revenue increased by 2.9%, with higher sales of third-party services.

Gross profit was NOK 633 million, up 2.9% from last year. Gross margin was 32.1% in Q3 2024, up from 29.5% last year, primarily due to improved hardware margins and a higher proportion of software and services in the revenue mix.

Total operating expenses fell by 1.4% to NOK 519 million, mainly due to lower SG&A (sales and overhead) costs. The average number of full-time employees fell by 6 (-0.3%) from last year.

Based on higher gross profit and lower operating expenses, EBIT increased by 28.5% to NOK 114 million in Q3 2024. The EBIT margin was 5.8%, up from 4.2% last year.

# Financial Review Q3 2024

## Sweden

SEK in million	Q3 2024	Q3 2023	Change %	YTD 2024	YTD 2023	Change %
Products revenue	2,211	2,072	6.7%	6,441	7,031	-8.4%
Services revenue	738	765	-3.5%	2,476	2,519	-1.7%
<b>Total revenue</b>	<b>2,949</b>	<b>2,837</b>	<b>4.0%</b>	<b>8,916</b>	<b>9,550</b>	<b>-6.6%</b>
Gross profit	809	803	0.7%	2,714	2,734	-0.7%
Gross margin %	27.4%	28.3%	-0.9%	30.4%	28.6%	1.8%
OPEX	679	650	4.4%	2,295	2,256	1.7%
<b>EBIT</b>	<b>130</b>	<b>153</b>	<b>-15.0%</b>	<b>419</b>	<b>478</b>	<b>-12.4%</b>
EBIT %	4.4%	5.4%	-1.0%	4.7%	5.0%	-0.3%

Atea Sweden reported strong growth in sales of products in the third quarter of 2024, but weaker sales of services. As a result of lower services revenue, EBIT fell from last year.

Revenue in Q3 2024 was SEK 2,949 million, up 4.0% from last year. Hardware revenue increased by 6.0%, with growth in all categories except networking and AV solutions. Software revenue grew by 20.0%, with strong growth across a broad vendor and customer base. Services revenue fell by 3.5%, with lower sales of consulting and managed services.

Gross profit was SEK 809 million, up 0.7% from last year. Gross margin was 27.4% in Q3 2024, down from 28.3% last year, due to a lower proportion of services in the revenue mix.

Total operating expenses increased by 4.4% to SEK 679 million in Q3 2024. The average number of full-time employees was 2,655, a reduction of 86 FTEs from last year.

EBIT for Q3 2024 was SEK 130 million, down from SEK 153 million in Q3 2023. The EBIT margin was 4.4%, compared with 5.4% last year.



# Financial Review Q3 2024

## Denmark

DKK in million	Q3 2024	Q3 2023	Change %	YTD 2024	YTD 2023	Change %
Products revenue	734	705	4.1%	2,176	2,715	-19.9%
Services revenue	355	373	-4.9%	1,140	1,145	-0.5%
<b>Total revenue</b>	<b>1,088</b>	<b>1,078</b>	<b>1.0%</b>	<b>3,316</b>	<b>3,860</b>	<b>-14.1%</b>
Gross profit	304	325	-6.4%	979	1,036	-5.5%
Gross margin %	28.0%	30.2%	-2.2%	29.5%	26.8%	2.7%
OPEX	292	312	-6.3%	965	996	-3.1%
<b>EBIT</b>	<b>12</b>	<b>13</b>	<b>-9.0%</b>	<b>14</b>	<b>40</b>	<b>-65.9%</b>
EBIT %	1.1%	1.2%	-0.1%	0.4%	1.0%	-0.6%

Atea Denmark's revenue and EBIT were in line with last year, with higher sales of products offset by lower sales of services.

Revenue in Q3 2024 was DKK 1,088 million, up 1.0% from last year. Hardware revenue increased by 4.9%, driven by new public sector frame agreements within PCs and servers/storage. High sales growth in these categories was partly offset by lower sales within networking and AV equipment.

Software revenue fell by 10.0% in a seasonally low quarter for software sales in Denmark. Services revenue fell by 4.9%, due to lower demand for consulting services.

Gross profit was DKK 304 million, compared with DKK 325 last year. The gross margin was 28.0%, down from 30.2% last year, due to lower hardware margins on new frame agreements and a lower percentage of software and services in the revenue mix.

Total operating expenses fell by 6.3% to DKK 292 million, with tight control of operating costs. The average number of full-time employees fell by 22 (-1.5%) from last year.

EBIT for Q3 2024 was DKK 12 million, compared with DKK 13 million last year. The EBIT margin was 1.1%, in line with last year.

# Financial Review Q3 2024

## + Finland

EUR in million	Q3 2024	Q3 2023	Change %	YTD 2024	YTD 2023	Change %
Products revenue	59.2	63.6	-6.9%	194.6	216.2	-10.0%
Services revenue	12.0	11.1	8.0%	36.4	34.3	6.2%
<b>Total revenue</b>	<b>71.1</b>	<b>74.6</b>	<b>-4.7%</b>	<b>231.0</b>	<b>250.5</b>	<b>-7.8%</b>
Gross profit	14.5	15.9	-9.1%	48.0	50.6	-5.1%
Gross margin %	20.4%	21.4%	-1.0%	20.8%	20.2%	0.6%
OPEX	12.7	13.1	-2.9%	40.9	41.8	-2.1%
<b>EBIT</b>	<b>1.8</b>	<b>2.9</b>	<b>-37.4%</b>	<b>7.1</b>	<b>8.8</b>	<b>-19.4%</b>
EBIT %	2.5%	3.8%	-1.3%	3.1%	3.5%	-0.4%

Atea Finland reported lower revenue and EBIT in a challenging market environment during Q3 2024. The Finnish economy has been in recession for the past year.

