

For translation purposes only

Interim Financial Report

as of June 30, 2022



About ATEME:

ATEME is a global leader in video compression and broadcasting solutions that help content providers, service providers and streaming platforms increase their audience and customer engagement.

Leveraging a unique R & D working group in the video industry, ATEME's solutions make sustainable television services possible, improve the quality of end user experience, optimise the total cost of acquiring TV/Vod services and generate new revenue sources based on personalisation and the insertion of advertising. Beyond technological agility, ATEME's value proposition is to partner with its customers by offering them great flexibility in the engagement and business models corresponding to their financial priorities. One consequence is a rapid shift to recurring revenues, strengthening the company's resilience and creating long term value for shareholders.

Founded in 1991, ATEME has 500 employees at its head office in France and 20 offices worldwide, including the United States, Brazil, Argentina, the United Kingdom, Spain, Germany, the United Arab Emirates, Singapore, China, Korea and Australia.

ATEME, a public limited company, has been listed on the Euronext Paris market since 2014 and acquired in November 2020 Anevia, a provider of OTT and IPTV software solutions. In 2021, ATEME served nearly 1,000 customers worldwide with sales of 79 million euros, of which 93% outside its domestic market.

Name: ATEME - ISIN code: FR0011992700 - Stock market symbol: ATEME - Sub fund: C

Address: 6 rue Dewoitine, 78140 Vélizy Villacoublay, France

Summary of the half year financial report

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1. Statement by the person responsible for the half year financial report

1. Person responsible for the annual financial report

Michel Artières, Chairman and Chief Executive Officer of ATEME.

2. Declaration by the person responsible

(Article 222-3 - 4 of the AMF General Regulation)

'I certify that, to the best of my knowledge, the condensed consolidated financial statements for the past half year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the companies included in the consolidation, and that the half year activity report presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements as well as a description of the main risks and uncertainties for the remaining six months of the financial year.'

Vélizy, 28 September 2022.

Michel Artières, Chairman and Chief Executive Officer of ATEME.

2. Activity report as of 30 June 2022

2.1 Highlights of the first half of 2022

On 11 January 2022, ATEME announced that Canal + launched one of the first global low latency OTT streaming deployments on AppleTV 4 K, thanks to ATEME's NEA solution.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and ATEME, the leading provider of video broadcasting solutions for broadcast, cable television, DTH, IPTV and OTT, announced today their collaboration to add ATEME's BIS CA standard to Globecast's arsenal of cutting edge security options. Given the central role of content security in the sector, this is an important addition.

On 10 March 2022, the SBTVD Forum announced that it has chosen the TITAN Live solution to select VVC as the mandatory video encoding system for the new TV 3.0 standard in Brazil, which will be used for the next generation digital terrestrial television system in the country.

On 22 March 2022, ATEME announced that it had implemented live streaming in 4 K UHD with Dolby Audio™ for Mola TV, an Indonesian subscription video on demand and over the top video streaming platform.

On 29 March 2022, ATEME announced that it had enabled Solbox, the market leader in CDN and cloud computing solutions in Korea, to build a private cloud Vod transcoding platform for OTT service providers.

On 12 April 2022, ATEME disclosed that it had enabled China Sports Media, a leading sports industry operator selected by the Beijing Olympic Committee to present sports, to offer a multi stage viewing experience to participants at the recent Olympic Winter Games.

On 21 April 2022, ATEME announced the creation of a strategic advisory committee composed of five recognised personalities from the sector and holding key positions in major groups in the media and entertainment industry.

On 27 May 2022, ATEME launched Tivify's low latency streaming, based on the Common Media Application (CMAF), for the UEFA Champions League final using ATEME's latest TITAN transcoding solutions.

On 31 May 2022, ATEME virtualised MyTV's network head, a subsidiary of Vietnam's second largest telecommunications operator. This project is a first step in the complete migration of MyTV's OTT platform to a private cloud.

On 31 May 2022, on May 28, ATEME released the final of the UEFA Champions League in its immersive Dolby Atmos and Dolby Vision in partnership with ATEME and Canal + on MyCanal.

On 1 June 2022, on the occasion of the 2022 edition of Roland Garros, France Télévisions and its technical partners, including ATEME, tested new distribution methods, both in Broadcast and multicast mode thanks to 5G

These highlights are to be found in detail on the website www.ateme.com.

2.2 Impacts of the COVID-19 health crisis, the global semiconductor shortage and the war in Ukraine on the financial statements at 30 June 2022

As restrictions on most international travel have now been lifted, trade fairs and customer meetings are gradually normalising. The takeover of the NAB Show last April in Las Vegas saw traffic slightly lower than in 2019, as did the IBC show, held from September 9 to 12 in Amsterdam.

Semiconductor production is still subject to tensions affecting all major server manufacturers, including partners such as Dell and HPE, and the production of ATEME's Kyrion product range. Although efforts to build up a stock have mitigated the impact, the situation resulted in the loss or postponement of business in the first half of the year for approximately euros500000.

In addition, ATEME discontinued its activities in Russia and Belarus. The impact on first half sales is of a similar magnitude.

2.3 Activity and results of the company

Income statement	30/06/2022 6 months K €	30/06/2021 * 6 months K €
Revenue	42,853	31,036
Cost of sales	(18,001)	(12,213)
Gross profit	24,852	18,822
Research and development costs	(10,084)	(8,445)
Marketing and selling expenses	(13,394)	(12,834)
General and administrative expenses	(2,668)	(2,388)
Operating profit	(1,294)	(4,845)
Financial expenses	(94)	(227)
Financial income	126	21
Foreign exchange gains and losses	1,204	360
Income before tax	(57)	(4,741)
Income tax expense/income	(71)	209
Net income from continuing operations	(128)	(4,532)
Income from discontinued operations	-	152
Gains or losses on disposal of discontinued operations	-	-
Net income	(128)	(4,380)
<i>Group share</i>	(128)	(4,380)
<i>Non controlling interests</i>	-	-
Basic earnings per share (€/share) from continuing operations	(0.01)	(0.40)
Diluted earnings per share (€/share) from continuing operations	(0.01)	(0.40)
Basic earnings per share (€/share) from discontinued operations	-	0.01
Diluted earnings per share (€/share) from discontinued operations	-	0.01

* Following the disposal of the Enterprise business, the consolidated financial statements have been prepared in accordance with the provisions of IFRS 5 relating to discontinued operations.

2.3.1 Revenue

ATEME generated revenue of €42853k in the first half of 2022, up 38% compared to the same period last year. On a comparable basis, at constant scope and exchange rates, sales were up 29%.

Revenue In thousands of EUR	H1 2022	H1 2021	Change	Comparable basis 1
EMEA	11,769	11,939	-1%	-2%
USA/Canada	18,227	10,465	74%	58%
Latin America	4,861	4,276	14%	4%
Asia Pacific	7,996	4,357	84%	68%
TOTAL	42,853	31,036	38%	29%

At the regional level:

- EMEA sales remained virtually stable at 11.769 million euros, down 1% from the previous year and 2% on a comparable basis. Nevertheless, this region recorded the strongest contribution to the growth of the MRR.
- The United States/Canada region generated revenue of 18.227 million euros, up 74% and 58% on a comparable basis, confirming its status as the group's largest market at nearly 43% of half year sales.
- Revenues generated by Latin America increased by 14% to 4.861 million euros and by 4% on a comparable basis.
- The Asia Pacific region remains the fastest growing region, with sales up 84% to 7.996 million euros (68% on a comparable basis).

Monthly recurring revenue in thousands of euros	July 2022	July 2021
Recurring monthly income ¹	2,115	1,685

Recurring monthly income (MRR) rose from 1.960 million euros in January 2022 to 2.115 million euros in July 2022. Taking into account that the second half of the year is still significantly more profitable than the first in terms of sales and the level reached at the end of this semester, ATEME is on track to achieve its longer term objectives of 3 million euros in 2024 and 4 million euros in 2026.

2.3.2 Change in gross profit

Gross profit increased from €18.8M to €24.9M, an increase of 32%.

The gross margin increased from 60.6% to 58.0% in the first half of the year.

This decrease in the gross margin rate is mainly due to an increase of 5 points in the share of goods purchases in the composition of the cost of sales.

¹ Alternative performance indicator not subject to review by ATEME's statutory auditors: Recurring monthly revenue is defined as the sum of (1) the monthly revenue from support contracts already signed, (2) the monthly revenue from multi year licence agreements already signed (CAPEX) and (3) the monthly revenue from licence lease agreements (OPEX).

