

Paris, September 28, 2021 – 17.45 CET

FIRST HALF 2021 RESULTS

- ☰ 8% rise in gross margin despite 4% like for like¹ revenue decline
- ☰ H1 operating loss of €4.7 million, but moderate growth and profitability expected for the Full Year
- ☰ Founding member of ‘Greening of Streaming’, promoting sustainability in our sector

Consolidated data (in € million) IFRS	H1 2020	H1 2021	Change H1 2021/2020	Change Like for like
Revenue	29.0	32.4	12%	-4%
Gross margin	14.6	19.6	35%	+8%
Gross margin (%)	50.1%	60.4%		
Current Operating profit	-2.2	-4.7	NA	NA
Operating margin (%)	-7.7%	-14.5%		
Financial profit / loss	-0.2	0.1		
Tax income	-0.2	0.2		
Group net profit	-2.6	-4.4	NA	NA
Net margin	-8.9%	-13.5%		

ATEME's financial statements for the six months to June 30th, 2021 were approved by the Board of Directors at its meeting on 27 September. The limited review of the company's financial information by its statutory auditors is complete. The limited review report will be issued after verification of the half-year activity report.

Paris, September 28, 2021 - ATEME (ISIN: FR0011992700), world specialist in video delivery, has published its results for the Half Year to 30th June 2021.

Uneven revenues performance across geographies and significant business model transition

First half revenues amounted to €32.4 million, up 12% year-on-year on a reported basis and down 4% like-for-like.

All regions continued to be affected by the COVID-19 impact, notably travel restrictions limiting customer interactions, supply chain challenges, and customers postponing some of their investments. The North America and APAC regions delivered similar performances with 17% and 19% topline

¹ At constant exchange rate and perimeter



declines respectively (both 16% like-for-like). Latin America delivered robust 42% growth thanks to the Anevia contribution, while revenues were flat (-1%) on a like-for-like basis. EMEA demonstrated the highest resilience, with revenue growth of 12% like-for-like, boosted to 68% with the Anevia contribution.

Overall, while the travel restrictions prevented ATEME from winning new customers at the usual pace, the group was able to increase business with existing customers and hence grow MRR (Monthly Recurring Revenue) by almost €200k in the First Half, equating to €2.4 million of incremental gross margin on a rolling 12-month period.

Moreover, ATEME has enhanced its value proposition for media companies and services providers notably with the integration of Anevia thereby increasing its competitive position ahead of the anticipated post Covid momentum.

Rise in software sales driving gross margin improvement

The 4% decline in revenues reflected a reduction in the re-sale of third-party products (notably servers sold with TITAN software); on the other hand, software sales increased, leading to an improvement in Gross Profit from €14.6 to €19.6 million (reported), with a margin boosted from 50.1% to 60.5% (+10.4 points).

The integration of Anevia partly explains a rise in operating costs (€16.8 to €24.3 million) with +€3.1 million in R&D, +€3.7 million in Sales & Marketing and +€0.7 million in G&A.

The synergies of the merger are expected to materialize in 2022:

- savings are expected in the range of €1-2 million.
- more importantly, cross-selling opportunities, with an objective of doubling Anevia's NEA sales between 2020 and 2022.

The net result for the First Half was a deficit of €4.4 million, representing 13.5% of sales, close to the 13.8% of the First Half 2018.

Customary H2 revenue acceleration expected

Since the 2014 IPO, Second Half revenues have usually exceeded the First Half by some 30%. The same seasonality has been experienced by Anevia, and this established seasonality is not expected to be altered in 2021.

The increase in R&D investments in H1 to accelerate the NEA roadmap has been paused in Q3, while savings in travel and trade shows are ongoing, as illustrated by the main global trade show, the Las Vegas NAB, initially postponed from April to October, and now officially canceled.

Overall, the seasonal acceleration in Second Half revenues is expected to compensate for the First Half, and ATEME should deliver moderate growth like for like and breakeven at the operating profitability level in FY 2021.



Founding member of 'Greening of Streaming'

Ateme is a founding member of Greening of Streaming, for streaming to continue to change the world for the better. Greening of Streaming will bring together some of the biggest players in the industry to address energy impact of the Streaming sector, focus on best practice, and act as the mouthpiece for our industry and promote the changes we are making to ensure that Streaming becomes as sustainable as we can make it.

We are also pleased to be featured in the new Gartner's Market Guide for Video Platform Services as a representative vendor, among just 15 other companies, which shows the company's irresistible momentum in the video and streaming space.

Finally, in another great recognition of our innovation capabilities, Ateme just received 2 CSI Awards (Cable & Satellite International) :

- Best ultra-HD TV technology with TITAN for the Ultimate Viewing Experience (involving technologies such as HDR – High Dynamic Range – and immersive sound)
- Best video processing technology with our "Green Delivery solution" based on the combination of TITAN and NEA

ATEME Chairman and Chief Executive Officer, Michel Artières, said: *"First Half 2021 demonstrated ATEME's ability, in spite of the continuing Covid-19 environment, to keep growing both software sales (as reflected in the gross margin, up 8% like-for-like) and recurring revenues (on track to reach the €3 million MRR target in 2024). In this context, we are confident in being able to deliver a further year of revenue growth in 2021. The benefits of the Anevia integration synergies, and the expected post Covid-19 recovery, firstly in EMEA and North America, will contribute to significant improvements in overall financial results and performance as of 2022. Elsewhere, we are delighted to participate in the founding of Greening of Streaming, aimed at spearheading best practice in terms of the sustainability of the Streaming sector."*

Next publication:

November 5, 2021: Q3 2021 revenues



About ATEME: Ateame is a global leader of video compression and delivery solutions helping Tier-1 Content Providers, Service Providers and Streaming Platforms to boost their viewership and subscription engagement. Leveraging a unique R&D task force in the video industry, Ateame's solutions power green sustainable TV services, improve end-users' quality of experience, optimize the total cost of ownership of TV/VOD services and generate new revenue streams based on personalization and ad insertion. Beyond the technology agility, Ateame's value proposition is to partner with his customers by offering a great flexibility in the engagement and business models matching their financial priorities. A consequence is a rapid shift to Recurring Revenues, boosting the company resilience and creating long term value for the shareholders.

Founded in 1991, Ateame has 490 employees spread over its headquarters in France and 20 offices around the world including the USA, Brazil, Argentina, UK, Spain, Germany, Russia, the UAE, Singapore, China, Korea, and Australia.

Ateame has been listed on the Paris Euronext market since 2014 and in November 2020 it made the acquisition of Anevia, a provider of OTT and IPTV software solutions. In 2020, Ateame served close to 1,000 customers worldwide with revenues of €70.7 million, of which 93% outside its home market.

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The forward-looking statements included herein are for illustrative purposes only and are based on management's current views and assumptions. Such forward-looking statements involve known and unknown risks. For illustrative purposes only, such risks include but are not limited to impact of external events on customers and suppliers; the effects of competing technologies competition generally in main markets; profitability of the expansion strategy; litigation; ability to establish and maintain strategic relationships in major businesses; and the effect of future acquisitions and investments.

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