

For translation purposes only

Interim Financial Report

At 30 June 2023



About [Ateme](#) :

Ateme is a global leader in compression and video broadcasting solutions, helping leading content providers, service providers and streaming platforms to boost the engagement of their viewers and reduce the unsubscribe rate.

Leveraging a unique R & D working group in the video industry, Ateme's solutions feed sustainable TV services, improve the quality of end user experience, optimise the total cost of ownership of TV/VOD services and generate new revenue sources based on personalisation and advertising insertion. Beyond technological agility, Ateme partners with its customers by offering them flexible business models that match their financial priorities.

Founded in 1991, Ateme has 560 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 has been listed on the Euronext Paris market since 2014 and acquired Anevia, an OTT and IPTV software solutions provider, in November 2020. In 2022, Ateme served nearly 1,000 customers worldwide with sales of 90 million euros, of which over 90% outside its domestic market.

Name: Ateme - ISIN code: FR0011992700 - Stock market symbol: Ateme - Compartment: C

Address: 6 rue Dewoitine, 78140 Vélizy Villacoublay, France

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1. Statement or responsibility for the half year financial report

1. Person responsible for the half year financial report

Michel Artières, Chairman and Chief Executive Officer of Ateame.

2. Declaration by the person responsible

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

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

Vélizy, 27 September 2023.

Michel Artières, Chairman and Chief Executive Officer of Ateame.

2. Report on operations as of June 30, 2023

2.1 Highlights of the first half of 2023

On 10 January 2023, Ateame announced that it was combining its expertise with that of ENENSYS Technologies, a leading provider of broadcasting and media solutions, to enable Rai Way, the operator of the TAI television network, to start the Refarming project, which will end with the transition to the DVB T2 standard.

On 17 January 2023, Skytel, the Mongolian telecommunications service provider, extended the existing Ateame video broadcasting infrastructure driving its OTT Skymedia service, with a TITAN encoder and the NEA Cloud DVR and CDN solutions, including the Embedded Distributed Storage (EDS) solution to efficiently store viewer recorded content.

On 31 January 2023, Cyta (Cyprus Telecommunications Authority), the leading integrated electronic communications provider in Cyprus, recently installed a low latency solution for Ateame encoding and packaging, reducing latency for its premium OTT channels beyond its original expectation. Ateame thus exceeds expectations for low latency video for Cyta (Cyprus).

On 7 February 2023, Ateame's innovative video processing and delivery solutions can now be purchased via AWS Marketplace, strengthening Ateame's global partnership with AWS by making Ateame's cloud solutions available to more AWS users.

On 9 February 2023, Ateame announced that its contribution solutions enabled Movistar Plus +, Telefónica's subscription video platform in Spain, to broadcast premium UHD/HDR and Dolby Atmos® World Cup content across the country during the 2022 World Cup tournament.

On 14 February 2023, Ateame announces that it will present to the MWC Barcelona 2023 video broadcasting solutions that enable communication service providers, broadcasters and content providers to increase their cost effectiveness. Visitors to the stand. Ateame will discover solutions to increase their reach, improve network monetisation and offer high quality, immersive new experiences to users, while reducing energy consumption.

On 21 February 2023, Ateame announced that its full suite of live video coding and broadcasting, including its TITAN transcoders and NEA packaging, as well as its CDN solutions, are now cloud native network functions validated on Red Hat OpenShift.

On 28 February 2023, Ateame announced that its 5G media streaming solution is now integrated with Amazon Web Services' AWS Wavelength * 5G Mobile Access Edge Computing (MEC) * * infrastructure. The integration was successfully rolled out in a Wavelength area within the network of a leading operator.

On 7 March 2023, Gulfsat Communications, the largest provider of satellite communications and media services in MENA, installed Ateame's convergent video network head solution to power its London and Kuwait locations, serving 100 channels mainly in Arabic.

On 14 March 2023, Ateame announced that it had completed the AWS ISV Accelerate program, a highly selective joint sales program for independent software vendors providing software solutions

that run or integrate with AWS. Accreditation ensures that Ateame solutions meet AWS standards and strengthens Ateame's global partnership with AWS.

On 21 March 2023, Ateame announced the launch of its end to end Audience Aware streaming solution to enable service providers to deliver more sustainable streaming while optimising the quality of experience and thereby achieving their sustainability targets.

On 23 March 2023, Ateame announced that it will present solutions to enhance the cost effectiveness of video services at the 2023 NAB Show Centennial.

On 28 March 2023 Ateame announced the launch of NextGen Statmux,. This technology improves video broadcasting efficiency by 20% compared to existing solutions, making it possible to add an additional service - even in UHD - in the same statistical multiplex/digital network head.

On 30 March 2023 Ateame announced its partnership with Six Floor Solutions and Pushologies to offer an end to end automated solution that allows rights holders on sports content and streaming services to increase fan engagement by attracting more viewers to their OTT apps.

On 6 April 2023, Ateame announced the launch of its Virtual Lounge solution, which converges traditional television with the game, allowing users to experience new experiences.

On 14 April 2023 Ateame announced a new partnership in Brazil with AD Digital, a solution integrator that focuses on co creation and innovation. This collaboration will provide the Brazilian market with innovative one stop video solutions.

On 27 April 2023 Ateame announced that its video processing and broadcasting products can now be purchased on Google Cloud Marketplace.

On 18 May 2023 Ateame announced it won the prestigious BroadcastPro ME Manufacturer Awards in the Best in Digital Distribution category for its low latency DAI solution. The award ceremony took place on Wednesday, 17 May 2023 at Conrad Dubai during the CABSAT.

On 7 June 2023 Ateame announced that TDF and France Télévisions are broadcasting DTT in UHD quality and are experimenting with the mobile DTT of the future with the support of Ateame.

On 20 June 2023 Ateame announced that its OTT solutions have been selected to power IndiHome TV's OTT network head - which is part of Telkom Indonesia's national fixed line broadband service providing Internet, telephony and video entertainment - to enable it to expand its network head and add additional channels.

On 22 June 2023, Ateame announced that it had made the BISS CA standard available to protect content in all premium offerings of its products and solutions. As a co developer of the BSIS CA standard, Ateame strives to facilitate adoption by the industry by offering the solution free of charge.

These highlights can be found in detail on the website www.ateame.com.

2.2 Impacts of international crises on the financial statements as of June 30, 2023

With restrictions on most international travel now lifted, trade fairs and customer meetings are gradually normalising

The production of certain electronic components is still subject to tensions that affect in particular the production of the Kyrion product range. In contrast, the supply of servers from major manufacturers such as Dell and HPE gradually returned to normal during the half year.