2.3.3 restated EBITDA

Restated Ebitda (Amounts in K €)	30/06/2022	30/06/2021 * Restated
Recurring operating income	(1,294)	(4,845)
(-) DPA on intangible assets and property, plant and equipment	(1,176)	(1,190)
(-) DPA on acquired technologies	(356)	(356)
(-) DPA on rights of use	(415)	(518)
(-) Provision/reversal	(81)	(93)
(-) IFRS share based payment 2	(573)	(625)
Restated Ebitda	1,308	(2,063)

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

Disposal of the Enterprise business line

On 4 November 2021, ATEME signed an agreement with Vitec concerning the sale of the 'Hotels and Enterprise' business line (see 2021 Annual Financial Report for more details).

In accordance with the provisions of IFRS 5 on discontinued operations, the items of the income statement, other comprehensive income and the cash flow statement relating to these discontinued operations are isolated in the financial statements for the period 2021.

2.3.4 Operating expenses

Operating expenses increased by €8267k (+23%) in the first half of 2022 compared to the first half of 2021. This increase breaks down as follows:

- An increase of €5788k (+47%) in cost of sales
- An increase of €2479k (+10%) in overheads (R & D, Marketing and Sales, general expenses, etc.).

2.3.5 Financial result

Net financial income amounted to a gain of €1236k at 30 June 2022. It mainly comprises foreign exchange gains of €1204k and the amortised cost of the Group's financial debt of €(94) thousand.

2.3.6 Content investments

During the last quarter, ATEME continued to demonstrate its technological leadership and its role as a catalyst for transformation in the media, television and streaming industry.

Indeed, ATEME's solutions have offered the highest quality streaming experience for top class events such as the UEFA Champions League Final, the Roland Garros tennis tournament and the Eurovision Song Competition.

ATEME went further, thanks to 5G or massive deployment on the AWS cloud for Comcast Technology Solution.

ATEME continued to invest in its development. Over the period, operating expenses amounted to 26.1 million euros, up 11% from 23.7 million euros at 30 June 2021. Approximately one third of the

additional operational expenditure represents investments in research and development, particularly in the new functional capabilities of the TITAN and NEA solutions.

2.3.7 Maintaining a solid financial structure

Shareholders' equity amounted to 40.8 million euros at 30 June 2022, compared with 39.6 million euros at 31 December 2021.

Net income for the first half of 2022 was € -0.1 million, compared with -4.4 million euros at 30 June 2021.

Given the continued activity and the increase in the Group's financial debt in the first half of the year, cash flows from operating activities decreased by 0.2 million euros. Cash and cash equivalents amounted to 11.1 million euros, compared with 11.4 million euros at 31 December 2021.

At 30 June 2022, net financial debt (excluding rental debt) amounted to 11.6 million euros, compared with 10.3 million euros at 31 December 2021.

2.4 Developments and outlook

The second half should post a solid performance thanks to:

- A high order book, combining the effect of the growing MRR and orders received at the very end of the second quarter that will be delivered in the third,
- An increasingly robust pipeline, reinforced by the gradual adoption of the NEA software by ATEME's historical installed base.

As a result, ATEME is confident that it will achieve the revised target of increasing revenue growth from 15 to 20% on a like for like basis.

ATEME continued to invest in R & D to support its ongoing development and the total workforce is now 520 people (FTEs). The level of profitability in the second half of 2022 should improve compared to that recorded in the first half of 2022, and ATEME confirms its EBITDA target of 10 million euros for the full year.

With recurring monthly income of 2.1 million euros in July 2022, the Group is on track to reach its target of 3 million euros in recurring monthly income by 2024.

2.5 Post balance sheet events

On 26 July 2022, ATEME announces that it will present its solutions to provide a high quality of experience and reduce CO2 emissions to the IBC 2022, which takes place from September 9 to 12.

On 1 August 2022, ATEME announced a partnership with ENENSYS to offer an ATSC 3.0-in a-box solution for WCRN Boston. The linear television service NextGen TV will also offer unlimited encrypted broadcasting services to companies and first responders in emergency services.

On 2 August 2022, ATEME carried out with Eurovision Services the first test of the enhanced functions of the BISS CA encryption standard allowing content owners to grant conditional access to individual audio feeds.

On 16 August 2022, ATEME strengthened its leadership position in video flow solutions with a series of demonstrations of new technologies at the SET Expo in Sao Paulo from August 23 to 25.

On August 25, ATEME announces its 'Future Zone' at IBC 2022. Visitors will see a demo on the cloud gaming platform of Blacknut streaming games, and another on the immersive 3D video of the startup Metaverse Vimmerse.

On 1 September 2022, ATEME launched ATEME + Software as a Service. The service makes ATEME award winning video processing solutions available in a more agile business model, bringing transformative capabilities and cloud based benefits to ATEME customers around the world.

These highlights are to be found in detail on the website www.ateme.com

2.6 Risk factors and related party transactions

2.6.1 Risk factors and main uncertainties for the remaining six months of the financial year

The risk factors affecting the Company are presented in section 3 of the universal registration document filed with the Autorité des Marchés Financiers ('AMF') on 29 June 2022 (AMF number R22-029). The main risks and uncertainties that the Company may face in the remaining six months of the financial year are identical to those presented in the Registration Document available on the Company's website.

These risks are likely to occur during the remaining six months of the current financial year but also during subsequent financial years.

2.6.2 Related party transactions

Related party transactions are of the same nature as those presented in chapter 17 'Related party transactions' of the Universal Registration Document registered by the AMF on 29 June 2022 under number R22-029. During the first six months of the current financial year, no transactions between related parties that significantly influenced the company's financial position or results occurred. In addition, no changes affecting the related party transactions described in the Company's last Registration Document that could significantly influence the Company's financial position or results occurred during the first 6 months of the current financial year (see Note 27 of the interim financial statements presented in this financial report).

3. Consolidated financial statements prepared in accordance with IFRS At 30 June 2022 and 31 December 2021

Statement of Financial Position	Notes	30/06/2022 K €	31/12/2021 K €
ASSETS			
Goodwill	11	12,886	12,886
Intangible assets	12	8,452	8,877
Property, plant and equipment	13	3,302	3,203
Rights of use	14	2,740	2,862
Other non current financial assets	15	953	975
Deferred tax assets	8	1,600	1,508
Total non current assets		29,932	30,311
Inventories	16	10,026	6,558
Trade receivables	17.1	32,965	32,289
Other receivables	17.2	15,898	12,548
Cash and cash equivalents	18	11,172	11,447
Total current assets		70,061	62,842
Total Assets		99,994	93,153

LIABILITIES
Equity

Share capital	20	1,579	1,571
Additional paid in capital	20	26,565	26,554
Translation reserve	20	687	291
Other comprehensive income	20	210	(88)
Reserves - Group share	20	11,835	10,125
Net income - Group share	20	(128)	1,137
Equity, Group share		40,748	39,590

Non current liabilities

Employee benefit obligations	23	909	1,224
Provisions for charges	24	41	41
Non current financial debt	22	16,458	15,189
Non current lease liabilities	22.3	2,123	2,201
Deferred tax liabilities	8	11	10
Non current liabilities		19,541	18,665

Current liabilities

Current financial debt	22	6,309	6,529
Current lease liabilities	22.3	745	745
Trade payables and related accounts	25.1	16,046	14,173
Tax and social security liabilities	25.2	5,383	5,728
Other current liabilities	25.3	11,222	7,723
Current liabilities		39,705	34,898
Total Liabilities		99,994	93,153

Income statement	Notes	30/06/2022 6 months K €	30/06/2021 Restated 6 months K €	30/06/2021 Published 6 months K €
Revenue	3	42,853	31,036	32,436
Cost of sales	4.1	(18,001)	(12,213)	(12,860)
Gross profit		24,852	18,822	19,576
Research and development costs	4.2	(10,084)	(8,445)	(8,717)
Marketing and selling expenses	4.3	(13,394)	(12,834)	(13,164)
General and administrative expenses	4.4	(2,668)	(2,388)	(2,388)
Operating profit		(1,294)	(4,845)	(4,693)
Financial expenses	7	(94)	(277)	(277)
Financial income	7	126	21	21
Foreign exchange gains and losses	7	1,204	360	360
Income before tax		(57)	(4,741)	(4,589)
Income tax expense/income	8	(71)	209	209
Net income from continuing operations		(128)	(4,532)	(4,380)
Income from discontinued operations		-	152	
Net income		(128)	(4,380)	(4,380)

<i>Group share</i>	(128)	(4,380)	(4,380)
<i>Non controlling interests</i>	-	-	-

Basic earnings per share (€/share) from continuing operations	9	(0.01)	(0.40)	(0.39)
Diluted earnings per share (€/share) from continuing operations	9	(0.01)	(0.40)	(0.39)
Basic earnings per share (€/share) from discontinued operations	9	-	0.01	
Diluted earnings per share (€/share) from discontinued operations	9	-	0.01	

* Following the disposal of the Enterprise business, the consolidated financial statements have been prepared in accordance with IFRS 5 on discontinued operations (see Note 2.4 and Note 10).