Revenue in Q3 2024 fell by 4.7% to EUR 71.1 million. Hardware revenue declined by 6.7% from Q3 last year, with lower demand across most product categories. Software revenue was down 14.3%, with pressure on reseller margins. Services revenue increased by 8.0%, driven by growth in third-party services.

Gross profit was down 9.1% from last year to EUR 14.5 million. Total gross margin was 20.4% in Q3 2024, down from 21.4% last year, with lower margins in both products and services.

Total operating expenses fell by 2.9% to EUR 12.7 million, due to lower variable compensation compared with last year. The average number of full-time employees grew by 11 (2.0%) from last year.

EBIT in Q3 2024 was EUR 1.8 million, compared with EUR 2.9 million last year. The EBIT margin was 2.5%, compared with 3.8% last year.

In Q3 2024, Atea Finland won a large public frame agreement with the public procurement agency Tiera. Atea expects to return to growth in Finland during the coming quarters. Additional information on the frame agreement and other market growth factors is provided in the Business Outlook section.



# Financial Review Q3 2024



EUR in million	Q3 2024	Q3 2023	Change %	YTD 2024	YTD 2023	Change %
Products revenue	24.7	24.4	1.1%	65.5	63.6	3.1%
Services revenue	12.5	12.9	-3.5%	38.8	38.9	-0.4%
<b>Total revenue</b>	<b>37.2</b>	<b>37.3</b>	<b>-0.5%</b>	<b>104.3</b>	<b>102.5</b>	<b>1.8%</b>
Gross profit	12.5	11.7	6.3%	37.1	34.4	8.0%
Gross margin %	33.5%	31.4%	2.1%	35.6%	33.5%	2.1%
OPEX	10.7	10.1	6.1%	32.5	30.1	8.0%
<b>EBIT</b>	<b>1.8</b>	<b>1.6</b>	<b>7.5%</b>	<b>4.6</b>	<b>4.3</b>	<b>8.1%</b>
EBIT %	4.7%	4.4%	0.3%	4.4%	4.2%	0.3%

Atea Baltics reported solid growth in EBIT during the third quarter, driven by higher product and services margins.

Total revenue fell by 0.5% from last year to EUR 37.2 million. Hardware revenue grew by 2.1%, driven by a major project to the customs and border control in Lithuania. Software revenue was down 39.3% from a very strong comparable period last year. Services revenue fell by 3.5%, with lower demand for consultants partly offset by healthy growth in managed services.

Gross profit grew by 6.3% from last year to EUR 12.5 million. Gross margin was 33.5% in Q3 2024, up from 31.4% last year, due to improved hardware and services margins.

Total operating expenses increased by 6.1% to EUR 10.7 million in Q3 2024. The average number of full-time employees grew by 19 (2.6%) from last year, with an expansion in the services team.

EBIT in the third quarter of 2024 grew by 7.5% to EUR 1.8 million. The EBIT margin was 4.7%, compared with 4.4% last year.

## Balance Sheet

As of 30 September 2024, Atea had total assets of NOK 16,163 million. Current assets such as cash, receivables and inventory represented NOK 8,732 million of this total. Non-current assets represented NOK 7,430 million of this total, and primarily consisted of goodwill (NOK 4,469 million), right-of-use leased assets (NOK 1,419 million), property, plant and equipment (NOK 501 million), and deferred tax assets (NOK 198 million).

Atea had total liabilities of NOK 12,009 million, and shareholders' equity of NOK 4,154 million as of 30 September 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 Q3 2024 was 28.4%.

Atea's financial position was a net debt of NOK 108 million at the end of Q3 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 0.1x pro forma EBITDA. Atea therefore maintains liquidity reserves of NOK 4,715 million before the debt covenant would be reached. See additional information on the liquidity reserve in [Note 11](#) 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 Q3 2024, Atea had sold receivables of NOK 1,872 million under the securitization program, compared with NOK 1,799 million in Q3 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 112 million in the third quarter of 2024, compared with an outflow of NOK 301 million in Q3 last year. The increase in operating cash flows was primarily due to a smaller increase in working capital items compared with Q3 last year.

Cash flow from investing activities was an outflow of NOK 87 million in Q3 2024, all of which was capital expenditure.

Cash flow from financing activities was an outflow of NOK 243 million in Q3 2024, compared with an inflow of NOK 235 million last year. The difference is explained by the decrease in short term debt. See additional information on Atea's debt balances in [Note 6](#) of this report.

## Shares

Atea had 9,896 shareholders on 30 September 2024 compared with 9,002 shareholders on 30 September 2023.