As a reminder, AteME discontinued its activities in Russia and Belarus.

2.3 Activity and Results of the Company

Income statement	30/06/2023 6 months in €'000	30/06/2022 6 months in €'000
Sales revenue	49,104	42,853
Cost of Sales	(20,739)	(18,001)
Gross margin	28,364	24,852
Research and Development expenses	(12,102)	(10,084)
Marketing and Sales expenses	(15,764)	(13,394)
General and Administrative expenses	(2,948)	(2,668)
Income from operations	(2,449)	(1,294)
Financial expenses	(493)	(94)
Financial income	13	126
Exchange (losses) and gains	(459)	1,204
Income before tax	(3,387)	(57)
Tax expense / income	71	(71)
Net income	(3,316)	(128)
Group share	(3,316)	(128)
Non-controlling interests	-	-
Basic earnings per share (€ / share)	(0.29)	(0.01)
Diluted earnings per share (€ / share)	(0.29)	(0.01)

2.3.1 Revenue

AteME reported sales of € 49,104 thousand in the first half of 2023, up 15% compared to the same period last year. On a comparable basis, at constant scope and exchange rates, sales were up 14%.

Turnover in thousands of EUR	H1 2023	H1 2022	Change	Comparable basis
EMEA	13,594	11,769	16%	16%
USA/Canada	25,534	18,227	40%	39%
Latin America	3,113	4,861	-36%	-36%
Asia Pacific	6,863	7,996	-14%	-14%
TOTAL	49,104	42,853	15%	14%

At the regional level:

- The USA/Canada region generated sales of 25.5 million euros, up 40% (39% on a comparable basis), confirming its status as the Group's largest market with 53% of half year sales.

- Revenue generated by the EMEA region increased by 16% (16% on a constant basis) to 13.6 million euros. This area remained the main contributor to MRR growth.
- The Asia Pacific region posted revenues of 6.9 million euros, down 14% (on a reported basis as well as on a comparable basis), due to a particularly strong basis of comparison in 2022 where growth was 68% on a like for like basis.
- Revenues in Latin America were down 36% (like for like) to 3.1 million euros, reflecting a more difficult business environment.

Monthly recurring revenue in thousands of EUROS	July 2023	July 2022
Monthly recurring income ¹	2,453	2,115

Monthly recurring income (MRI) remained broadly stable at 2.45 million euros. The important MRR pipeline for the second half of the year, however, allows AteME to remain on track to achieve its longer term objectives, €3M of MRR in 2024 and €4M in 2026.

2.3.2 Change in gross margin

Gross margin increased by 14 % from €24.9M to € 28.4 million.

The gross margin was stable at 58 % for the first half of 2022 and 2023.

¹ In alternative performance indicator not subject to review by AteME's auditors: Monthly recurring income is defined as the sum of (1) monthly revenue from support contracts already signed, (2) monthly revenue from multi year licence contracts already signed (CAPEX) and (3) monthly revenue from licence leases (OPEX).

2.3.3 Restated EBITDA

Restated Ebitda (Amounts in K €)	30/06/2023	30/06/2022
Recurring operating income	(2,449)	(1,294)
(-) DPA on intangible assets and property, plant and equipment	(1,227)	(1,176)
(-) DPA on acquired technologies	(356)	(356)
(-) DPA on rights of use	(410)	(415)
(-) Allowance/reversal of provisions	(108)	(81)
(-) IFRS share based payment 2	(360)	(573)
Restated EBITDA	12	1,308

2.3.4 Operating expenses

Operating expenses increased by € 7,406 K (+17%) in the first half of 2023 compared to the first half of 2022. This increase breaks down as follows:

- An increase of 2,738 K € (+15%) in costs of sales
- An increase of €4668k (+18 %) in overheads (R & D, Marketing and Sales, overheads, etc.).

2.3.5 Financial result

The financial result is a loss of (938) K € at 30 June 2023. It mainly comprises foreign exchange losses of € (459) thousand and the amortised cost of the Group's debt of € (484) thousand.

2.3.6 Maintaining a sound financial structure

Shareholders' equity amounted to 38.8 million euros at 30 June 2023, compared with 40.9 million euros at 31 December 2022.

Net income for the first half of 2023 was € (3.3) million, compared to € (0.1) million at 30 June 2022.

Cash and cash equivalents amounted to 9.6 million euros, compared with 3.9 million euros at 31 December 2022.

At 30 June 2023, net financial debt (excluding rental debt) amounted to 16.4 million euros (including € 8.3 million in CIR financing) compared to 20.1 million euros at 31 December 2022.

2.4 Evolution and outlook

The seasonality of sales, with a second half still higher than the first, is expected to be confirmed again in 2023, especially as the base effect is significantly more favourable than in 2022. Therefore, the target for revenue growth of between 10 and 15% remains perfectly achievable.

The Group will pause on its operating investments in the second half of the year, with an overall workforce stabilised until the end of the year.

The Group is confident that the seasonal acceleration in revenue will enable it to achieve its annual EBITDA target of over 5 million euros.

Ateme also maintained its target of 3 million euros in monthly recurring income in 2024.

The growing visibility was confirmed by the success of the IBC fair in Amsterdam that took place in mid September, with record attendance at the Ateme stand, up 58% compared to 2022, compared with an increase of only 16% in the total attendance of the show.

2.5 Events since the balance sheet date

6 July 2023 Ateme presents solutions to transform video consumption, monetise content and go green to IBC 2023.

On 11 July 2023 Ateme announced that Swisscom chose its full OTT solution to migrate its digital video recording platform (CDVR) from its blue TV service to AWS, marking the world's first large scale CDVR in a public cloud.

On 1 August 2023 Ateme feeds FOXTEL's acquisition of global content for the Australian television market.

On 14 September 2023, Ateme and Accedo partnered with Amazon Web Services to offer next generation experiences live, in sports stadiums and complexes.

These highlights can 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 20 June 2023 (AMF number D.23-0505.). 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 arise during the remaining six months of the current financial year but also in 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 20 June 2023 under number D.23-0505. During the first six months of the current financial year, no related party transactions 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 present in this financial report).