IFRS Consolidated Statement of Comprehensive Income	30/06/2022 6 months K €	30/06/2021 Restated 6 months K €
Net income for the year	(128)	(4,380)
Actuarial gains and losses	397	77
Tax effect related to these items	(99)	(19)
Items not recyclable to income	298	58
Consolidation translation adjustments	395	43
Items recyclable to income	395	43
Comprehensive Income	566	(4,280)
<i>Group share</i>	566	(4,280)
<i>Non controlling interests</i>	-	-

Change in shareholders' equity

Change in shareholders' equity Consolidated	Share capital	Share capital	Share premium	Reserves and Income	Goodwill Conversion	Actuarial gains and losses	Equity, Group share	Interest Non controlling interests	Capital Own
	Number of shares	K €	K €	K €	K €	K €	K €	K €	K €
At 31 December 2020	11,060,569	1,548	25,137	8,981	111	(217)	35,560	-	35,560
Net income June 2021	-	-	-	(4,380)	-	-	(4,380)	-	(4,380)
Other comprehensive income	-	-	-	30	43	58	130	-	130
Comprehensive income	-	-	-	(4,350)	43	58	(4,250)	-	(4,250)
Issuance of new shares	74,920	10	1,113	-	-	-	1,124	-	1,124
Exercise of stock options	17,898	3	146	-	-	-	149	-	149
Cancellation of treasury shares resulting from the liquidity contract	-	-	-	(79)	-	-	(79)	-	(79)
Share based payments	-	-	-	625	-	-	625	-	625
At 30 June 2021	10,557,381	1,561	26,396	5,176	153	(159)	33,128	-	33,128
At 31 December 2021	11,224,028	1,571	26,554	11,261	291	(88)	39,590	-	39,590
Net income June 2022	-	-	-	(128)	-	-	(128)	-	(128)
Other comprehensive income	-	-	-	-	395	298	693	-	693
Comprehensive income	-	-	-	(128)	395	298	566	-	566
Exercise of stock options	1,500	-	19	-	-	-	19	-	19
Vesting of bonus shares	54,000	7	(7)	-	-	-	-	-	-
Share based payments	-	-	-	573	-	-	573	-	573
At 30 June 2022	11,279,527	1,579	26,565	11,707	687	210	40,748	-	40,748

Consolidated statement of cash flows	Notes	30/06/2022 6 months K €	30/06/2021 Restated 6 months * K €	30/06/2021 Published 6 months K €
Net income from continuing operations		(128)	(4,532)	-
Net income from discontinued operations		-	152	-
Net income		(128)	(4,380)	(4,380)
Elimination of amortisation of intangible assets	12	(374)	(396)	(396)
Elimination of technology depreciation	12	(356)	(356)	(432)
Elimination of depreciation of property, plant and equipment	13	(802)	(794)	(802)
Elimination of IFRS amortisation 16	14	(415)	(518)	(518)
Additions to provisions	23/24	(81)	(93)	(93)
Share based payment expense	21	(573)	(625)	(625)
Gross interest paid	7	(94)	(242)	(242)
Losses on disposal of fixed assets		(61)	-	-
Other		(7)	(34)	(34)
Income taxes (including deferred taxes)	8	177	209	209
Cash flow from operating activities before net finance costs and taxes		2,458	(1,682)	(1,446)
(-) Change in working capital (net of impairment of trade receivables and inventories)	26	2,696	172	340
Operating cash flow from continuing operations		(238)	(1,854)	-
Operating cash flow from discontinued operations		-	68	-
Cash flow from operating activities		(238)	(1,786)	(1,786)
Acquisition of intangible assets	12	(6)	(138)	(138)
Capitalised development costs	12	(299)	(291)	(291)
Acquisition of property, plant and equipment	13	(864)	(1,267)	(1,267)
Change in other non current financial assets	15	10	(12)	(12)
Exercise of Anevia Warrants by minority interests		-	(3,738)	(3,738)
Vitec receivable		399	-	-
Net cash from (used in) investing activities		(760)	(5,446)	-
Net cash from (used in) investing activities		-	-	-
Cash flows from investing activities		(760)	(5,446)	(5,446)
Exercise of stock options	21	19	1,272	1,272
Receipt of advances and conditional subsidies		44	-	-
Collection of new borrowings	22	3,236	3,116	3,116
Gross interest paid	7	(81)	(225)	(225)
Repayment of conditional loans and advances	22	(2,310)	(1,473)	(1,473)
Repayments of lease liabilities (IFRS 16)	22.3	(323)	(469)	(469)
Change in assets related to financing flows		(6)	56	56
Cash flows from continuing operations		579	2,277	-
Cash flows from discontinued operations		-	-	-
Cash flows from financing activities		579	2,277	2,277
Impact of exchange rate fluctuations		116	116	116
Net cash from (used in) discontinued operations		-	-	-
Increase (decrease in cash and cash equivalents)		(304)	(4,838)	(4,838)
Net cash and cash equivalents at beginning of period	18	11,447	17,092	17,092
Net cash and cash equivalents at end of period	18	11,143	12,254	12,254
Increase (decrease in cash and cash equivalents)		(304)	(4,838)	(4,838)
		30/06/2022 6 months K €	30/06/2021 Restated 6 months K €	30/06/2021 Published 6 months K €
Cash and cash equivalents	18	11,172	12,255	12,255
Bank overdrafts	18	(29)	(2)	(2)
Net cash and cash equivalents at end of period		11,143	12,254	12,254

* Following the disposal of the Enterprise business, the consolidated financial statements have been prepared in accordance with IFRS 5 on discontinued operations (see Note 2.4 and Note 10).

Detailed analysis of the change Working Capital Requirement (in K €)	30/06/2022 K €	30/06/2021 Restated K €	30/06/2021 Published K €
Inventories (net of inventory impairment)	3,302	929	898
Trade receivables (net of trade receivables)	(106)	(5,031)	(4,859)
Other receivables	4,057	2,788	2,714
Trade payables and related accounts	(1,599)	3,477	3,549
Tax and social security liabilities	373	924	956
Other current liabilities	(3,332)	(2,916)	(2,918)
Total changes	2,696	172	340

Notes to the Financial Statements

(Unless otherwise indicated, the amounts mentioned in these notes are in K €)

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Note 1: Presentation of business and major events

The information below constitutes the Notes to the consolidated half year financial statements Under IFRS as of 30 June 2022.

1.1 Information on the Company and its business

Created in June 1991, ATEME (a French public limited company) is responsible for the production of electronic and computer devices and instruments for the acquisition, processing and transmission of information.

ATEME offers products and solutions to cover:

- The contribution: Encoders embedded in mobile control cars and decoders installed in studios,
- The 'File' and 'Live' broadcasts: Content transcoding solution for broadcast on all types of screens to monetise content.

Registered office address: 6 rue Dewoitine, 78140 Vélizy Villacoublay

Number of the Trade and Companies Register: 382,231,991 RCS de VERSAILLES

ATEME and its subsidiaries are hereinafter referred to as the 'Company' or the 'Group' or 'ATEME.' The Company is listed on Euronext Paris Compartment B.

1.2 Events of the first half of 2022

Impact of pandemic, global semiconductor shortage and war in Ukraine

As restrictions on most international travel have now been lifted, trade fairs and customer meetings are gradually normalising. The takeover of the NAB Show last April in Las Vegas, with traffic slightly lower than in 2019, gives hope for a return to normal for the IBC that takes place in September in Amsterdam.

Semiconductor production is still subject to tensions affecting all major server manufacturers, including partners such as Dell and HPE, and the production of ATEME's Kyrion product range. Although efforts to build up a stock have mitigated the impact, the situation resulted in the loss or postponement of business in the first half of the year for approximately euros500000.

In addition, ATEME discontinued its activities in Russia and Belarus. The impact on first half sales is of a similar magnitude.

On 11 January 2022, ATEME announced that Canal + launched one of the first global low latency OTT streaming deployments on AppleTV 4 K, thanks to ATEME's NEA solution.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and ATEME, the leading provider of video broadcasting solutions for broadcast, cable television, DTH, IPTV and OTT, announced today their collaboration to add ATEME's BIS CA standard to Globecast's arsenal of cutting edge security options. Given the central role of content security in the sector, this is an important addition.

On 10 March 2022, the SBTVD Forum announced that it has chosen the TITAN Live solution to select VVC as the mandatory video encoding system for the new TV 3.0 standard in Brazil, which will be used for the next generation digital terrestrial television system in the country.

On 22 March 2022, ATEME announced that it had implemented live streaming in 4 K UHD with Dolby Audio™ for Mola TV, an Indonesian subscription video on demand and over the top video streaming platform.