The 10 largest shareholders as of 30 September 2024 were:

Main Shareholders*	Shares	%
Systemintegration APS **	31,391,063	27.9%
Folketrygdfondet	8,481,086	7.5%
State Street Bank and Trust Co. ***	5,572,401	5.0%
State Street Bank and Trust Co. ***	4,141,890	3.7%
Verdipapirfond Odin Norden	3,656,029	3.3%
J.P. Morgan Bank Luxembourg ***	3,552,499	3.2%
State Street Bank and Trust Co. ***	2,799,368	2.5%
RBC Investor Services Trust ***	2,475,142	2.2%
State Street Bank and Trust Co. ***	2,452,600	2.2%
Verdipapirfond Odin Norge	2,287,192	2.0%
Other	45,574,823	40.6%
<b>Total number of shares</b>	<b>112,384,093</b>	<b>100.0%</b>

\* Source: Verdipapirsentralen

\*\* Includes shares held by Lone Schøtt Kunøe

\*\*\* Includes client nominee accounts

As of 30 September 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 September 2024, Atea's senior management team held 438,546 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.

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\* International IT research company, International Data Corporation

# Business Overview

## Business Strategy

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

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

### Atea's solution offering:

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

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

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

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

### Atea's service portfolio:

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

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

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

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

## Sustainability

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

In Q3, Atea earned a prestigious recognition as one of the "World's Most Sustainable Companies 2024," based on a new ranking by global media brand TIME and Statista. Atea was also recognized as a "Transparency Partner" by Nasdaq, in an initiative focusing on improving the ESG information flow between listed companies and the investor community.

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

### 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 49<sup>th</sup> in 2023 to 41<sup>st</sup> 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/](http://www.atea.com/esg-overview/).

# Business Outlook

## Market trends

Atea is currently returning to sales growth after a period of unusual demand cyclical in the “post-COVID pandemic” period.

During the 12 months from Q3 2022 – Q2 2023, Atea’s gross sales grew by an exceptionally high rate of 20.2% from the prior year. On the demand side, customers were investing large sums to upgrade their workplace IT environments following the COVID pandemic. On the supply side, global constraints in hardware manufacturing eased, enabling Atea to ship a large number of customer orders which had been held up in backlog.

Over the next twelve months from Q3 2023 – Q2 2024, these temporary factors ended and the overall economic environment worsened with higher interest rates. During this period, Atea’s gross sales fell by 0.2% against the very high sales volumes in the prior 12 months. The cyclical slowdown was strongest within hardware and related services.

During Q3 2024, Atea has seen a return to healthy sales growth in most product areas - including PCs, servers/storage, and nearly all categories of software and cloud solutions. Networking (hardware and software) is the major product area which has not returned to growth. This is partly due to high networking shipments in Q3 last year and partly due to lower market demand in the current economic environment.

Services has been slower to recover in Q3 2024, with continued weakness in demand for consulting services. Many of Atea’s services are projects and support which follow a product delivery. Management expects that demand for these services will return to higher growth rates with a sustained positive development in product sales.

## Outlook

Atea expects sales growth to accelerate in the coming quarters, in line with Atea’s long-term performance. This growth expectation is also supported by the market forecasts of leading technology research companies and IT infrastructure vendors.

Atea’s forecast for growth is further supported by an improving economic environment and by the following demand drivers:

### New frame agreements:

During 2024, Atea has won several large public sector frame agreements, including the following:

- SKI 50.40 (Denmark): The SKI 50.40 frame agreement is the largest PC frame agreement in Denmark. The frame agreement was won from a competitor during Q1 2024 and is new business for Atea. The 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.

- SKI 50.03 (Denmark): The SKI 50.03 frame agreement is the largest servers/storage frame agreement in Denmark. 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.

Atea won the SKI 50.03 frame agreement together with 3 other vendors in Q1 2024, after the previous agreement expired in May 2023. As the SKI 50.03 agreement was not active for an extended period in late-2023 and early-2024, sales on the frame agreement will represent incremental revenue growth for Atea during the coming quarters.

- Tiera (Finland): The public sector procurement agency Tiera awarded Atea a large frame agreement in September 2024, covering a broad range of hardware, software and services. Atea has previously held this frame agreement with Tiera, but the new frame agreement will be available to a broader range of public sector customers.

The term of the agreement is four years. Atea is the sole supplier under the frame agreement. Sales on the frame agreement are expected to be between EUR 780 million and EUR 1,160 million over the four-year term, which is approximately double the value of the previous agreement.

### 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.

Approximately 60% 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, cloud subscriptions and services.

In sum, the Nordic market for IT infrastructure is expected to return to steady growth during the coming year, 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 9 months ended 30 September 2024

### Consolidated statement of comprehensive income

NOK in million	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Revenue	2, 3, 8, 11	7,983	7,743	23,968	25,305	34,704
Cost of sales	11	-5,626	-5,461	-16,415	-17,859	-24,455
<b>Gross profit</b>		<b>2,357</b>	<b>2,282</b>	<b>7,554</b>	<b>7,446</b>	<b>10,249</b>
Payroll and related costs		-1,662	-1,598	-5,585	-5,423	-7,396
Other operating costs	11	-203	-216	-619	-669	-921
<b>EBITDA</b>	11	<b>492</b>	<b>468</b>	<b>1,350</b>	<b>1,353</b>	<b>1,932</b>
Depreciation and amortization		-185	-170	-545	-513	-688
<b>Operating profit (EBIT)</b>	2	<b>307</b>	<b>298</b>	<b>806</b>	<b>840</b>	<b>1,244</b>
Net financial items	5	-57	-61	-132	-129	-223
<b>Profit before tax</b>		<b>250</b>	<b>237</b>	<b>673</b>	<b>710</b>	<b>1,021</b>
Tax	7	-58	-55	-151	-160	-221
<b>Profit for the period</b>		<b>192</b>	<b>182</b>	<b>522</b>	<b>551</b>	<b>800</b>
<b>Earnings per share</b>						
Earnings per share (NOK)	4	1.72	1.64	4.68	4.97	7.22
Diluted earnings per share (NOK)	4	1.71	1.62	4.64	4.91	7.14
<b>Profit for the period</b>		<b>192</b>	<b>182</b>	<b>522</b>	<b>551</b>	<b>800</b>
Currency translation differences		142	-136	168	245	289
Items that may be reclassified subsequently to profit or loss		142	-136	168	245	289
Other comprehensive income		142	-136	168	245	289
<b>Total comprehensive income for the period</b>		<b>334</b>	<b>46</b>	<b>691</b>	<b>796</b>	<b>1,090</b>
<b>Total comprehensive income for the period attributable to:</b>						
Shareholders of Atea ASA		334	46	691	796	1,090