3. IFRS consolidated financial statements at June 0, 2023 and 31 December 2022

Statement of financial position	Notes	30/06/2023 in €'000	31/12/2022 in €'000
ASSETS			
Goodwill	10	12,886	12,886
Intangible assets	11	8,142	8,381
Property, plant and equipment	12	3,274	3,770
Rights of use	13	2,869	2,972
Other non-current financial assets	14	1,236	1,176
Deferred tax assets *	8	2,955	2,307
Total non-current assets		31,360	31,492
Inventory	15	7,150	10,005
Trade receivables	16.1	31,172	37,409
Other current receivables	16.2	22,318	19,476
Cash and cash equivalents	17	9,570	3,904
Total current assets		70,209	70,795
Total Assets		101,569	102,287
LIABILITIES			
Share capital	20	1,601	1,579
Issue and transfer premiums	20	27,315	26,584
Translation reserve	20	459	440
Other comprehensive income	20	104	88
Reserves - Group share	20	12,621	12,295
Income - Group share	20	(3,316)	(46)
Equity, Group share		38,784	40,940
Non-current liabilities			
Staff commitments	22	1,351	1,259
Provisions for charges	23	41	41
Non-current financial liabilities	21	16,890	18,858
Non-current lease liabilities	21.3	2,121	2,315
Deferred tax liabilities *	8	690	763
Non-current liabilities		21,092	23,236
Current liabilities			
Current financial liabilities	21	9,071	5,111
Current lease liabilities	21.3	795	667
Trade payables	24.1	13,017	16,322
Tax and social liabilities	24.2	7,314	6,574
Other current liabilities	24.3	11,494	9,438
Current liabilities		41,692	38,112
Total Liabilities		101,569	102,287

* This item reflects the effective date of the amendment to IAS 12 as of January 1, 2023 (see Note 2.1) for the periods presented.

Income statement	Notes	30/06/2023 6 months in €'000	30/06/2022 6 months in €'000
Sales revenue	3	49,104	42,853
Cost of Sales	4.1	(20,739)	(18,001)
Gross margin		28,364	24,852
Research and Development expenses	4.2	(12,102)	(10,084)
Marketing and Sales expenses	4.3	(15,764)	(13,394)
General and Administrative expenses	4.4	(2,948)	(2,668)
Recurring operating income		(2,449)	(1,294)
Other recurring operating income and expenses		-	-
Income from operations		(2,449)	(1,294)
Financial expenses	7	(493)	(94)
Financial income	7	13	126
Exchange (losses) and gains	7	(459)	1,204
Income before tax		(3,387)	(57)
Tax expense / income	8	71	(71)
Net income		(3,316)	(128)
<i>Group share</i>		(3,316)	(128)
<i>Non-controlling interests</i>		-	-
Basic earnings per share (€ / share)	9	(0.29)	(0.01)
Diluted earnings per share (€ / share)	9	(0.29)	(0.01)

IFRS Consolidated statement of comprehensive income	30/06/2023 6 months in €'000	30/06/2022 6 months in €'000
Income for the financial year	(3,316)	(128)
Actuarial gains and losses	20	397
Tax effect related to these items	(4)	(99)
Items that are not recyclable in income	16	298
Consolidation translation differences	19	395
Items that are recyclable in income	19	395
Comprehensive income	(3,280)	566
<i>Group share</i>	(3,280)	566
<i>Non-controlling interests</i>	-	-

Change in consolidated

Change in consolidated equity	Share capital	Share capital	Additional paid-in capital	Reserves and income	Translation differences	Actuarial gains and losses	Equity, Group share	on-controlling interests	Equity
	Number of shares	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000
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							566	-	566
Exercise of stock options	1,500	-	19	-	-	-	19	-	19
Definitive allocation of free 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
At 31 December 2022	11,279,528,027	1,579	26,584	12,248	440	88	40,939	-	41,218
Net income June 2023	-	-	-	(3,316)	-	-	(3,316)	-	(3,316)
Other comprehensive income	-	-	-	-	19	16	35	-	35
Comprehensive income							(3,280)	-	(3,280)
Definitive allocation of free shares	41,000	6	(6)	-	-	-	0	-	0
Capital increase reserved for employees	110,417	15	815	-	-	-	830	-	830
Cancellation of treasury shares arising from the liquidity agreement	-	-	-	13	-	-	13	-	13
Share-based payments	-	-	-	360	-	-	360	-	360
Capital increase costs	-	-	(78)	-	-	-	(78)	-	(78)
At 30 June 2023	11,432,444	1,601	27,315	9,306	459	104	38,784	-	38,784

Consolidated statement of cash flows	Notes	30/06/2023 6 months in €'000	30/06/2022 6 months in €'000
Net income		(3,316)	(128)
Elimination of amortisation of intangible assets	11	338	374
Elimination of technology depreciation	11	356	356
Elimination of depreciation of property, plant and equipment	12	890	802
Elimination of IFRS amortisation 16	13	410	415
Additions to provisions	22/23	108	81
Share based payment expense	20	360	573
Gross interest paid	7	480	94
Loss on disposal of fixed assets		-	61
Other		4	7
Income tax expense (including deferred taxes)	8	(720)	(177)
Cash flow before net borrowing costs and taxes		(1,091)	2,458
(-) Change in working capital requirement (net of impairment of trade receivables and inventory)	25	5,748	(2,696)
Cash flow generated by operations		4,657	(238)
Acquisition of intangible assets	11	(36)	(6)
Capitalisation of development expenses	11	(418)	(299)
Acquisition of property, plant and equipment	12	(399)	(864)
Change in other non-current financial assets	14	(42)	10
Vitec receivable		-	399
Cash flow related to investment transactions		(896)	(760)
Exercise of stock options	20	-	19
Capital increase reserved for employees	19	830	-
Receipt of advances and conditional grants	21.2	-	44
Collection of new loans	21.1	3,330	3,236
Gross financial interest paid	7	(198)	(81)
Repayment of loans and conditional advances	21	(2,050)	(2,310)
Lease payments (IFRS 16)	21.3	(371)	(323)
Change in assets related to financing flows		-	(6)
Cash flow related to financing transactions		1,541	579
Impact of changes in currency exchange rates		(53)	116
Increase (Decrease in cash)		5,249	(304)
Net cash and cash equivalents at beginning of period	17	2,862	11,447
Net cash and cash equivalents at end of period	17	8,111	11,143
Increase (Decrease in cash)		5,249	(304)
		30/06/2023 6 months in €'000	30/06/2022 6 months in €'000
Cash and cash equivalents	18	9,570	11,172
Bank overdrafts	18	(1,458)	(29)
Cash and cash equivalents at closing		8,111	11,143

Detailed analysis of changes in working capital requirements (in K €)	30/06/2023 in €'000	30/06/2022 in €'000
Inventory (net of inventory impairment)	(2,876)	3,302
Trade receivables (net of impairment of trade receivables)	(6,366)	(106)
Other receivables	2,874	4,057
Trade payables	3,358	(1,599)
Tax and social liabilities	(721)	373
Other current liabilities	(2,017)	(3,332)
Total changes	(5,748)	2,696

Notes to the Financial Statements

(Unless otherwise specified, all amounts listed in these notes are in €'000)

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Note 1: Presentation of business and major events.