On 29 March 2022, ATEME announced that it had enabled Solbox, the market leader in CDN and cloud computing solutions in Korea, to build a private cloud Vod transcoding platform for OTT service providers.

On 12 April 2022, ATEME disclosed that it had enabled China Sports Media, a leading sports industry operator selected by the Beijing Olympic Committee to present sports, to offer a multi stage viewing experience to participants at the recent Olympic Winter Games.

On 21 April 2022, ATEME announced the creation of a strategic advisory committee composed of five recognised personalities from the sector and holding key positions in major groups in the media and entertainment industry.

On 27 May 2022, ATEME launched Tivify's low latency streaming, based on the Common Media Application (CMAF), for the UEFA Champions League final using ATEME's latest TITAN transcoding solutions.

On 31 May 2022, ATEME virtualised MyTV's network head, a subsidiary of Vietnam's second largest telecommunications operator. This project is a first step in the complete migration of MyTV's OTT platform to a private cloud.

On 31 May 2022, on May 28, ATEME released the final of the UEFA Champions League in its immersive Dolby Atmos and Dolby Vision in partnership with ATEME and Canal + on MyCanal.

On 1 June 2022, on the occasion of the 2022 edition of Roland Garros, France Télévisions and its technical partners, including ATEME, tested new distribution methods, both in Broadcast and multicast mode thanks to 5G

These highlights are to be found in detail on the website www.ateme.com.

1.3 Subsequent events

On 26 July 2022, ATEME announces that it will present its solutions to provide a high quality of experience and reduce CO2 emissions to the IBC 2022, which takes place from September 9 to 12.

On 1 August 2022, ATEME announced a partnership with ENENSYS to offer an ATSC 3.0-in a-box solution for WCRN Boston. The linear television service NextGen TV will also offer unlimited encrypted broadcasting services to companies and first responders in emergency services.

On 2 August 2022, ATEME carried out with Eurovision Services the first test of the enhanced functions of the BISS CA encryption standard allowing content owners to grant conditional access to individual audio feeds.

On 16 August 2022, ATEME strengthened its leadership position in video flow solutions with a series of demonstrations of new technologies at the SET Expo in Sao Paulo from August 23 to 25.

On August 25, ATEME announces its 'Future Zone' at IBC 2022. Visitors will see a demo on the cloud gaming platform of Blacknut streaming games, and another on the immersive 3D video of the startup Metaverse Vimmerse.

On 1 September 2022, ATEME launched ATEME + Software as a Service. The service makes ATEME award winning video processing solutions available in a more agile business model, bringing transformative capabilities and cloud based benefits to ATEME customers around the world.

These highlights are to be found in detail on the website www.ateme.com

Note 2: Accounting principles, rules and methods

The financial statements are presented in K € unless otherwise indicated.

2.1 Accounting principles

Statement of compliance

ATEME has prepared its consolidated financial statements approved by the Board of Directors on 28 September 2022, in accordance with the standards and interpretations published by the International Accounting Standards Boards (IASB) and adopted by the European Union on the date of preparation of the financial statements, for all periods presented.

These standards, which are available on the European Commission's website, incorporate international accounting standards (IAS and IFRS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

In accordance with European regulation 1606/2002 of 19 July 2002, ATEME's consolidated financial statements for the year ended 30 June 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

As these are condensed financial statements, they do not include all the information required by IFRS for the preparation of the consolidated financial statements. These notes must therefore be supplemented by a reading of ATEME's IFRS consolidated financial statements published for the year ended 31 December 2021.

The accounting principles, methods and options adopted by the Company are described below. In some cases, IFRS leaves the choice between the application of a reference or other permitted treatment.

Principle of preparation of financial statements

The Group's financial statements have been prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, in accordance with IFRS. The categories concerned are mentioned in the following notes.

Going concern

The assumption of going concern over the next 12 months from 30 June 2022 has been adopted by the Board of Directors on the basis of available cash.

Accounting policies

The accounting principles used are identical to those used to prepare the annual IFRS financial statements for the year ended 31 December 2021, with the exception of the application of the following new standards, amendments to standards and interpretations adopted by the European Union, of mandatory application for the Company as of 1 January 2022:

- Amendments to IFRS 16 Leases: Covid-19 rent concessions after 30 June 2021 published on 31 March 2021 and applicable for fiscal years beginning on or after 1 April 2021;
- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment and IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Annual Improvements 2018-2020, all published on 14 May 2020 and applicable for annual periods beginning on or after 1 January 2022.

These new standards and interpretations published by the IASB did not have a material impact on the Company's financial statements.

The new standards, amendments and interpretations recently published and adopted by the European Union that may be relevant to the Company's activities are as follows:

- Amendments to IAS 1 Presentation of financial statements: Classification of current and non current assets and Classification of current and non current liabilities - carried forward from the effective date published respectively on 23 January 2020 and 15 July 2020 and whose application is for fiscal years beginning on or after 1 January 2023;
- Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates published on 12 February 2021 and applicable for annual periods beginning on or after 1 January 2023.

Recently published new standards, amendments and interpretations that may be relevant to the Company's business but have not yet been adopted are as follows:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies published on 15 July 2020 and applicable for annual periods beginning on or after 1 January 2023; and
- Amendments to IAS 12 Income Taxes: Deferred tax on assets and liabilities arising from a single transaction published on 7 May 2021 and applicable for annual periods beginning on or after 1 January 2023.

Finally, the Group did not anticipate the application of any other standard, interpretation and amendment or revisions that have not yet been adopted by the European Union or whose application is not mandatory in the financial statements opened on 1 January 2022.

2. 2 Use of judgements and estimates

To prepare the financial statements in accordance with IFRS, estimates, judgements and assumptions have been made by the Company's management; they may have affected the amounts presented for assets and liabilities, contingent liabilities at the date of preparation of the financial statements, and the amounts presented for income and expenses for the year.

These estimates are based on the assumption of going concern and are based on information available at the time of preparation. They are measured continuously on the basis of past experience and various other factors considered reasonable which form the basis of the assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual results may differ significantly from these estimates depending on different assumptions or conditions.

In preparing these consolidated interim financial statements, the main judgements made by management and the main assumptions used are the same as those applied in preparing the financial statements for the year ended 31 December 2021, namely:

- Allocation of equity warrants or founders' equity warrants to employees, executives and external service providers,
- Revenue recognition
- Capitalised development costs,
- Impairment of inventories,
- Provision for pension obligations,
- Impairment of trade receivables,
- Debt on lease obligations,
- Allocation of the acquisition price of assets and liabilities at fair value,
- Asset impairment test

These assumptions underlying the main estimates and judgements are described in the notes to these condensed consolidated financial statements.

In preparing the condensed interim financial statements, the Group uses certain specific measurement methods in accordance with IAS 34 - Interim Financial Reporting:

- The tax charge is calculated for each tax entity by applying to taxable income for the period the estimated average annual effective rate for the current year.

2.3 Scope and methods of consolidation

Subsidiaries

Subsidiaries are all entities for which the Company has the power to govern financial and operating policies, generally accompanied by the holding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which the Company acquires control. They are deconsolidated from the date on which control ceases to be exercised.

Intra group transactions and balances are eliminated. The financial statements of the subsidiary are prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting methods.

At the date of publication of the half year consolidated financial statements, the Company holds the following companies:

Companies	Countries	Group control	Interest
ATEME SA	France	Parent company	
ATEME USA Inc	United States	100	100
ATEME Canada Inc	Canada	100	100
ATEME Singapore	Singapore	100	100
ATEME Australia	Australia	100	100

As of 1 January 2022, Anevia was absorbed by ATEME.

In the consolidated financial statements for the year ended 30 June 2022, ATEME Japan was removed from the scope of consolidation following its liquidation. The impact on the financial statements is not considered material.

2.4 Changes to previously published financial statements

On 4 November 2021, ATEME signed an agreement with Vitec to sell the Hotels and Enterprise business line (see Note 2.2 to the financial statements for the year ended 31 December 2021). In accordance with the provisions of IFRS 5 relating to discontinued operations, the items of the income statement, other comprehensive income and the cash flow statement relating to these discontinued operations are isolated in the financial statements for all periods presented.

Note 3: Revenue

The Group's revenue mainly comprises the marketing of products (decoders, encoders, etc.), solutions for the acquisition, processing and transmission of information, as well as maintenance and service contracts.

All revenue recognition methods are described in the notes to the annual financial statements for the year ended 31 December 2021.

Revenue by geographic area for the first half of 2021 and the first half of 2022 was as follows:

REVENUE BY GEOGRAPHICAL AREA (Amounts in K €)	30/06/2022	30/06/2021 Restated *
France	3,461	2,168
Rest of the world	39,393	28,868
Total revenue	42,853	31,036

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

The Group's revenues are fairly balanced between its main customers and, to date, believes that it is only exposed to a limited risk of dependence on its customers.