## Consolidated statement of financial position

NOK in million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Assets</b>				
Property, plant and equipment		501	511	514
Right-of-use assets		1,419	1,313	1,314
Deferred tax assets	7	198	186	209
Goodwill		4,469	4,307	4,336
Other intangible assets		661	541	572
Other long-term receivables		183	206	182
<b>Non-current assets</b>		<b>7,430</b>	<b>7,065</b>	<b>7,127</b>
Inventories		946	834	785
Trade receivables		4,308	3,996	6,946
Other receivables		2,444	2,523	2,191
Cash and cash equivalents		1,034	1,019	1,587
<b>Current assets</b>		<b>8,732</b>	<b>8,372</b>	<b>11,509</b>
<b>Total assets</b>		<b>16,163</b>	<b>15,436</b>	<b>18,636</b>
<b>Equity and liabilities</b>				
Share capital and premium	4	681	680	680
Other reserves		1,975	1,763	1,806
Retained earnings		1,498	1,770	1,712
<b>Equity</b>		<b>4,154</b>	<b>4,213</b>	<b>4,199</b>
Interest-bearing long-term liabilities	6	588	588	588
Long-term leasing liabilities		1,186	1,149	1,093
Other long-term liabilities		187	148	168
Deferred tax liabilities		156	150	151
<b>Non-current liabilities</b>		<b>2,117</b>	<b>2,035</b>	<b>2,000</b>
Trade payables		4,905	5,007	8,045
Interest-bearing current liabilities	6	520	570	5
Current leasing liabilities		447	423	418
Tax payable		160	150	200
Provisions		39	49	55
Other current liabilities	9	3,821	2,989	3,715
<b>Current liabilities</b>		<b>9,892</b>	<b>9,188</b>	<b>12,437</b>
<b>Total liabilities</b>		<b>12,009</b>	<b>11,224</b>	<b>14,437</b>
<b>Total equity and liabilities</b>		<b>16,163</b>	<b>15,436</b>	<b>18,636</b>

## Consolidated statement of cash flow

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Profit before tax	250	237	673	710	1,021
Adjusted for:					
Depreciation and amortisation	185	170	545	513	688
Share based compensation	22	18	56	46	64
Gains/Losses on disposals of PPE and intangible assets	-2	0	-4	0	0
Net interest expenses	51	51	139	142	196
Taxes paid	-63	-46	-217	-166	-251
Net interest paid	-52	-43	-139	-131	-196
<b>Cash earnings</b>	<b>392</b>	<b>388</b>	<b>1,054</b>	<b>1,115</b>	<b>1,521</b>
Change in trade receivables	1,818	2,045	2,769	3,004	193
Change in inventories	90	377	-123	418	487
Change in trade payables	-2,385	-2,770	-3,311	-3,420	-567
Other changes in working capital	197	-341	-515	-871	243
<b>Cash flow from operating activities</b>	<b>112</b>	<b>-301</b>	<b>-126</b>	<b>244</b>	<b>1,878</b>
Purchase of PPE and intangible assets	-89	-41	-283	-222	-322
Sale of PPE and intangible assets	2	0	5	1	2
<b>Cash flow from investing activities</b>	<b>-87</b>	<b>-40</b>	<b>-278</b>	<b>-220</b>	<b>-320</b>
Dividend paid	-	-	-391	-346	-693
Proceeds(+)/Payments (-) from changes in treasury shares	10	10	29	17	27
Payments of lease liabilities	-100	-93	-289	-262	-362
Change in debt	-153	317	467	537	-55
<b>Cash flow from financing activities</b>	<b>-243</b>	<b>235</b>	<b>-184</b>	<b>-54</b>	<b>-1,082</b>
<b>Net cash flow</b>	<b>-218</b>	<b>-106</b>	<b>-589</b>	<b>-30</b>	<b>476</b>
Cash and cash equivalents at the start of the period	1,190	1,161	1,587	922	922
Foreign exchange effect on cash held in a foreign currency	62	-36	36	128	190
<b>Cash and cash equivalents at the end of the period</b>	<b>1,034</b>	<b>1,019</b>	<b>1,034</b>	<b>1,019</b>	<b>1,587</b>