The following information is included in the Notes to the consolidated interim financial statements under IFRS as of 30 June 2023.

1.1 Information relating to the Company and its business.

Created in June 1991, AteME (a French public limited company) is engaged in 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: On board encoders in mobile control cars and decoders installed in studios,
- The 'File' broadcast and the 'Live' broadcast: A solution for transcoding content for broadcast on all types of screens to monetise content.

Address of registered office: 6 rue Dewoitine, 78140 Vélizy-Villacoublay, France

Versailles Trade and Companies Register (RCS) number: 382 231 991

AteME and its subsidiaries are hereinafter referred to as the 'Company' or the 'Group' or 'AteME.' The Company is now listed on Euronext Compartment C.

1.2 First half year events 2023

On 10 January 2023, AteME announced that it was combining its expertise with that of ENENSYS Technologies, a leading provider of broadcasting and media solutions, to enable Rai Way, the operator of the TAI television network, to start the Refarming project, which will end with the transition to the DVB T2 standard.

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On 28 March 2023 AteME announced the launch of NextGen Statmux,. This technology improves video broadcasting efficiency by 20% compared to existing solutions, making it possible to add an additional service - even in UHD - in the same statistical multiplex/digital network head.

On 30 March 2023 AteME announced its partnership with Six Floor Solutions and Pushologies to offer an end to end automated solution that allows rights holders on sports content and streaming services to increase fan engagement by attracting more viewers to their OTT apps.

On 6 April 2023, AteME announced the launch of its Virtual Lounge solution, which converges traditional television with the game, allowing users to experience new experiences.

On 14 April 2023 AteME announced a new partnership in Brazil with AD Digital, a solution integrator that focuses on co creation and innovation. This collaboration will provide the Brazilian market with innovative one stop video solutions.

On 27 April 2023 AteME announced that its video processing and broadcasting products can now be purchased on Google Cloud Marketplace.

On 18 May 2023 AteME announced it won the prestigious BroadcastPro ME Manufacturer Awards in the Best in Digital Distribution category for its low latency DAI solution. The award ceremony took place on Wednesday, 17 May 2023 at Conrad Dubai during the CABSAT.

On 7 June 2023 Ateame announced that TDF and France Télévisions are broadcasting DTT in UHD quality and are experimenting with the mobile DTT of the future with the support of Ateame.

On 20 June 2023 Ateame announced that its OTT solutions have been selected to power IndiHome TV's OTT network head - which is part of Telkom Indonesia's national fixed line broadband service providing Internet, telephony and video entertainment - to enable it to expand its network head and add additional channels.

On 22 June 2023, Ateame announced that it had made the BISS CA standard available to protect content in all premium offerings of its products and solutions. As a co developer of the BSIS CA standard, Ateame strives to facilitate adoption by the industry by offering the solution free of charge.

On 29 June 2023 Ateame announced the availability of its video solutions on Microsoft Azure Marketplace, an online store providing apps and services for use on Azure.

These highlights can be found in detail on the website www.ateame.com.

1.3 Subsequent events

6 July 2023 Ateame presents solutions to transform video consumption, monetise content and go green to IBC 2023.

On 11 July 2023 Ateame announced that Swisscom chose its full OTT solution to migrate its digital video recording platform (CDVR) from its blue TV service to AWS, marking the world's first large scale CDVR in a public cloud.

On 1 August 2023 Ateame feeds FOXTEL's acquisition of global content for the Australian television market.

On 14 September 2023, Ateame and Accedo partnered with Amazon Web Services to offer next generation experiences live, in sports stadiums and complexes.

These highlights can be found in detail on the website www.ateame.com

Note 2: Accounting principles, rules and methods

The financial statements are presented in €'000 unless otherwise stated.

2.1 Reporting principle

Declaration of compliance

Ateame has prepared its consolidated financial statements approved by the Board of Directors on 27 September 2023, 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 Reporting Interpretations Committee (IFRIC).

In accordance with European regulation 16/06/2002 of 19 July 2002, AteME's consolidated financial statements for the year ended 30 June 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Condensed financial statements do not include all the information required by IFRS in 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 2022.

The accounting principles, methods and options used by the Company are described below. In some cases, IFRS give the choice between the application of a benchmark treatment or another allowed alternative treatment.

Principle of preparation of financial statements

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

Business continuity

The going concern assumption for the next 12 months from 30 June 2023 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 in the preparation of the annual IFRS consolidated financial statements for the year ended 31 December 2022, except for the application of the following new standards, amendments to standards and interpretations adopted by the European Union, which are mandatory for the Company as of 1 January 2023:

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practise Statement 2: Disclosure of Accounting Policies issued on 12 February 2021**, and whose application relates to annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 12 : 'deferred tax on assets and liabilities arising from the same operation'** issued on 7 May 2021 and applicable for annual periods beginning on or after 1 January 2023.
- **Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors : definition of Accounting Estimates issued on 12 February 2021**, the application of which is for annual periods beginning on or after 1 January 2023.

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

The standards, amendments to standards and interpretations published by the IASB and not yet adopted by the European Union are as follows:

- **Amendments to IAS 1 Presentation of Financial Statements:** classification of current and non current liabilities published on 23 January 2020; Classification of current and non current liabilities Disclosure of accounting policies published on 23 January 2020, and deferral of effective date published on 15 July 2020; Non current liabilities with restrictive clauses

published on 31 October 2022 and whose application is for annual periods beginning on or after 1 January 2024.

- **Amendments to IFRS 16: Lease liability in a leaseback** (*published on 22 September 2022 and whose application is for the financial year beginning on or after 1 January 2024.*)
- **Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments: disclosures: Supplier Financing Agreements** (*issued on 23 May 2023) and whose application is for the financial year beginning on or after 1 January 2024.*)

The Company does not anticipate any material impact of these standards, amendments to standards and interpretations on its financial statements at the date of adoption.

The entry into force of the amendments to IAS 12: 'Deferred taxes on assets and liabilities resulting from the same transaction' from 1 January 2023 led to the recognition of an additional tax liability and an additional tax asset amounting to €753k at 31 December 2022 (see Note 8).

2.2 Use of judgements and estimates

To prepare the financial statements in accordance with IFRS, Company management has used estimates, judgements and assumptions which may have affected the amounts reported for assets and liabilities, contingent liabilities at the date the financial statements were prepared, and the amounts reported for income and expenses for the financial year.