REVENUE BY GEOGRAPHICAL AREA (Amounts in K €)	30/06/2022	30/06/2021 Restated *
EMEA	11,769	11,939
USA Canada	18,227	10,465
Latin America	4,861	4,276
Asia Pacific	7,996	4,357
Total	42,853	31,036

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

The Group's revenue recognition rate is as follows:

Category of sales (Amounts in K €)	Recognition method Under IFRS 15	30/06/2022	30/06/2021 Restated *
Static licences, equipment	Immediately	31,242	22,004
Dynamic licences	Gradually	2,815	1,575
Maintenance	Gradually	8,797	7,456
Total		42,853	31,036

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

Customer contract liabilities (deferred income on advances) evolved over the period as follows:

Change in customer contract liabilities (amounts in € K)	30/06/2022	31/12/2021
Opening balance	7,245	7,411
Amount recognised in sales for the period	(4,961)	(5,119)
Amount to be recognised in future periods	8,097	4,886
Translation adjustment	171	67
Closing balance	10,552	7,245

Note 4: Breakdown of income and expenses by function

4.1 Cost of Sales

Cost OF SALES (Amounts in K €)	30/06/2022	30/06/2021 Restated *
Purchases of goods	(12,873)	(8,062)
Personnel expenses	(4,133)	(3,393)
Indirect production costs	(834)	(455)
Transport costs	(162)	(303)
Cost of sales	(18,001)	(12,213)

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

4.2 Research and Development expenses

RESEARCH AND DEVELOPMENT (Amounts in K €)	30/06/2022	30/06/2021 Restated *
Personnel expenses	(10,730)	(8,443)
Other	(166)	(137)
Share of general expenses	(457)	(220)
Amortisation of capitalised R & D costs	(241)	(237)
Amortisation of technology	(356)	(356)
Depreciation, amortisation and provisions	(756)	(860)
Taxes and training	(153)	(126)
Leases	(99)	(139)
Purchases not stored	(219)	(154)
Travel, Missions and Reception	(32)	(1)
Share based payments	(159)	(218)
Capitalisation of R & D costs net of outflows	299	291
Research and Development expenses	(13,069)	(10,600)
Research tax credit and Innovation tax credit	2,815	1,996
Subsidies	170	159
Subsidies	2,985	2,155
Research and development costs	(10,084)	(8,445)

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

4.3 Marketing & Sales Fees

MARKETING AND SALES EXPENSES (Amounts in K €)	30/06/2022	30/06/2021 Restated *
Personnel expenses	(10,047)	(10,902)
Travel expenses	(856)	(106)
Other	(303)	(245)
Share of general expenses	(836)	(396)
Trade shows	(474)	(213)
Depreciation, amortisation and provisions	(275)	(349)
Taxes and training	(154)	(137)
Leases	(180)	(193)
Share based payments	(270)	(294)
Marketing and sales expenses	(13,394)	(12,834)

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

4.4 General and administrative expenses

GENERAL AND ADMINISTRATIVE EXPENSES (Amounts in K €)	30/06/2022	30/06/2021 Restated *
Personnel expenses	(1,656)	(1,337)
Fees	(679)	(792)
Travel expenses	(21)	(3)
Depreciation, amortisation and provisions	(54)	(81)
Leases	(20)	(24)
Share of general expenses	(95)	(45)
Taxes and training	(32)	(15)
Other	(40)	(29)
Share based payments	(70)	(61)
General and administrative expenses	(2,668)	(2,388)

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

Note 5: Restated EBITDA

Restated Ebitda (Amounts in K €)	30/06/2022	30/06/2021 * Restated
Recurring operating income	(1,294)	(4,845)
(-) DPA on intangible assets and property, plant and equipment	(1,176)	(1,190)
(-) DPA on acquired technologies	(356)	(356)
(-) DPA on rights of use	(415)	(518)
(-) Provision/reversal	(81)	(93)
(-) IFRS share based payment 2	(573)	(625)
Restated Ebitda	1,308	(2,063)

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

The Group operates in a single segment: The marketing of professional video compression and broadcasting solutions represents a single CGU at ATEME Group level.

Thus, the Company's performance is currently analysed at the level of the identified segment. The Company monitors two performance indicators:

- Revenue
- Restated EBITDA

Note 6: Group headcount

	30/06/2022	30/06/2021
Cost of sales	95	91
Research and development	262	237
Marketing and sales	124	128
General expenses	37	34
Total headcount at 30 June	518	490
O/w service providers	105	102

Note 7: Financial income and expenses, net

FINANCIAL INCOME AND EXPENSES (Amounts in K €)	30/06/2022	30/06/2021
Amortised cost of the loan	(85)	(277)
Other financial expenses	(9)	-
Financial income	126	21
Foreign exchange gains and (losses)	1,206	360
Total financial income and expenses	1,236	104

Financial expenses mainly comprise the unwinding of the discount on repayable advances and interest on finance leases.

Foreign exchange gains and losses are mainly due to the translation of bank accounts into dollars.

Note 8: Income taxes

The tax rate applicable to the Group is the rate in force in France, i.e. 25%.

Deferred taxes are recognised in the balance sheet separately from current tax assets and liabilities and are classified as non current items.

With respect to deferred tax assets, in the absence of new strategic and tax plans, deferred tax on temporary differences and tax loss carryforwards arising in the first half of 2022 have not been recognised in France. As a reminder, tax losses recognised as of 31 December 2021 amounted to €1334k.

As of 1 January 2022, Anevia was absorbed by ATEME. Following this transaction, ATEME was able to benefit from the carry forward of Anevia's tax loss carryforwards for €29055k. ATEME's tax loss carryforwards (excluding first half losses) amounted to €26722k.

In the income statement, taxes consist of the following amounts:

INCOME TAX EXPENSE (Amounts in K €)	30/06/2022	30/06/2021
Current taxes	(248)	-
Deferred taxes	177	209
Income tax expense	(71)	209

In the balance sheet, deferred tax assets and liabilities break down as follows:

Nature of deferred taxes

NATURE OF DEFERRED TAXES (Amounts in K €)	30/06/2022	31/12/2021
Temporary differences	679	570
Recognised tax loss carryforwards	1,334	1,334
Total deferred tax assets	2,013	1,904
Temporary differences	424	406
Total items with a deferred tax liability	424	406
Total net deferred taxes	1,589	1,498

Note 9: Earnings per share

BASIC EARNINGS PER SHARE (Amounts in euros)	30/06/2022	30/06/2021
Net income for the year (in K €)	(128)	(4,380)
Weighted average number of shares outstanding for basic earnings *	11,254,647	11,127,282
Basic earnings per share (€/share)	(0.01)	(0.39)
Weighted average number of shares outstanding	11,254,647	11,127,282
Stock options outstanding	253,505	336,523
Weighted average free shares outstanding	27,079	105,500
Weighted average BSA for the period	125,455	-
Weighted average number of shares for diluted earnings	11,660,686	11,555,634
Diluted earnings per share (€/share) **	(0.01)	(0.40)
Diluted earnings per share from discontinued operations	-	0.01

* Net of treasury shares issued under the liquidity contract

** from continuing operations

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year.

Instruments granting deferred rights to equity are considered anti dilutive as they reduce losses per share. Diluted losses per share are therefore identical to basic losses per share.

Note 10: Discontinued operations

A non current asset or group of assets and liabilities is held for sale when its carrying amount will be recovered primarily through a sale and not through continuing use. For this to be the case, the asset must be available for immediate sale and highly probable sale.

These assets or groups of assets are presented separately from other assets or groups of assets, on the line 'Assets held for sale' of the consolidated balance sheet when they are material.

These assets or groups of assets are measured at the lower of the carrying amount or the estimated selling price, net of costs relating to the sale. The liabilities of a group of assets held for sale are presented in the line 'Liabilities related to assets held for sale' in the consolidated balance sheet.

A discontinued operation is defined as a component of the entity that is either sold or classified as held for sale, which represents a significant activity or geographical area for the Group.

The Company considered that the disposal of the Enterprise business fell within the definition of a discontinued operation within the meaning of IFRS 5.

The Enterprise business, sold at the end of October 2021, did not change the financial statements for the first half of 2022.

In the first half of 2021, the Enterprise business was restated in order to have a reliable comparison for the financial statements for the first half of 2022.

The impact in the income statement was €152k and in the TFT €68k in operating cash flows.

Note 11: Business combinations and goodwill

In the second half of 2020, ATEME acquired Anevia. This transaction resulted in the recognition of goodwill of €13186k. The disposal of the Enterprise business in the second half of 2021 resulted in the disposal of a €300k share of goodwill, resulting in goodwill recognised in connection with the acquisition of Anevia amounting to €12886k at 31 December 2021.