## Consolidated statement of changes in equity

NOK in million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Equity at start of period - 1 January</b>		<b>4,199</b>	<b>3,728</b>	<b>3,728</b>
Currency translation differences		168	245	289
<b>Other comprehensive income</b>		<b>168</b>	<b>245</b>	<b>289</b>
Profit for the period		522	551	800
<b>Total recognised income for the year</b>		<b>691</b>	<b>796</b>	<b>1,090</b>
Employee share-option schemes		18	17	33
Dividend	9	-782	-346	-693
Changes related to own shares	4	29	17	42
<b>Equity at end of period</b>		<b>4,154</b>	<b>4,213</b>	<b>4,199</b>

## Note 1

### General information and accounting policies

The condensed interim financial statements for the nine months ending 30 September 2024 were approved for publication by the Board of Directors on 22 October 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	1,968.0	2,081.9	5,982.3	5,991.6	8,288.2
Sweden	3,033.4	2,739.5	9,043.1	9,446.9	12,844.8
Denmark	1,716.5	1,651.0	5,146.3	5,881.2	8,105.4
Finland	836.6	852.0	2,674.7	2,842.5	3,788.3
The Baltics	437.5	425.6	1,208.6	1,163.3	1,709.6
Group Shared Services	2,552.4	2,128.1	6,738.9	6,340.0	8,799.1
Eliminations*	-2,561.6	-2,134.8	-6,825.5	-6,360.7	-8,831.4
<b>Atea Group</b>	<b>7,982.8</b>	<b>7,743.4</b>	<b>23,968.5</b>	<b>25,304.8</b>	<b>34,704.0</b>

\* 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	113.6	88.4	271.2	224.9	332.4
Sweden	134.0	148.2	425.5	472.9	649.5
Denmark	19.1	20.2	21.4	60.9	122.7
Finland	21.1	32.6	82.1	100.1	140.2
The Baltics	20.7	18.6	53.6	48.5	81.8
Group Shared Services	22.3	7.8	38.8	18.7	37.3
Group cost	-23.8	-17.8	-87.0	-86.3	-119.7
<b>Operating profit (EBIT)</b>	<b>307.0</b>	<b>298.2</b>	<b>805.7</b>	<b>839.7</b>	<b>1,244.2</b>
Net financial items	-56.8	-61.2	-132.3	-129.2	-223.1
<b>Profit before tax</b>	<b>250.2</b>	<b>237.0</b>	<b>673.4</b>	<b>710.4</b>	<b>1,021.1</b>

#### Quarterly revenue and gross profit

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Product revenue	5,850.5	5,639.5	17,177.4	18,596.6	25,415.9
Services revenue	2,132.3	2,103.8	6,791.1	6,708.2	9,288.0
<b>Total revenue</b>	<b>7,982.8</b>	<b>7,743.4</b>	<b>23,968.5</b>	<b>25,304.8</b>	<b>34,704.0</b>
Gross profit	2,356.8	2,282.2	7,553.9	7,445.6	10,249.3

#### Quarterly revenue and gross profit

NOK in million	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Product revenue	5,850.5	6,025.1	5,301.7	6,819.4	5,639.5	6,486.2	6,470.9
Services revenue	2,132.3	2,355.0	2,303.8	2,579.8	2,103.8	2,383.6	2,220.8
<b>Total revenue</b>	<b>7,982.8</b>	<b>8,380.1</b>	<b>7,605.6</b>	<b>9,399.2</b>	<b>7,743.4</b>	<b>8,869.8</b>	<b>8,691.6</b>
Gross profit	2,356.8	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		Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	NOK	1,968.0	2,081.9	5,982.3	5,991.6	8,288.2
Sweden	SEK	2,948.8	2,836.6	8,916.1	9,550.1	12,896.4
Denmark	DKK	1,088.4	1,077.7	3,315.7	3,860.3	5,286.6
Finland	EUR	71.1	74.6	231.0	250.5	331.6
The Baltics	EUR	37.2	37.3	104.3	102.5	149.6
Group Shared Services	NOK	2,552.4	2,128.1	6,738.9	6,340.0	8,799.1
Eliminations*	NOK	-2,561.6	-2,134.8	-6,825.5	-6,360.7	-8,831.4
<b>Atea Group</b>	<b>NOK</b>	<b>7,982.8</b>	<b>7,743.4</b>	<b>23,968.5</b>	<b>25,304.8</b>	<b>34,704.0</b>

#### EBIT

Local currency in million		Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	NOK	113.6	88.4	271.2	224.9	332.4
Sweden	SEK	130.1	153.1	418.7	478.0	652.1
Denmark	DKK	12.0	13.2	13.6	40.0	80.0
Finland	EUR	1.8	2.9	7.1	8.8	12.3
The Baltics	EUR	1.8	1.6	4.6	4.3	7.2
Group Shared Services	NOK	22.3	7.8	38.8	18.7	37.3
Group cost	NOK	-23.8	-17.8	-87.0	-86.3	-119.7
<b>Operating profit (EBIT)</b>	<b>NOK</b>	<b>307.0</b>	<b>298.2</b>	<b>805.7</b>	<b>839.7</b>	<b>1,244.2</b>
Net financial items	NOK	-56.8	-61.2	-132.3	-129.2	-223.1
<b>Profit before tax</b>	<b>NOK</b>	<b>250.2</b>	<b>237.0</b>	<b>673.4</b>	<b>710.4</b>	<b>1,021.1</b>