These estimates are based on the assumption of business continuity and the information available at the date of preparation. They are continuously assessed on the basis of past experience and various other factors deemed reasonable which are the basis for assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or if further information is available. Actual results could differ significantly from these estimates according to 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 2022, namely:

- Allocation of subscription warrants or subscription warrants for founders' shares to employees, executives, and external service providers,
- Recognition of sales revenue
- Capitalisation of development expenses,
- Impairment of inventory,
- Provision for pension commitments,
- Impairment of trade receivables,
- Lease obligations,
- Allocation of the acquisition price of assets and liabilities at fair value,
- Impairment test on assets

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

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

- The tax expense is calculated for each taxable 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 the financial and operating policies, this power generally accompanying a shareholding 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.

Intragroup transactions and balances are eliminated. The financial statements of the subsidiary are prepared for the same reference period as those of the parent company, on the basis of uniform accounting policies.

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

Companies	Country	<tuv xml:lang="en"><seg>Gro up control <x id="1"/>in %</seg></tuv>	Interest in%
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
Ateme UK	United Kingdom	100	100

Ateme UK was registered on 2 November 2022. It was inactive in 2022.

Note 3: Revenue

The Group's sales revenue is essentially made up of the marketing of products (decoders, encoders, etc.), solutions for the acquisition, processing and transmission of information, and contracts for maintenance and service.

All revenue recognition methods are described in the notes to the annual financial statements for the year ended 31 December 2022.

Revenue by geographical area at 30 June 2022 and 30 June 2023 was as follows:

Revenues BY GEOGRAPHICAL AREA (Amounts in K €)	30/06/2023	30/06/2022
EMEA	13,594	11,769
USA Canada	25,534	18,227
Latin America	3,113	4,861
Asia-Pacific	6,863	7,996
Total	49,104	42,853

The Group has a fairly balanced division of revenue among its main clients and thus believes that it is facing only limited risk of dependence on its clients.

The Group's revenue recognition rate was as follows:

Category of sales (Amounts in K €)	Recognition method in accordance with IFRS 15	30/06/2023	30/06/2022
Static licences, equipment	Immediately	36,111	31,242
Dynamic licenses	Step by step	2,783	2,815
Maintenance	Step by step	10,209	8,797
Total		49,104	42,853

Client contract liabilities (deferred income) evolved over the period as follows:

Evolution of customer contract liabilities (Amounts in K €)	30/06/2023	31/12/2022
Opening balance	9,039	7,245
Amount recognised in sales over the period	(3,978)	(5,596)
Amount to be recognised over the next periods	6,059	7,328
Translation differences	(39)	62
Closing balance	11,120	9,039

Note 4: Details of expenses and income by function

4.1 Cost of Sales

COST OF SALES (Amounts in €'000)	30/06/2023	30/06/2022
Purchases of goods	(13,952)	(12,873)
Staff expenses	(5,436)	(4,133)
Indirect production expenses	(756)	(834)
Transport expenses	(595)	(162)
Cost of Sales	(20,739)	(18,001)

4.2 Research and Development expenses

Research AND DEVELOPMENT (Amounts in K €)	30/06/2023	30/06/2022
Staff expenses	(13,042)	(10,730)
Miscellaneous	(209)	(166)
Share of general expenses	(326)	(457)
Amortisation of capitalised R & D expenses	(252)	(241)
Technology amortisation	(356)	(356)
Depreciation, amortisation and provisions	(729)	(756)
Taxes and training	(54)	(153)
Rentals	(415)	(99)
Purchases not held in inventory	(311)	(219)
Travel, Missions and Reception	(291)	(32)
Share-based payment	(140)	(159)
Capitalisation of R & D expenses net of outflows	418	299
Subtotal Research and Development costs	(15,708)	(13,069)
Research tax credit	3,209	2,815
Subsidies	397	170
Research and Development expenses	(12,102)	(10,084)

4.3 Marketing & Sales Expenses

Marketing AND SALES COSTS (Amounts in K €)	30/06/2023	30/06/2022
Staff expenses	(11,257)	(10,047)
Travel expenses	(1,189)	(856)
Miscellaneous	(383)	(303)
Share of general expenses	(596)	(836)
Conferences	(1,046)	(474)
Depreciation, amortisation and provisions	(327)	(275)
Taxes and training	(98)	(154)
Rentals	(758)	(180)
Share-based payment	(111)	(270)
Marketing and Sales expenses	(15,764)	(13,394)

4.4 General and administrative expenses

General AND ADMINISTRATIVE COSTS (Amounts in K €)	30/06/2023	30/06/2022
Staff expenses	(1,855)	(1,656)
Fees	(698)	(679)
Travel expenses	(66)	(21)
Depreciation, amortisation and provisions	(82)	(54)
Rentals	(86)	(20)
Share of general expenses	(67)	(95)
Taxes and training	(11)	(32)
Miscellaneous	(44)	(40)
Share-based payment	(39)	(70)
General and Administrative expenses	(2,948)	(2,668)

Note 5: Restated EBITDA

Restated Ebitda (Amounts in K €)	30/06/2023	30/06/2022
Recurring operating income	(2,449)	(1,294)
(-) DPA on intangible assets and property, plant and equipment	(1,227)	(1,176)
(-) DPA on acquired technologies	(356)	(356)
(-) DPA on rights of use	(410)	(415)
(-) Allowance/reversal of provisions	(108)	(81)
(-) IFRS share based payment 2	(360)	(573)
Restated EBITDA	12	1,308

The Group operates in a single segment: The 'marketing of professional compression and video broadcasting solutions' and therefore 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: Workforce Group

	30/06/2023	30/06/2022
Cost of Sales	118	95
Research and Development	290	262
Marketing and Sales	142	124
General expenses	44	37
Total workforce at 30 June	594	518
of which Suppliers	110	105

Note 7: Financial income and expenses, net

Financial INCOME AND EXPENSES (Amounts in K €)	30/06/2023	30/06/2022
Amortised cost of borrowing	(484)	(85)
Other financial expenses	(8)	(9)
Sub total financial expenses	(493)	(94)
Financial income	13	126
Exchange (losses) and gains	(459)	1,206
Total financial income and expenses	(938)	1,236

Financial expenses primarily correspond to the unwinding of discounting adjustments to refundable advances and interest on finance leases.