The impairment test carried out at 31 December 2021 did not reveal any impairment loss requiring the recognition of a provision for impairment of goodwill. As of 30 June 2022, the Group considers that the assumptions used to measure the recoverable amount of goodwill as of 31 December 2021 are not substantially modified. No indication of impairment was identified in the first half of 2022.

Note 12: Intangible assets

The projects whose development costs have been capitalised concern the Kyrion, TITAN File and TITAN Live projects for the years 2010 to 2022.

At the time of the acquisition of Anevia, a gross technology value of €9350k was recognised on the Telco and Enterprise product lines.

The disposal of the Enterprise business in the second half of 2021 resulted in the disposal of the technology relating to this business for a gross amount of €1520k.

The technology recognised on the Telco product line is amortised over a 11 year period.

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Software	Technologies	Development costs	Work in progress	Total	Of which cash impact
Statement of Financial Position as at 31 December 2021	1,658	7,830	6,098	621	16,207	1,025
Capitalised development costs	-	-	-	299	299	299
Acquisition	6	-	-	-	6	6
Impact of exchange rates	1	-	-	-	1	
Transfer	128	-	-	(126)	2	
Statement of Financial Position as at 30 June 2022	1,792	7,830	6,098	794	16,514	1,330
AMORTISATION						
Statement of Financial Position as at 31 December 2021	1,467	830	5,033	0	7,330	-
Increase	133	356	241	-	730	-
Statement of Financial Position as at 30 June 2022	1,599	1,186	5,274	-	8,060	-
CARRYING AMOUNT						
At 31 December 2021	191	7,000	1,065	621	8,877	
At 30 June 2022	192	6,644	824	794	8,452	

Note 13: Property, plant and equipment

Property, plant and equipment mainly comprise It equipment.

No impairment losses were recognised in accordance with IAS 36 and the rules described in the notes to the consolidated financial statements for the year ended 31 December 2021.

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Installations and fixtures	Office equipment, computer equipment, furniture	Transport equipment	Work in progress	Total	O/w Cash impact
Statement of Financial Position as at 31 December 2021	2,217	10,892	7	16	13,131	1,982
Acquisition	86	696	-	82	864	864
Disposal/scrapping	-	(144)	-	-	(144)	-
Impact of exchange rates	4	109	-	-	113	-
Transfer	-	98	-	(98)	-	-
Statement of Financial Position as at 30 June 2022	2,307	11,651	7	-	13,964	2,846
AMORTISATION						
Statement of Financial Position as at 31 December 2021	1,234	8,687	7	-	9,928	-
Increase	186	616	-	-	802	-
Disposal/scrapping	0	(144)	-	-	(144)	-
Impact of exchange rates	3	73	-	-	76	-
Statement of Financial Position as at 30 June 2022	1,424	9,232	7	-	10,662	-
CARRYING AMOUNT						
At 31 December 2021	983	2,205	-	16	3,203	
At 30 June 2022	884	2,419	-	-	3,302	

Note 14: Rights of use

The following table details the application of IFRS 16 and the recognition of rights of use as assets:

GROSS VALUE OF RIGHTS OF USE (Amounts in K €)	Office equipment	Vehicles	Commercial leases	Total
Statement of Financial Position as at 31 December 2021	1,509	18	4,753	6,280
Increases	-	-	266	266
Disposal/scraping	(1,262)	-	(91)	(1,353)
Impact of exchange rates	-	-	63	63
Statement of Financial Position as at 30 June 2022	247	18	4,990	5,256

AMORTISATION

Statement of Financial Position as at 31 December 2021	1,460	7	1,951	3,419
Increase	25	1	390	415
Decrease	(1,262)	-	(91)	(1,353)
Impact of exchange rates	-	-	34	34
Statement of Financial Position as at 30 June 2022	223	9	2,284	2,516

CARRYING AMOUNT

At 31 December 2021	49	11	2,801	2,861
At 30 June 2022	24	10	2,706	2,740

The table below shows the rental expense before the application of IFRS 16:

Reconstitution of rental charges (in € K)	30/06/2022	30/06/2021
Rental expense restated under IFRS 16	384	467
Lease expenses not restated under IFRS 16	167	91
Total Rental expense	551	557

Interest expense on lease obligations at 30 June 2022 amounted to €12k, compared with €18k at 30 June 2021.

Note 15: Other non current financial assets

OTHER FINANCIAL ASSETS (Amounts in K €)	30/06/2022	31/12/2021
Loans	414	372
Guarantee deposits	198	250
Liquidity contract - Balance	141	146
Retention of Bpi France guarantee	200	200
Financing reserves Cautions Factor	-	6
Total other non current financial assets	953	975

Guarantee deposits mainly concern deposits paid under commercial leases signed.

Note 16: Inventories

INVENTORIES (Amounts in K €)	30/06/2022	31/12/2021
Raw material inventories	238	192
Work in progress Goods and Services	861	778
Inventories of goods	9,461	5,973
Total gross inventories	10,560	6,943
Impairment of raw material inventories	(16)	(14)
Impairment of goods inventories	(518)	(371)
Total impairment of inventories	(534)	(385)
Net inventory	10,026	6,558

At 30 June 2022, the Group decided to increase these server inventories in anticipation of potential delays in supplier deliveries following the COVID crisis and the shortage of electronic components.

Note 17: Receivables
17.1 Trade receivables

TRADE RECEIVABLES AND ACCOUNTS (Amounts in K €)	30/06/2022	31/12/2021
Trade receivables	34,206	33,352
Impairment of trade receivables	(1,240)	(1,064)
Net total trade receivables	32,965	32,289

Allocation of trade receivables by maturity (Amounts in K €)	30/06/2022	31/12/2021
Portion not yet due	13,124	16,707
Less than 90 days overdue	6,083	10,292
90 days to six months	4,366	2,139
Six months to twelve months	7,778	2,036
Due beyond twelve months	2,855	2,178
Total trade receivables	34,206	33,352

Allocation of impairment of trade receivables by maturity (Amounts in K €)	30/06/2022	31/12/2021
Portion not yet due	-	-
Less than 90 days overdue	-	-
90 days to six months	-	-
Six months to twelve months	-	-
Due beyond twelve months	(1,240)	(1,064)
Total impairment of trade receivables	(1,240)	(1,064)

Credit risk was unchanged at 30 June 2022 compared with 31 December 2021.

17.2 Other receivables

OTHER RECEIVABLES (Amounts in K €)	30/06/2022	31/12/2021
Research tax credit (1)	11,201	8,386
Value added tax (2)	2,234	1,730
Prepaid expenses (3)	2,106	1,693
Personnel and related accounts	22	
Trade payables	184	75
Receivables on disposal of Entreprise (4)	-	399
Other	149	265
Total other receivables	15,898	12,548

(1) **Research tax credit ('CIR')**

The Company benefits from the provisions of Articles 244 quater B and 49 septies F of the French General Tax Code relating to research tax credits. In accordance with the principles described in Note 4, the research tax credit is recognised as a deduction from research expenses in the year to which eligible research expenses relate. This has been pre financed (see Note 22.1)

It is presented as a grant under the 'Research and development expenses' category.

- (2) VAT receivables relate mainly to deductible VAT and the refund of VAT requested.
 (3) Prepaid expenses relate to current expenses and mainly correspond to component purchases.
 (4) The receivable on the disposal of the Entreprise business was fully repaid over the period.

Note 18: Marketable securities and cash

CASH AND CASH EQUIVALENTS (Amounts in K €)	30/06/2022	31/12/2021
Bank accounts	11,172	11,447
Total cash and cash equivalents	11,172	11,447

Note 19: Financial assets and liabilities and impact on income

The Company's assets and liabilities are valued as follows at 31 December 2021 and 30 June 2022:

(Amounts in K €)	30/06/2022		Value - statement of financial position Under IFRS 9	
	Value Statement of Financial Position	Fair Value	Fair value through profit or loss	Assets and liabilities at amortised cost
Non current financial assets	953	953		953
Trade receivables	32,965	32,965	-	32,965
Other current receivables	184	184	-	184
Cash and cash equivalents	11,172	11,172	11,172	-
Total assets	45,275	45,275	11,172	34,103
Non current financial debt	16,458	16,458	-	16,458
Current financial debt	6,309	6,309	-	6,309
Non current lease liabilities	2,123	2,123	-	2,123
Current lease liabilities	745	745	-	745
Trade payables	16,046	16,046	-	16,046
Other current liabilities	670	670	-	670
Total liability items	42,349	42,349	-	42,349

The only instruments recognised at fair value through profit or loss held by the Company are cash equivalents classified as Level 1.

