

Paris, November 5, 2020 – 17.45 CET

THIRD QUARTER REVENUES 2020

- ☰ NINE MONTHS REVENUES OF €43.1 MILLION, DOWN 5%
- ☰ POSITIVE GROWTH AND PROFIT EXPECTED ON A FULL YEAR BASIS
- ☰ ANEVIA ACQUISITION A GAME CHANGER TO CAPTURE THE OTT OPPORTUNITY

Revenue in € thousands	2019	2020	Variation
First Half 2020	30,080	29,038	-3%
Third Quarter 2020	15,381	14,074	-8%
First 9 months 2020	45,460	43,112	-5%
<i>9 months at constant exchange rate</i>	<i>45,460</i>	<i>43,164</i>	<i>-5%</i>

Revenue in € thousands	9M 2019	9M 2020	Variation
EMEA	15,314	13,169	-14%
USA / Canada	17,502	18,103	+3%
Latin America	6,638	4,020	-39%
Asia Pacific	6,006	7,819	+30%
TOTAL	45,460	43,112	-5%

Q3 figures are unaudited. H1 figures underwent a limited review by auditors.

Paris, November 5, 2020 - ATEME (ISIN: FR0011992700), the emerging leader in video delivery infrastructure, generated revenues of €14.1 million for the Third Quarter of 2020, down by 8% on a reported basis and down by 4% at constant currency.

Revenues for the First Nine Months stood at €43.1 million, down by 5% reported and at constant currency.

- ☰ The USA/Canada region remained the largest contributor to revenues, at 42% of the group total, with a 3% year-on-year increase (4% at constant currency);
- ☰ EMEA revenues, representing 31% of group total declined by 14% year-on-year (same at constant currency);
- ☰ Revenues in Latin America declined by 39% (40% at constant currency), reflecting the difficult macro-economic situation (local currencies weakened vs euro or dollar) and a tough comparison basis, with revenues up 40% (at constant currency) in the corresponding period in 2019;
- ☰ Asia Pacific delivered the strongest performance, with revenues up by 30% (same at constant currency).

A collage of various media content including sports, news, and entertainment, arranged in a 3D perspective. A green diagonal line runs across the top right of the page.

Q3 achievements and challenges

ATEME continued to support its customers in adjusting their businesses during the COVID-19 situation by facilitating remote operations and adapting to changes and growth in media consumption. The analyst Devoncroft, a renowned industry specialist, unveils that ATEME belongs to the top 30 best performers¹ in the Covid context, according to the clients, across the whole production and video delivery industry. None of ATEME's direct competitors appear in this league table.

As in the Second Quarter, the Third Quarter saw some slippage in significant opportunities, due to late contract finalization or logistics challenges, contributing to a solid backlog and commercial pipeline for the Final Quarter of the year. Reinforced processes have been implemented to anticipate procurement and shipments to our main subsidiaries, in order to avoid similar impact at the end of Q4.

As a result, ATEME still expects to generate revenue growth for the year as a whole with profitability in positive territory.

Anevia acquisition a game changer

ATEME is in the process of completing the acquisition of Anevia, the Content Delivery Network (CDN) software specialist, initially announced on July 31st. ATEME currently owns 87% of Anevia shares and the public offering process is expected to be completed by January. Anevia will be consolidated from November 2020.

Anevia's CDN software solutions around its NEA product line perfectly complement ATEME's TITAN solutions, creating a comprehensive end-to-end solution for OTT delivery, which will provide all benefits needed to meet our customers' ambitions. These include notably enhancing end-viewer satisfaction, reducing churn, increasing the Average Revenue Per User (ARPU), better monetizing content with new revenue streams based on targeted advertising, and building personalized TV experiences.

As a result, the company will be in a position to generate larger deals with its existing customer base while rationalizing the cost of developing a global presence. The powerful combination and complementarity of these solutions lie in the fact that the TITAN encoding technology is needed to win the initial investment of the company's clients, while CDN solutions will grow as the OTT service gains consumer adoption, driving further recurring revenues.

Moreover the combination of the two companies will deliver the talent pool and resources for the implementation of a combined business plan whilst saving critical time and generating cost synergies, notably relating to the fact that both companies are listed and have their headquarters in the Paris area.

Michel Artières, CEO and President of ATEME, commented: *"Nine months revenues were virtually stable year-on-year. The combination of the order backlog, the commercial pipeline and the level of monthly recurring revenues means we are confident in delivering a strong Fourth Quarter to deliver a further year of profitable growth excluding the costs related to the Anevia deal. Looking forward, the combined end-to-end video delivery solution resulting from the Anevia acquisition will ideally position us to become the partner of choice for content providers, service providers, and new media to offer billions of viewers a next generation video delivery experience."*

¹ Source: Pandemic Benchmark League Table - 2020 Big Broadcast Survey



Next publication:

January 29, 2021: Full Year 2020 revenues

About ATEME: ATEME is the emerging leader of video delivery infrastructure, servicing the world's largest content and service providers. Listed on Euronext Paris since 2014, ATEME has a history of transforming video delivery, being the first to market with a 10-bit 4:2:2 solution, the first production-ready HEVC & HDR, and recently, the first genuine video delivery NFV software solution designed to lead service providers' transition to video datacenter. To complement its cutting-edge technology, ATEME has partnered with leaders such as Intel, Apple and Microsoft to create best-in-class video delivery solutions. ATEME is a leading member of industry forums and organizations, such as the DVB and SMPTE, actively participated in the ITU in the standardization of HEVC in 2013 and joined the Alliance for Open Media to help develop the AV1 open and royalty-free video codec in June 2014. ATEME is headquartered in Vélizy near Paris, with worldwide support and R&D offices in Rennes, Denver, Sao-Paulo, Singapore and Sydney. With a commercial presence in 24 countries, ATEME counts 319 employees, including some 150 of the world's leading R&D video experts. In 2019 ATEME served close to 400 customers worldwide with revenues of €66.3 million, of which 93% outside its home market.

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