\* 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		Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	NOK	1,325.8	1,467.9	3,932.6	4,049.5	5,643.0
Sweden	SEK	2,084.8	1,967.2	5,992.5	6,637.8	8,841.9
Denmark	DKK	700.7	668.3	2,046.2	2,580.6	3,525.6
Finland	EUR	57.4	61.5	188.4	210.1	275.6
The Baltics	EUR	24.3	23.8	64.0	61.4	93.1
Group Shared Services	NOK	2,211.0	1,861.3	5,790.9	5,567.5	7,743.2
Eliminations*	NOK	-2,192.4	-1,849.8	-5,768.5	-5,533.1	-7,680.6
<b>Atea Group</b>	<b>NOK</b>	<b>5,555.9</b>	<b>5,377.2</b>	<b>16,133.0</b>	<b>17,663.1</b>	<b>24,130.0</b>

#### Software revenue

Local currency in million		Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	NOK	87.0	74.2	295.1	242.9	335.8
Sweden	SEK	125.9	104.9	448.1	393.6	541.4
Denmark	DKK	32.9	36.5	129.8	134.4	183.0
Finland	EUR	1.8	2.1	6.2	6.1	8.2
The Baltics	EUR	0.4	0.6	1.5	2.2	2.9
Group Shared Services	NOK	1.5	1.2	4.2	3.5	4.6
Eliminations*	NOK	0.0	0.9	0.3	1.2	-1.2
<b>Atea Group</b>	<b>NOK</b>	<b>294.6</b>	<b>262.3</b>	<b>1,044.4</b>	<b>933.4</b>	<b>1,285.9</b>

\* 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		Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Norway	NOK	555.2	539.7	1,754.6	1,699.2	2,309.5
Sweden	SEK	738.2	764.6	2,475.6	2,518.6	3,513.1
Denmark	DKK	354.8	372.9	1,139.7	1,145.3	1,578.0
Finland	EUR	12.0	11.1	36.4	34.3	47.8
The Baltics	EUR	12.5	12.9	38.8	38.9	53.7
Group Shared Services	NOK	339.9	265.5	943.9	769.0	1,051.3
Eliminations*	NOK	-369.2	-285.9	-1,057.3	-828.8	-1,149.7
<b>Atea Group</b>	<b>NOK</b>	<b>2,132.3</b>	<b>2,103.8</b>	<b>6,791.1</b>	<b>6,708.2</b>	<b>9,288.0</b>

## Note 4

### Share capital and premium

NOK in million, except number of shares	Number of shares		Share capital			
	Issued	Treasury shares	Issued	Treasury shares	Share premium	Total
<b>At 1 January 2024</b>	<b>112,384,093</b>	<b>-1,233,053</b>	<b>112</b>	<b>-1</b>	<b>569</b>	<b>680</b>
Changes related to own shares**	-	642,682	-	1	-	1
<b>At 30 September 2024</b>	<b>112,384,093</b>	<b>-590,371</b>	<b>112</b>	<b>0</b>	<b>569</b>	<b>681</b>

#### Average number of shares outstanding

The average number of shares outstanding during the nine months of 2024 was 111,539,157. 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 nine months of 2024 was 112,472,715. 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 nine 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 933,558 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 September 2024	Number of share options	Average Nominal Strike price	Adjusted Nominal Strike price*	Weighted average number of shares outstanding
Basic EPS calculation				111,539,157
<b><u>Dilution effect of share options</u></b>				
<b>Total share options</b>				
Fully vested, with adjusted strike price below share price	294,740	75	75	133,616
Unvested*, with adjusted strike price below share price	6,049,996	109	120	734,417
Unvested*, with adjusted strike price above share price	2,404,832	126	162	-
<b>All Share options</b>	<b>8,749,568</b>	<b>112</b>	<b>130</b>	<b>868,033</b>
<b>Dilution effect of Employees share savings program:</b>				<b>65,525</b>
<b>Total dilution effect:</b>				<b>933,558</b>
<b>Fully diluted EPS calculation**</b>				<b>112,472,715</b>

## Note 5

### Net financial items

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Interest income	1	5	19	15	24
Other financial income	0	0	2	0	0
<b>Total financial income</b>	<b>1</b>	<b>5</b>	<b>21</b>	<b>15</b>	<b>24</b>
Interest costs on loans	-31	-35	-98	-103	-146
Interest costs on leases	-21	-19	-60	-54	-74
Foreign exchange effects	-4	-8	12	17	-21
Other financial expenses	-2	-4	-7	-5	-7
<b>Total financial expenses</b>	<b>-58</b>	<b>-66</b>	<b>-153</b>	<b>-145</b>	<b>-247</b>
<b>Total net financial items</b>	<b>-57</b>	<b>-61</b>	<b>-132</b>	<b>-129</b>	<b>-223</b>

\* 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 a share price of 136.40 NOK on 30 September 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 Sep 2024	30 Sep 2024	30 Sep 2023
<b>Long-term</b>			
EIB loan	588	588	588
Long-term interest-bearing leasing liabilities*		30	26
<b>Short-term</b>			
Receivables facility	1,100	506	151
Overdraft facility	300	-	-
Money market line	600	-	-
Current interest-bearing leasing liabilities*		5	6
Suppliers financing	-	-	407
Other		14	12
<b>Total debt</b>		<b>1,143</b>	<b>1,190</b>
Securitization - sale of receivables	1,900	1,872	1,799
<b>Total borrowing utilized</b>		<b>3,015</b>	<b>2,989</b>