(Amounts in K €)	31/12/2021		Value - statement of financial position Under IFRS 9	
	Value Statement of Financial Position	Fair Value	Fair value through profit or loss	Assets and liabilities at amortised cost
Non current financial assets	975	975		975
Trade receivables	32,289	32,289	-	32,289
Other current receivables	474	474	-	474
Cash and cash equivalents	11,447	11,447	11,447	-
Total assets	45,185	45,185	11,447	33,738
Non current financial debt	15,189	15,189	-	15,189
Current financial debt	6,529	6,529	-	6,529
Non current lease liabilities	2,201	2,201	-	2,201
Current lease liabilities	745	745	-	745
Trade payables	14,173	14,173	-	14,173
Other current liabilities	479	479	-	479
Total liability items	39,315	39,315	-	39,315

The only instruments recognised at fair value through profit or loss held by the Company are cash equivalents classified as Level 1.

(Amounts in K €)	Impact on the income statement at 30 June 2022		Impact on the income statement at 30 June 2021	
	Interest	Change in fair value	Interest	Change in fair value
Liabilities				
Liabilities measured at amortised cost: Bank borrowings	94	-	242	-
Liabilities measured at amortised cost: Bonds	-	-	-	-
Liabilities measured at amortised cost: Advances	-	(7)	34	-

Note 20: Share capital

Issued capital

The share capital is set at €1579134. It is divided into 11,279,527 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

This number excludes financial instruments granted to certain Group individuals.

COMPOSITION OF SHARE CAPITAL	30/06/2022	31/12/2021
Share capital (in K euros)	1,579	1,571
Number of shares	11,279,527	11,224,027
O/w Ordinary shares	11,279,527	11,224,027
Nominal value (in euros)	€0.14	€0.14

Exercise of stock options and allocation of free shares of the Company

During the first half of 2022, 1,500 stock options and 54,000 free shares of the Company were exercised:

- Each holder paid the subscription price of the shares upon exercise of the options for a total amount of €19k, including €19k charged to issue premiums.

The impact on earnings per share is presented in Note 9.

Dividend distribution

The company did not pay any dividends in the first half of 2022.

Capital management

The Company's policy is to maintain a solid capital base in order to preserve the confidence of investors, creditors and support the future development of the business.

Note 21: Stock warrants, stock options, founders' share warrants and free shares

Stock options ('SO')

The table below summarises the data relating to outstanding stock option plans and the assumptions used for the valuation in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of options expired	Number of warrants exercised	Number of options outstanding	Maximum number of shares to be issued
------	------	---------------------------	---------------------------	------------------------------	-------------------------------	---------------------------------------

Board Meeting of 5 November 2018	SO2017-1	69,000	18,000	5,000	46,000	46,000
Board Meeting of 5 November 2018	BSA2018-1	28,000	6,000	2,000	20,000	20,000
Board Meeting of 18 July 2019	SO2017-2	82,000	7,500	11,500	63,000	63,000
Board Meeting of 18 July 2019	BSA2018-2	45,000	5,000	5,000	35,000	35,000
Board Meeting of 6 May 2020	BSA2019-1	36,000	3,000	-	33,000	33,000
Board Meeting of 6 May 2020	SO2017-3	87,000	3,000	4,515	79,485	79,485
Board Meeting of 5 May 2021	SO2020-1	40,500	-	-	40,500	40,500
Board Meeting of 5 May 2021	BSA2020-1	10,500	3,000	-	7,500	7,500
Board Meeting of 23 March 2022	SO2020-2	57,500	-	-	57,500	57,500
Board Meeting of 23 March 2022	BSA2020-2	21,000	-	-	21,000	21,000
At 30 June 2022		476,500	45,500	28,015	402,985	402,985

Assumptions used - calculation of fair value under IFRS 2

Type	Subscription price per share	Exercise period	Volatility	Risk free rate	Total IFRS 2 valuation (Black & Scholes) At grant date
SO2017-1	€10.80	8 years	41.60%	0.00%	€290k
BSA2018-1	€10.80	8 years	41.60%	0.00%	€118k
SO2017-2	€12.60	8 years	42.57%	0.00%	€360k
BSA2018-2	€12.60	8 years	42.57%	0.00%	€198k
BSA2019-1	€12.60	8 years	42.78%	0.00%	€168k
SO2017-3	€12.60	8 years	42.78%	0.00%	€405k
SO2020-1	€15.62	8 years	41.98%	0.00%	€262k
BSA2020-1	€15.62	8 years	41.98%	0.00%	€68k
SO2020-2	€10.70	8 years	41.65%	0.00%	€264k
BSA2020-2	€10.70	8 years	41.65%	0.00%	€96k
					€2229k

Exercise rights are vested for 1/4 of the stock options granted to the holder at the end of a period of 12 months and then for 6.25% of the stock options granted every 3 months for three years.

On 23 March 2022, the Board of Directors granted 21,000 BSA and 57,500 stock options.

Free shares ('AGM')

The table below summarises the data relating to the stock option plans issued and the assumptions used for the valuation in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of options expired	Number of shares finally granted	Number of AGMs outstanding	Maximum number of shares to be issued	Total valuation
Board Meeting of 5 May 2021	AGA2019-2	44,000	4,500	-	39,500	39,500	€687k
Board Meeting of 5 May 2021	AGA2020-1	2,500	-	-	2,500	2,500	€39k
Board Meeting of 23 March 2022	AGA2020-3	63,500	-	-	63,500	63,500	€679k
At 30 June 2022		110,000	4,500	-	105,500	105,500	€1406k

On 23 March 2022, the Board of Directors granted 63,500 free shares to the Company's employees. They will vest after 24 months following the grant subject to presence conditions.

Breakdown of expense recognised in accordance with IFRS 2 at 30 June 2021 and 30 June 2022

Date	Type	30/06/2021					30/06/2022				
		Number of options outstanding	Probabilised cost of the plan	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 30/06/2021	Number of options outstanding	Probabilised cost of the plan	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 30/06/2022
Board Meeting of 5 November 2018	SO2017-1	46,000	269	214	70	285	46,000	269	253	9	262
Board Meeting of 5 November 2018	BSA2018	24,000	116	92	30	123	20,000	116	109	4	113
Board Meeting of 18 July 2019	SO2017-2	72,000	360	209	134	343	63,000	343	273	18	291
Board Meeting of 18 July 2019	BSA2018-2	45,000	198	115	73	188	35,000	198	156	12	168
Board Meeting of 6 May 2020	BSA2019-1	33,000	168	50	50	101	33,000	168	105	17	122
Board Meeting of 6 May 2020	SO2019-1	83,985	405	122	122	244	79,485	405	254	37	291
Board Meeting of 5 May 2021	SO2020-1	40,500	262	-	9	9	40,500	242	69	57	126
Board Meeting of 5 May 2021	BSA2020-1	10,500	68	-	2	2	7,500	63	18	15	33
Board Meeting of 23 March 2022	SO2020-2	-	-	-	-	-	57,500	264	-	32	32
Board Meeting of 23 March 2022	BSA2020-2	-	-	-	-	-	21,000	96	-	12	12
Total - SO - BSA		354,985	1,846	719	490	1,209	402,985	2,164	1,236	213	1,449

Date	Type	30/06/2021					30/06/2022				
		Number of options outstanding	Probabilised cost of the plan	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 30/06/2021	Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 30/06/2022
Board Meeting of 6 May 2020	AGA2019-1	56,000	704	-	230	230	-	679	562	105	667
Board Meeting of 5 May 2021	AGA2019-2	-	-	-	-	-	39,500	679	223	153	377
Board Meeting of 5 May 2021	AGA2020-1	-	-	-	-	-	2,500	39	13	10	23

Board Meeting of 23 March 2022	AGA2020-3	-	-	-	-	-	63,500	679	-	92	92
Total AGM		56,000	704	-	230	230	105,500	2,159	798	339	1,137

Note 22: Borrowings

CURRENT AND NON CURRENT FINANCIAL LIABILITIES (Amount in K €)	30/06/2022	31/12/2021
Lease liability (IFRS 16)	2,123	2,201
Repayable advances	392	561
Loans from credit institutions	16,066	14,628
Non current financial debt	18,581	17,390
Lease liability (IFRS 16)	745	745
Repayable advances	568	750
Bank borrowings	5,713	5,779
Bank overdrafts	29	-
Current financial debt	7,054	7,274
Total financial liabilities	25,634	24,664
O/w -1 year portion	7,054	7,274
Of which 1 to 5 years	18,556	17,227
Of which due in more than 5 years	24	163

CHANGE IN FINANCIAL DEBT (Amount in K €)	Loans from credit institutions	Repayable advances	Lease liabilities (IFRS 16)	Total	Bank overdrafts
At 31 December 2021	20,406	1,310	2,945	24,663	-
Change in cash					
Collection	3,208	44	-	3,252	29
Disbursement	(1,900)	(410)	(323)	(2,634)	
Cash flows	1,307	(366)	(323)	618	29
Non cash change					
Translation adjustment	-	-	(20)	(20)	-
Rental debt	-	-	345	345	-
Accrued interest	61	-	-	61	-
Amortised cost	-	15	-	15	-
Other	4	-	(79)	(75)	-
Total non cash	65	15	246	326	-
At 30 June 2022	21,779	959	2,868	25,607	29