Foreign exchange gains and losses were mainly due to the translation of bank accounts in dollars and translation differences on receivables and payables in 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 shown separately from current tax assets and liabilities in the balance sheet and are classified as non-current. The entry into force of the amendments to IAS 12: 'Deferred taxes on assets and liabilities arising from the same transaction' from 1 January 2023 led to the recognition of an additional tax liability and an additional tax asset amounting to €753k as at 31 December 2022.

Ateme's tax loss carryforwards (excluding losses in the first half of 2023) amounted to €60674k, of which €29055k was taken over from Anevia.

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

INCOME TAX EXPENSE (Amounts in €'000)	30/06/2023	30/06/2022
Current taxes	(649)	(248)
Deferred taxes	720	177
Income tax expense	71	(71)

In the balance sheet, changes in the net amount of deferred tax assets and liabilities are as follows:

Type of deferred taxes

Type OF DEFERRED IMPOTS (Amounts in K €)	30/06/2023	31/12/2022
Temporary differences *	2,125	1,466
Recognised tax loss carryforwards	1,335	1,335
Limitation of deferred taxes	-	-
Total elements of deferred tax assets	3,459	2,801
Temporary differences *	1,182	1,257
Total elements of deferred tax liabilities	1,182	1,257
Total net deferred tax	2,278	1,544

* included amendment to IAS 12 relating to the right of use

Note 9: Earnings per share

Basic EARNINGS PER SHARE (Amounts in Euro)	30/06/2023	30/06/2022
Income for the financial year (in €'000)	(3,316)	(128)
Weighted average number of shares outstanding for basic earnings *	11,417,123	11,254,647
Basic earnings per share (€ / share)	(0.29)	(0.01)
Weighted average number of shares outstanding	11,432,444	11,266,527
Stock options outstanding	227,985	253,505
Liquidity contract	(15,322)	(11,880)
Weighted average free shares outstanding	61,213	27,079
Capital increase prorated over the period	(109,474)	-
Weighted average BSA/SO for the period	115,000	125,455
Weighted average number of shares assuming full dilution	11,711,845	11,660,686
Diluted earnings per share (€ / share)	(0.29)	(0.01)

* Net of treasury shares issued under the liquidity contract

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

Instruments granting deferred rights to equity (AGM, BSA, SO) are considered anti dilutive as they reduce losses per share. Diluted losses per share are therefore identical to basic losses per share.

Note 10: Goodwill

The net goodwill recognised in connection with the acquisition of Anevia amounted to €12886k at 31 December 2022 and remained unchanged at 30 June 2023.

Note 11: Intangible assets

Gross VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Software	Technologies	Development expenses	Work in progress Developm ent costs	Total	O/w cash impact
Statement of financial position as at 31 December 2022	1,898	7,830	6,431	1,033	17,192	983
Capitalisation of development expenses	-	-	-	418	418	418
Acquisition	36	-	-	-	36	36
Exchange rate impact	(1)	-	-	-	(1)	-
Transfer	-	-	-	-	-	-
Statement of financial position as at 30 June 2023	1,934	7,830	6,431	1,451	17,646	454
DEPRECIATION						
Statement of financial position as at 31 December 2022	1,730	1,542	5,537	-	8,809	-
Increase	86	356	252	-	693	-
Statement of financial position as at 30 June 2023	1,816	1,898	5,789	-	9,502	-
NET CARRYING AMOUNTS						
At 31 December 2022	168	6,288	894	1,033	8,381	
At 30 June 2023	118	5,932	643	1,451	8,142	

The projects whose development costs have been capitalised relate to the Kyrion, TITAN File and TITAN Live projects for the years 2010 to 2023.

The technology recognised on the Telco product range is amortised over a period of 11 years.

The international crisis, although not in itself an indication of impairment, did not call into question the Group's management's medium term business projections. Therefore impairment losses in accordance with IAS 36 have not been recognised.

Note 12: Property, plant and equipment

Property, plant and equipment mainly consists of computer hardware.

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 2022.

Gross VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Installations and fixtures	Office equipment, computer hardware, furniture	Transport equipment	Work-in-progress	Total	O/w cash impact
Statement of financial position as at 31 December 2022	2,654	12,571	7	-	15,231	2,230
Acquisition	47	352	-	-	399	399
Disposal / Scrapping	-	-	-	-	-	-
Exchange rate impact	-	(24)	-	-	(24)	-
Transfer	-	-	-	-	-	-
Statement of financial position as at 30 June 2023	2,701	12,898	7	-	15,605	399
DEPRECIATION						
Statement of financial position as at 31 December 2022	1,443	10,011	7	-	11,461	-
Increase	156	734	-	-	890	-
Exchange rate impact	-	(19)	-	-	(19)	-
Statement of financial position as at 30 June 2023	1,599	10,726	7	-	12,332	-
NET CARRYING AMOUNTS						
At 31 December 2022	1,211	2,560	-	-	3,770	
At 30 June 2023	1,102	2,172	-	-	3,274	

Note 13: Rights of use

The following table sets forth the application of IFRS 16 and the recognition of rights of use in assets:

Gross VALUE OF USE RIGHTS (Amounts in K €)	Office equipment	Vehicles	Commercial leases	Total
Statement of financial position as at 31 December 2022	15	41	5,458	5,514
Increase	-	-	315	315
End of contract	-	-	(304)	(304)
Exchange rate impact	-	-	(22)	(22)
Statement of financial position as at 30 June 2023	15	41	5,447	5,503

DEPRECIATION

Statement of financial position as at 31 December 2022	13	11	2,518	2,542
Increase	-	7	402	410
End of contract	-	-	(304)	(304)
Exchange rate impact	-	-	(12)	(12)
Statement of financial position as at 30 June 2023	13	18	2,604	2,636

NET CARRYING AMOUNTS

At 31 December 2022	2	30	2,940	2,972
At 30 June 2023	2	23	2,844	2,869

The table below summarises the lease expense prior to the application of IFRS 16:

Reconstitution of lease expenses (in €'000)	30/06/2023	30/06/2022
Lease expense restated in accordance with IFRS 16	354	384
Lease expense not restated in accordance with IFRS 16	207	167
Total Lease expense	591	551

Interest expense on rental obligations at 30 June 2023 amounted to €15k, compared with €12k at 30 June 2022.

Note 14: Other non current financial assets

Other FINANCIAL ASSETS (Amounts in K €)	30/06/2023	31/12/2022
Loans	505	457
Collateral deposits	417	422
Liquidity contract - Balance	114	96
BPI France Holdback	201	201
Total other non-current financial assets	1,236	1,176

Collateral deposits mainly concern deposits paid under the signed commercial leases.