#### 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 Q3 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Profit before tax	250	237	673	710	1,021
Tax payable expenses	-17	-42	-140	-139	-220
Deferred tax asset changes due to tax loss carry forward used	-15	-22	-20	-30	-40
Other deferred tax changes	-26	8	9	9	39
<b>Total tax expenses</b>	<b>-58</b>	<b>-55</b>	<b>-151</b>	<b>-160</b>	<b>-221</b>
<b>Effective rate</b>	<b>23.3%</b>	<b>23.3%</b>	<b>22.5%</b>	<b>22.5%</b>	<b>21.6%</b>

Income tax expense is recognized based on management's estimate of its weighted average tax rate. The estimated effective tax rate during the Q3 of 2024 is 23.3%. 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

### Dividend

In the Annual General Meeting on April 25, 2024, it was decided to distribute a dividend of NOK 7.00 per share. The dividend will be split into two equal payments of NOK 3.50 which took place in May 2024 and will take place in November 2024.

For Norwegian tax purposes, the dividend shall be considered as repayment of paid-in capital. Further details on the dividend payment are provided in the [Minutes from the Annual General Meeting](#).

## Note 10

### 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 11

## 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).

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).

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](http://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.

### Q3 2024

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,326	2,145	1,105	675	287	5,556
Software	863	1,398	745	408	46	3,414
Services	591	810	602	162	163	2,296
<b>Gross sales</b>	<b>2,780</b>	<b>4,352</b>	<b>2,453</b>	<b>1,245</b>	<b>496</b>	<b>11,265</b>
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	776	1,268	694	388	42	3,119
Services IFRS 15 adjustments	36	51	43	21	17	163
<b>Total IFRS 15 adjustments</b>	<b>812</b>	<b>1,319</b>	<b>736</b>	<b>409</b>	<b>59</b>	<b>3,282</b>
Hardware	1,326	2,145	1,105	675	287	5,556
Software	87	129	52	21	4	295
Services	555	759	560	141	147	2,132
<b>Revenue (IFRS)</b>	<b>1,968</b>	<b>3,033</b>	<b>1,716</b>	<b>837</b>	<b>438</b>	<b>7,983</b>

# Note 11

## Gross sales and revenue (CONT'D)

### Q3 2023

NOK in million	Norway	Sweden	Denmark	Finland	The Baltics	Atea Group
Hardware	1,468	1,900	1,024	702	271	5,377
Software	841	1,181	628	369	54	3,073
Services	558	797	605	137	157	2,235
<b>Gross sales</b>	<b>2,866</b>	<b>3,878</b>	<b>2,258</b>	<b>1,209</b>	<b>482</b>	<b>10,685</b>
Hardware IFRS 15 adjustments	-	-	-	-	-	-
Software IFRS 15 adjustments	767	1,080	572	346	47	2,810
Services IFRS 15 adjustments	18	58	35	11	9	131
<b>Total IFRS 15 adjustments</b>	<b>784</b>	<b>1,138</b>	<b>607</b>	<b>357</b>	<b>56</b>	<b>2,941</b>
Hardware	1,468	1,900	1,024	702	271	5,377
Software	74	101	56	23	7	262
Services	540	739	571	126	147	2,104
<b>Revenue (IFRS)</b>	<b>2,082</b>	<b>2,740</b>	<b>1,651</b>	<b>852</b>	<b>426</b>	<b>7,743</b>

### 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
<b>Gross sales</b>	<b>12,162</b>	<b>20,837</b>	<b>12,009</b>	<b>4,976</b>	<b>2,027</b>	<b>51,938</b>
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
<b>Total IFRS 15 adjustments</b>	<b>3,874</b>	<b>7,992</b>	<b>3,904</b>	<b>1,188</b>	<b>318</b>	<b>17,235</b>
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
<b>Revenue</b>	<b>8,288</b>	<b>12,845</b>	<b>8,105</b>	<b>3,788</b>	<b>1,710</b>	<b>34,704</b>

# Note 11

## 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Gross sales	11,265	10,685	37,323	37,543	51,938
Adjustment for acquisitions	0	-	0	-	-
<b>Pro forma gross sales</b>	<b>11,265</b>	<b>10,685</b>	<b>37,323</b>	<b>37,543</b>	<b>51,938</b>
Pro forma gross sales on last year currency	10,737	10,161	36,538	35,306	48,805
<b>Pro forma growth in constant currency</b>	<b>0.5%</b>		<b>-2.7%</b>		<b>4.5%</b>

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Revenue	7,983	7,743	23,968	25,305	34,704
Adjustment for acquisitions	-	-	-	-	-
<b>Pro forma revenue</b>	<b>7,983</b>	<b>7,743</b>	<b>23,968</b>	<b>25,305</b>	<b>34,704</b>
Pro forma revenue on last year currency	7,585	7,347	23,403	23,773	32,555
<b>Pro forma growth in constant currency</b>	<b>-2.0%</b>		<b>-7.5%</b>		<b>0.3%</b>

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

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
EBITDA	492	468	1,350	1,353	1,932
Adjustment for acquisitions	-	0	-	0	0
<b>Pro forma EBITDA</b>	<b>492</b>	<b>468</b>	<b>1,350</b>	<b>1,353</b>	<b>1,932</b>