Breakdown of financial debt by maturity

The maturities of borrowings break down as follows during the fiscal years presented:

CURRENT AND NON CURRENT FINANCIAL LIABILITIES AT REDEMPTION VALUE (Amount in K €)	30/06/2022			
	Gross Amount	Current portion	1 to 5 years	Over 5 years
Lease liability (IFRS 16)	2,868	745	2,123	-
Repayable advances	979	570	385	24
Bank borrowings	22,991	5,721	17,271	-
Bank overdrafts	29	29	-	-
Total financial liabilities	26,867	7,065	19,779	24

CURRENT AND NON CURRENT FINANCIAL LIABILITIES AT REDEMPTION VALUE (Amount in K €)	31/12/2021			
	Gross Amount	Current portion	1 to 5 years	Over 5 years
Lease liability (IFRS 16)	2,946	745	2,201	-
Repayable advances	1,345	782	527	36
Bank borrowings	20,408	5,779	14,501	127
Total financial liabilities	24,698	7,306	17,229	163

22.1. Loans from credit institutions

CHANGE IN LOANS TO CREDIT INSTITUTIONS (Amount in K €)	Bank borrowings	Pre financing of the IRC
At 31 December 2021	17,926	2,483
(-) Reimbursement	(1,900)	-
(-) CIR pre financing transaction	-	3,208
(-) Other movements	8	53
At 30 June 2022	16,034	5,744

In September 2022, the company applied for an extension of its €2000k PGE subscribed in 2021. This request includes an extension of up to 5 years with a deferred period of 12 months. The maturity of this loan is stated as less than one year in the financial statements at 30 June 2022.

Loans taken out in the first half of 2022:

- **Pre financing of the IRC**

In May and June 2022, ATEME received the balance of the CIR 2021 pre financing (ATEME and Anevia). This pre financing balance is €3208k at an annual interest rate of 3.65% (the first payment of €647k was made in November 2021).

The final maturity date is 30 June 2025.

The debt relating to the CIR's pre financing is recorded as a loan net of collateral withholding and the CIR receivable is reconstituted as an asset.

22.2. Repayable advances

CHANGE IN REPAYABLE ADVANCES AND SUBSIDIES (Amounts in K €)	PTZI	EIF	IA4SEC	BPIFRANCE Innovation	Anevia PTZI	Total
At 31 December 2021	293	298	141	50	528	1,310
(+) Decrease	-	-	44	-	-	44
(-) Reimbursement	(150)	(100)		(50)	(110)	(410)
Subsidies	-	-	(1)	-	-	(1)
Financial expenses	4	2	1	-	9	16
At 30 June 2022	147	200	185	-	427	959

The Company did not receive a new repayable advance in the first half of 2022. All liabilities are described in the notes to the financial statements for the year ended 31 December 2021.

22.3. Liabilities related to lease obligations

CHANGE IN LEASE LIABILITIES (Amount in K €)	Financial debt - Transport equipment	Financial debt - Office equipment	Financial debt - Construction	Total
At 31 December 2021	11	90	2,847	2,945
(+) Increase	-	-	345	345
(-) Reimbursement		(2)	(25)	(297)
(+/-) Other	-	-	(79)	(79)
(+/-) Foreign exchange gains and losses	-	-	(20)	(20)
At 30 June 2022	9	65	2,796	2,868

Note 23: Employee benefit obligations

Employee benefit obligations consist of the provision for end of career benefits, assessed on the basis of the provisions of the applicable collective agreement, namely the SYNTEC collective agreement.

This commitment concerns only employees covered by French law. The main actuarial assumptions used to measure retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	30/06/2022		31/12/2021	
	Managers	Non executives	Managers	Non executives
Retirement age	Voluntary departure (65-67 years)			
Collective agreements	SYNTEC			
Discount rate	2.87%		1.25%	
Mortality table	INSEE 2018			
Salary increase rate	2.00%			
Turnover rate	Fort			
Social security charges rate	47%	43%	47%	43%

The change in the provision for pension obligations is as follows:

Amounts in K €	Retirement commitments
At 31 December 2021	1,224
Past service cost	74
Financial costs	8
Actuarial gains and losses	(397)
At 30 June 2022	909

Note 24: Provisions

PROVISIONS (Amount in K €)	30/06/2022				
	Amount at beginning of period	Additions	Reversals	Reversals without objects	Amount at end of period
Provisions for charges	11	-	-	-	11
Provisions for litigation	30	-	-	-	30
Total provisions for liabilities and charges	41	-	-	-	41

Litigation and liabilities

The Company may be involved in legal, administrative or regulatory proceedings in the normal course of its business. A provision is recorded by the Company when there is a sufficient probability that such disputes will result in costs to be borne by the Company.

Labour disputes

The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the Company, on the basis of requests, legal obligations and the positions of lawyers.

Note 25: Trade payables and other current liabilities

25.1 Trade payables

For trade payables, no discounting has been made since the amounts did not represent more than one year of age at the end of each financial year in question.

TRADE PAYABLES AND ACCOUNTS PAYABLE (Amounts in K €)	30/06/2022	31/12/2021
Trade payables	12,234	10,953
Invoices not received	3,811	3,219
Total trade payables	16,046	14,173

25.2 Tax and social security liabilities

Tax and social security liabilities break down as follows:

TAX AND SOCIAL SECURITY LIABILITIES (Amounts in € k)	30/06/2022	31/12/2021
Personnel and related accounts	2,362	2,518
Social security and other social agencies	2,635	2,508
Other taxes, duties and similar payments	386	702
Total tax and social security liabilities	5,383	5,728

25.3 Other current liabilities

OTHER CURRENT LIABILITIES (Amounts in € k)	30/06/2022	31/12/2021
Advances from customers - RRR	586	285
Debts on fixed assets	24	139
Deferred income (1)	10,552	7,245
Non Group current accounts	10	10
Other liabilities	50	45
Total other current liabilities	11,222	7,723

(1) BCP are related to customer contract liabilities and are detailed in Note 3.

Note 26: Analysis of changes in WCR

ANALYSIS OF CHANGES IN WCR (Amount in K €)	30/06/22 A	31/12/21 B	Change 30/06/2022 C = AB	Exchange differenc es D	Change Working capital E = C D
Inventories (net of inventory impairment)	10,026	6,558	3,468	166	3,302
Trade receivables (Net of impairment of trade receivables)	32,965	32,289	677	783	(106)
Other current receivables	15,898	12,548	3,349	(709)	4,057
Trade payables and related accounts	(16,046)	(14,173)	(1,873)	(274)	(1,599)
Tax and social security liabilities	(5,383)	(5,728)	344	(29)	373
Other current liabilities	(11,222)	(7,723)	(3,499)	(167)	(3,332)
	26,238	23,771	2,466	(230)	2,696

Note 27: Related parties

Transactions with related companies continued on the same basis as in 2021, with no significant changes.

Note 28: Off balance sheet commitments

The off balance sheet commitments between 31 December 2021 and 30 June 2022 did not change significantly over the period except for the following point: The company signed a new lease (Meylan) with effect from 1 September 2022, for a total value of a right of use of € 0.6 million.

4. Statutory Auditors' limited review report on the interim condensed consolidated financial statements prepared in accordance with IFRS as adopted by the European Union

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- A limited review of the accompanying summary half year consolidated financial statements of ATEME for the period from January 1 to 30 June 2022;
- Verification of the information given in the half yearly activity report.

The global crisis related to the Covid-19 pandemic creates special conditions for the preparation and limited review of the consolidated half year financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and the way in which our work is carried out.

These interim consolidated financial statements have been prepared under the responsibility of your Board of Directors. Our role is to express our opinion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review consists mainly of meeting with management in charge of accounting and financial matters and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free of material misstatement obtained through a limited review is moderate assurance, lower than that obtained through an audit.

Based on our limited review, we have not identified any material misstatements that would call into question, in accordance with IFRS as adopted by the European Union, the fairness and fairness of the consolidated half year financial statements and the fair presentation they give of the assets and financial position at the end of the half year and of the results of the half year ended for the group consisting of the persons and entities included in the consolidation.

2. Specific verification

We have also verified the information given in the half year activity report commenting on the consolidated half year financial statements, on which our limited review was carried out.

We have no matters to report as to its fair presentation and its consistency with the consolidated interim financial statements.

Savigny sur Orge and Paris La Défense, 29 September 2022

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hu Charles

Franck Sebag