Note 15: Inventories

Inventories (Amounts in K €)	30/06/2023	31/12/2022
Inventory of raw materials	255	299
Work-in-progress Goods and Services	1,106	915
Inventory of goods	6,409	9,221
Gross total inventory	7,771	10,435
Impairment of inventory of raw materials	(82)	(9)
Impairment of inventory of goods	(539)	(421)
Total impairment of inventory	(621)	(430)
Total net inventory	7,150	10,005

Note 16: Receivables
16.1 Trade receivables

Trade RECEIVABLES (Amounts in K €)	30/06/2023	31/12/2022
Trade receivables	32,342	38,464
Impairment of trade receivables	(1,170)	(1,055)
Total net trade receivables	31,172	37,409

Allocation of trade receivables by maturity (Amounts in K €)	30/06/2023	31/12/2022
Portion not yet due	14,497	19,658
In arrears less than 90 days	5,359	8,563
In arrears between 90 days and six months	4,518	3,815
In arrears between six and twelve months	5,132	2,756
In arrears over twelve months	2,836	3,671
Total trade receivables	32,342	38,464

Allocation of impairment losses on trade receivables by maturity (Amounts in €'000)	30/06/2023	31/12/2022
Portion not yet due	-	-
In arrears less than 90 days	-	-
In arrears between 90 days and six months	-	-
In arrears between six and twelve months	-	(227)
In arrears over twelve months	(1,170)	(828)
Total impairment of trade receivables	(1,170)	(1,055)

There was no change in credit risk at 30 June 2023 compared with 31 December 2022.

16.2 Other receivables

Other RECEIVABLES (Amounts in K €)	30/06/2023	31/12/2022
Research tax credit (1)	17,410	14,629
Value added tax (2)	2,532	2,434
Prepaid expenses (3)	2,056	1,868
Debtor suppliers	147	182
Miscellaneous	172	363
Total other receivables	22,318	19,476

(1) **Research Tax Credit**

The Company benefits from the provisions of Articles 244 quater B and 49 septies F of the French General Tax Code (Code général des impôts) for the research tax credit. 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 the eligible research expenditure relates. This was financed (see note 21.1) It is presented as a subsidy to the "Research and Development expenses" category.

(2) VAT **claims relate mainly** to deductible VAT as well as to the VAT refund requested.

(3) Prepaid **expenses relate** to current expenses and mainly correspond to component purchases.

Note 17: Marketable securities and cash

CASH AND CASH EQUIVALENTS (Amounts in K €)	30/06/2023	31/12/2022
Bank accounts	9,570	3,904
Total cash and cash equivalents	9,570	3,904

Note 18: financial assets and liabilities and effects on profit or loss

The assets and liabilities of the Company are measured as follows at 31 December 2022 and 30 June 2023:

(Amounts in €'000)	30/06/2023		Value - statement of financial position according to 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	1,236	1,236	-	1,236
Trade receivables	31,172	31,172	-	31,172
Other current receivables	147	147	-	147
Cash and cash equivalents	9,570	9,570	9,570	-
Total of asset items	41,124	41,124	9,570	32,554
Non-current financial liabilities	16,890	16,890	-	16,890
Current financial liabilities	9,071	9,071	-	9,071
Non-current lease liabilities	2,121	2,121	-	2,121
Current lease liabilities	795	795	-	795
Trade payables	13,017	13,017	-	13,017
Other current liabilities	374	374	-	374
Total of liabilities items	42,268	42,268	-	42,268

(Amounts in €'000)	31/12/2022		Value - statement of financial position according to 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	1,176	1,176	-	1,176
Trade receivables	37,409	37,409	-	37,409
Other current receivables	182	182	-	182
Cash and cash equivalents	3,904	3,904	3,904	-
Total of asset items	42,716	42,716	3,904	38,767
Non-current financial liabilities	18,858	18,858	-	18,858
Current financial liabilities	5,111	5,111	-	5,111
Non-current lease liabilities	2,315	2,315	-	2,315
Current lease liabilities	667	667	-	667
Trade payables	16,322	16,322	-	16,322
Other current liabilities	399	399	-	399
Total of liabilities items	43,672	43,672	-	43,672

Only instruments designated as at fair value through profit or loss held by the Company are cash equivalents under level 1.

(Amounts in €'000)	Impact on income statement at 30 June 2023		Impact on income statement at 30 June 2022	
	Interest	Change in fair value	Interest	Change in fair value
Liabilities				
Liabilities measured at amortised cost: Bank borrowings	(480)	-	(94)	-
Liabilities measured at amortised cost: advances	(4)	-	(7)	-

Note 19: Share capital

Capital issued

The share capital is set at €1600542.16. It is divided into 11,432,444 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

This number excludes financial instruments granted to certain Group individuals.

SHARE CAPITAL	30/06/2023	31/12/2022
Capital (in €'000)	1,601	1,579
Number of shares	11,432,444	11,281,027
of which Ordinary shares	11,432,444	11,281,027
Nominal value (in €)	€0.14	€0.14

Definitive allocation of free shares of the Company

During the first half of 2023, 41,000 free shares of the Company were definitively granted: The share capital increased by €6k in exchange for a decrease in the share premium.

Capital increase reserved for employees

During the first half of 2023, 110,417 new shares were subscribed by employees benefiting from the AteME FCPE representing a share capital increase of €15k and an increase in the share premium for €815k (excluding capital increase costs).

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

Dividend distribution

The Company did not pay any dividends during the 1st half of 2023.

Capital management

The Company's policy is to maintain a solid capital base to preserve investor and creditor confidence and support the future development of the business.

Note 20: Share subscription warrants, stock options, share subscription warrants for creators' shares and free shares

Stock options (SO)

The table below summarises the data relating to the stock option plans issued as well as the assumptions used for the valuation according to IFRS 2:

Date	Type	Number of warrants issued	Number of lapsed options	Number of warrants exercised	Number of outstanding options	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	BSA ₂₀₁₈₋₁	28,000	6,000	2,000	20,000	20,000
Board of Directors' Meeting of 18 July 2019	SO2017-2	82,000	7,500	11,500	63,000	63,000
Board of Directors' Meeting of 18 July 2019	BSA ₂₀₁₈₋₂	45,000	5,000	5,000	35,000	35,000
Board of Directors' Meeting of 6 May 2020	SO ₂₀₁₇₋₃	87,000	18,000	4,515	64,485	64,485
Board of Directors' Meeting of 6 May 2020	BSA ₂₀₁₉₋₁	36,000	3,000	-	33,000	33,000
Board meeting of 5 May 2021	SO ₂₀₂₀₋₁	40,500	12,000	-	28,500	28,500
Board meeting of 5 May 2021	BSA ₂₀₂₀₋₁	10,500	4,500	-	6,000	6,000
Board meeting of 23 March 2022	SO ₂₀₂₀₋₂	57,500	13,500	-	44,000	44,000
Board meeting of 23 March 2022	BSA ₂₀₂₀₋₂	21,000	-	-	21,000	21,000
Board meeting of 27 June 2023	BSA ₂₀₂₀₋₃	19,500	-	-	19,500	19,500
Board meeting of 27 June 2023	SO ₂₀₂₀₋₃	68,000	-	-	68,000	68,000
At 30 June 2023		564,000	105,500	28,015	430,485	430,485