## Note 11

### 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Revenue	7,983	7,743	23,968	25,305	34,704
Cost of sales	-5,626	-5,461	-16,415	-17,859	-24,455
<b>Gross profit</b>	<b>2,357</b>	<b>2,282</b>	<b>7,554</b>	<b>7,446</b>	<b>10,249</b>
<b>Gross margin %</b>	<b>29.5%</b>	<b>29.5%</b>	<b>31.5%</b>	<b>29.4%</b>	<b>29.5%</b>

### Gross sales margin

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

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Gross sales – products	8,970	8,450	29,973	30,410	42,021
Gross sales – services	2,296	2,235	7,350	7,133	9,917
<b>Total gross sales</b>	<b>11,265</b>	<b>10,685</b>	<b>37,323</b>	<b>37,543</b>	<b>51,938</b>
Product gross profit	1,032	967	3,235	3,215	4,444
Total services gross profit	1,325	1,315	4,319	4,230	5,805
<b>Total products and services gross profit</b>	<b>2,357</b>	<b>2,282</b>	<b>7,554</b>	<b>7,446</b>	<b>10,249</b>
Product margin	11.5%	11.4%	10.8%	10.6%	10.6%
Services margin	57.7%	58.8%	58.8%	59.3%	58.5%
<b>Gross sales margin %</b>	<b>20.9%</b>	<b>21.4%</b>	<b>20.2%</b>	<b>19.8%</b>	<b>19.7%</b>

## Note 11

### Operating expenses

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

NOK in million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
Payroll and related costs	1,662	1,598	5,585	5,423	7,396
Other operating costs	203	216	619	669	921
Depreciation and amortization	185	170	545	513	688
<b>Total operating expenses</b>	<b>2,050</b>	<b>1,984</b>	<b>6,748</b>	<b>6,606</b>	<b>9,005</b>

### 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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Full year 2023
<b>Cash flow from operations</b>	<b>112</b>	<b>-301</b>	<b>-126</b>	<b>244</b>	<b>1,878</b>
Purchase of PPE and intangible assets	-89	-41	-283	-222	-322
Sale of PPE and intangible assets	2	0	5	1	2
<b>Capital expenditures through cash</b>	<b>-87</b>	<b>-40</b>	<b>-278</b>	<b>-220</b>	<b>-320</b>
<b>Free cash flow</b>	<b>25</b>	<b>-341</b>	<b>-404</b>	<b>24</b>	<b>1,558</b>

# Note 11

## 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 Sep 2024	30 Sep 2023	31 Dec 2023
Interest-bearing long-term liabilities	-588	-588	-588
Interest-bearing long-term leasing liabilities	-30	-26	-25
Interest-bearing current liabilities	-520	-570	-5
Interest-bearing current leasing liabilities	-5	-6	-8
Cash and cash equivalents	1,034	1,019	1,587
<b>Net financial position</b>	<b>-108</b>	<b>-171</b>	<b>961</b>
Long-term ROU assets leasing liabilities	-1,115	-1,044	-1,023
Current ROU assets leasing liabilities	-373	-333	-350
<b>Incremental net lease liabilities due to IFRS 16 adoption</b>	<b>-1,489</b>	<b>-1,377</b>	<b>-1,372</b>

# Note 11

## 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 Sep 2024	30 Sep 2023	31 Dec 2023
Last 12 months pro forma EBITDA	1,929	1,962	1,932
Debt covenant ratio	2.5	2.5	2.5
<b>Net debt limit</b>	<b>4,823</b>	<b>4,905</b>	<b>4,830</b>
Net financial position	-108	-171	961
<b>Liquidity reserve</b>	<b>4,715</b>	<b>4,734</b>	<b>5,791</b>
<b>Net debt / pro forma EBITDA</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.5</b>

### Liquidity reserve breakdown:

NOK in million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Unutilised short-term overdraft facilities	1,494	1,849	2,000
Draft limitation, debt covenant	3,221	2,885	3,791
<b>Liquidity reserve</b>	<b>4,715</b>	<b>4,734</b>	<b>5,791</b>

# Note 11

## 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 Sep 2024	30 Sep 2023	31 Dec 2023
Inventories	946	834	785
Trade receivables	4,308	3,996	6,946
Other receivables	2,370	2,432	2,115
Trade payables	-4,905	-5,007	-8,045
Tax payable	-160	-150	-200
Provisions	-39	-49	-55
Other current liabilities	-3,821	-2,989	-3,715
<b>Working capital</b>	<b>-1,301</b>	<b>-934</b>	<b>-2,169</b>
Securitization effect	1,872	1,799	1,872
<b>Working capital before securitization</b>	<b>571</b>	<b>865</b>	<b>-296</b>
Year to date gross sales	37,323	37,543	51,938
Proforma gross sales – last 12 months	51,719	51,496	51,938
<b>Working capital in relation to last 12 months gross sales</b>	<b>-2.5%</b>	<b>-1.8%</b>	<b>-4.2%</b>

# Note 11

## 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 Sep 2024	30 Sep 2023	31 Dec 2023
Total assets	16,163	15,436	18,636
Deduct: incremental lease assets due to IFRS 16 adoption			
Right-of-use assets	-1,419	-1,313	-1,314
Long-term subleasing receivables	-40	-79	-46
Short-term subleasing receivables	-69	-84	-60
Adjusted total assets	14,635	13,961	17,216
Equity	4,154	4,213	4,199
<b>Adjusted equity ratio (%)</b>	<b>28.4%</b>	<b>30.2%</b>	<b>24.4%</b>

# Q3

2024

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