

FULL YEAR 2021 RESULTS

- > **GROSS PROFIT UP 27% AT €49.0 MILLION (62% MARGIN VS 55% IN 2020)**
- > **EBITDA OF €6.4 MILLION AND NET PROFIT OF €1.1 MILLION, ABOVE EXPECTATIONS**
- > **ALL FINANCIAL OBJECTIVES CONFIRMED**

Paris, March 24, 2022 - AteME (ISIN: FR0011992700) has published Full Year 2021 Results, as approved by its Board of Directors on 23 March 2022. The consolidated financial statements have been audited in full. The auditors' report will be published once the due diligence procedures required for the publication of the annual financial report have been completed.

Consolidated data (in € million)	FY 2020	FY 2020 restated *	FYI 2021	Change 2021 vs 2020 restated
IFRS				
Revenue	70.7	70.1	78.8	+12%
Gross profit	38.9	38.5	49.0	+27%
Gross margin (%)	55.0%	55.0%	62.1%	
Operating profit	1.2	1.2	1.1	-9%
Operating margin (%)	1.7%	1.7%	1.4%	
Financial profit / loss	-1.4	-1.4	0.5	
Tax income	-0.1	-0.1	0.2	
Group net profit of continued activities	-0.3	-0.2	1.8	
Net margin	-0.4%	-0.4%	2.3%	
Group net profit	-0.3	-0.3	1.1	
Net margin	-0.4%	-0.4%	1.4%	

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

Market share gains

As reported on January 27th, total Revenues amounted €81.1 million for the fiscal year ending 31 December 2021. Restated for the divestment of the former Anevia Enterprise activity and Flamingo product line in November 2021, Revenues stood at **€78.8 million**.

As anticipated, the Second Half confirmed the improvement in the product mix with an attendant increase in the gross margin, which stood above 62% on a full year basis, vs 55% in 2020.

This confirms the long-term trend of margin enhancement, which is amplified by the success of the transition to cloud-based applications and the transition towards a recurring revenue business model.

The gross margin stood at **€49.0 million** up 27%. Together with the 31% increase in Monthly Recurring Revenue (€1.96 million in January 2022), this performance more accurately reflects the rate at which the company is gaining stable market share than mere topline growth.

Further growth investments in 2021

Ateme continued to invest in its future growth in 2021. The OPEX 31% rise to €47.9 million essentially reflected the consolidation with Anevia from November 2020 as well as further growth in the total headcount, from 450 to 490 in 2021. This investment was equally shared between R&D and sales/marketing, including:

- The acceleration of the NEA roadmap (the ex-Anevia product line) which includes OTT delivery technologies such as cloud DVR and Content Delivery Networks.
- The creation of global expert teams to support all regions in positioning, selling, and deploying the range of Ateme solutions, adapting to the growing complexity of end-to-end OTT delivery solutions, from the video head-end to the CDN.
- The optimization of our streaming solutions, enabling servers and storage savings for our customers and helping them meet their carbon footprint reduction objectives.
- The development of new products, solutions, and services to be launched in 2022 and in 2023.

All P&L metrics exceed expectations

Operating profit stood at **€1.1 million**, while the net profit of continued activities (excluding the Enterprise activity divested in 2021) totaled €1.8 million (2.3% of the topline) integrating a positive financial result and tax income.

The EBITDA¹ stood at **€6.4 million**, in line with guidance published January 2021, and above the cautious reforecast of January 2022.

Sound financial structure

Shareholders' equity stood at **€39.6 million** at 31 December 2021 up from €35.6 million a year earlier.

Liquidity stood at **€11.4 million** vs €17.1 million a year earlier. Cash outflow from investing activities amounted to €7.1 million, of which € 3.7 million to finalize Anevia acquisition.

¹ EBITDA = earnings before interest, tax, depreciation and amortisation. Underlying EBITDA equals Group pre-tax profit before deduction of interest, depreciation, amortisation and impairment charges on non-current assets, and staff share-based payments, but after impairment of inventories and trade receivables. It shows profit generated by business activities regardless of financing conditions, tax constraints and the upgrading of operating assets. Non-recurring expenses (one-off, unusual or infrequent items) are excluded

At 31 December 2021, net debt amounted to **€10.3 million** vs €3.7 million. The Group has contracted new "PGE" state-guaranteed loans for a total of €3 million during 2021.

Geopolitical situation

Ateme has limited exposure to the current geopolitical situation involving Russia and Ukraine:

- Revenues in Russia and Belarus are limited (c.€1 million in 2021); shipments to these countries have been suspended since 24th February.
- Ateme has no dependence of a supply chain, R&D or financial nature on the affected countries, nor does it have any customer past dues in these markets.

Looking ahead

The general operating context remains challenging due to ongoing global supply-chain issues and more recently the situation in Ukraine. The global supply chain is not expected to return to normal before 2023 and will continue to delay the delivery of certain projects where a hardware component is involved.

Nevertheless Ateme continues to innovate and invest to keep winning market share.

As previously stated, 2022 is expected to demonstrate more significant synergies from the Anevia acquisition, notably with a significant ramp up in NEA sales.

All financial objectives are confirmed, including revenue growth of 10-15%, and EBITDA of €5-10 million in full years 2022 and 2023, together with the ongoing development of Monthly Recurring Revenues, with an objective of €3 million in 2024.

Michel Artières, Chairman and CEO of Ateme, commented: *"Full Year 2021 has seen a strong performance despite the Covid crisis and attendant supply chain issues. Ateme continues to innovate and win market share, as demonstrated by the 27% rise in our gross profit and the 31% increase in Monthly Recurring Revenues. The Ateme/Anevia integration has been extremely successful as testified by the rapid return to profitability of the combined entity. We look forward with confidence to 2022 and anticipate the acceleration of the ramp-up of the synergies of the Ateme/Anevia consolidation."*

Upcoming events:

May 5th, 2022: First Quarter 2022 Revenues

About Ateme: Ateme 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, Ateme'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, Ateme'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, Ateme has 490 employees spread over its headquarters in France and 20 offices around the world including the USA, Brazil, Argentina, UK, Spain, Germany, the UAE, Singapore, China, Korea, and Australia.

Ateme 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 2021, Ateme served close to 1,000 customers worldwide with revenues of €79 million, of which 93% outside its home market.

Find out more: www.ateme.com.

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