Assumptions used - fair value calculation in accordance with IFRS 2					
Type	Subscription price per share in €	Period of exercise	Volatility	Risk-free rate	Total valuation IFRS2 (Black & Scholes) at grant date
SO2017-1	€10.80	8 years	41.60%	0.00%	€290k
BSA ₂₀₁₈₋₁	€10.80	8 years	41.60%	0.00%	€118k
SO2017-2	€12.60	8 years	42.57%	0.00%	€360k
BSA ₂₀₁₈₋₂	€12.60	8 years	42.57%	0.00%	€198k
So ₂₀₁₇₋₃	€12.60	8 years	42.78%	0.00%	€405k
BSA ₂₀₁₉₋₁	€12.60	8 years	42.78%	0.00%	€168k
So ₂₀₂₀₋₁	€15.62	8 years	41.98%	0.00%	€262k
BSA ₂₀₂₀₋₁	€15.62	8 years	41.98%	0.00%	€68k
So ₂₀₂₀₋₂	€10.70	8 years	41.65%	0.00%	€264k
BSA ₂₀₂₀₋₂	€10.70	8 years	41.65%	0.00%	€96k
BSA ₂₀₂₀₋₃	€9.64	8 years	40.44%	0.00%	€83k
So ₂₀₂₀₋₃	€9.64	8 years	40.44%	2.40%	€290k

The exercise rights are vested to 1/4 of the stock options granted to the holder after a period of 12 months and then to 6.25% of the stock options awarded every 3 months for three years.

On 27 June 2023, the Board of Directors awarded 19,500 BSA, as well as 68,000 stock options.

Bonus shares ('AGA')

The table below summarises the data relating to the option plans issued as well as the assumptions used for the valuation according to IFRS 2:

Date	Type	Number of warrants issued	Number of lapsed options	Number of bonus shares vested	Number of outstanding bonus shares	Maximum number of shares to be issued	Total valuation
Board meeting of 5 May 2021	AGM ₂₀₁₉₋₂	44,000	5,500	38,500	-	-	€687k
Board meeting of 5 May 2021	AGM ₂₀₂₀₋₁	2,500	-	2,500	-	-	€39k
Board meeting of 23 March 2022	AGM ₂₀₂₀₋₃	63,500	3,500	-	60,000	63,500	€679k
Board meeting of 27 June 2023	AGM ₂₀₂₀₋₄	54,500	-	-	54,500	54,500	€531k
At 30 June 2023		164,500	9,000	41,000	114,500	114,500	€2018k

On 27 June 2023, the Board of Directors granted 54,500 free shares to the Company's employees. They will be definitively acquired 24 months later on condition of continuous employment with the Company.

Breakdown of expense recognised in accordance with IFRS 2 at 30 June 2022 and 30 June 2023

Date	Type	30/06/2022					30/06/2023				
		Number of outstanding options	Probable cost of the plan	Cumulative expense at opening	Expense for the period	Cumulative expense at 30/06/2022	Number of outstanding options	Likely cost of the plan	Cumulative expense at opening	Expense for the period	Cumulative expense at 30/06/2023
Board meeting of 5 November 2018	SO2017-1	46,000	269	253	9	262	46,000	269	269	-	269
Board meeting of 5 November 2018	BSA2018	20,000	116	109	4	113	20,000	116	116	-	116
Board of Directors' Meeting of 18 July 2019	SO2017-2	63,000	343	273	18	291	63,000	310	310	-13	297
Board of Directors' Meeting of 18 July 2019	BSA2018-2	35,000	198	156	12	168	35,000	198	182	5	187
Board of Directors' Meeting of 6 May 2020	SO2017-3	79,485	405	254	37	291	64,485	362	322	7	329
Board of Directors' Meeting of 6 May 2020	BSA2019-1	33,000	186	105	17	122	33,000	186	136	17	153
Board meeting of 5 May 2021	SO2020-1	40,500	242	69	57	126	28,500	210	153	4	157
Board meeting of 5 May 2021	BSA2020-1	7,500	63	18	15	33	6,000	68	41	9	50
Board meeting of 23 March 2022	SO2020-2	57,500	264	-	32	32	44,000	213	89	30	119
Board meeting of 23 March 2022	BSA2020-2	21,000	96	-	12	12	21,000	96	34	17	51
Board meeting of 27 June 2023	BSA2020-3	-	-	-	-	-	19,500	83	-	-	-
Board meeting of 27 June 2023	SO2020-3	-	-	-	-	-	68,000	290	-	1	1
Total - SOs - BSAs		402,985	2,182	1,236	213	1,449	430,485	2,402	1,652	78	1,730

Date	Type	30/06/2022					30/06/2023				
		Number of outstanding options	Probable cost of the plan	Cumulative expense at opening	Expense for the period	Cumulative expense at 30/06/2022	Number of outstanding options	Probable cost of the plan adjusted for lapsed options	Cumulative expense at opening	Expense for the period	Cumulative expense at 30/06/2023
Board of Directors' Meeting of 6 May 2020	AGM2019-1	-	679	562	105	667	-	654	654	-	654

Board meeting of 5 May 2021	AGM ₂₀₁₉₋₂	39,500	679	223	153	377	-	609	505	104	609
Board meeting of 5 May 2021	AGM ₂₀₂₀₋₁	2,500	39	13	10	23	-	39	32	7	39
Board meeting of 23 March 2022	AGM ₂₀₂₀₋₃	63,500	679	-	92	92	60,000	657	263	168	432
Board meeting of 27 June 2023	AGM ₂₀₂₀₋₄	-	-	-	-	-	54,500	531	-	2	2
Total - Bonus Share Awards (AGA)		105,500	2,159	798	339	1,137	114,500	1,836	801	282	1,082

Note 21: Borrowings

Current AND NON CURRENT FINANCIAL DEBT (Amount in K €)	30/06/2023	31/12/2022
Lease obligations (IFRS 16)	2,121	2,315
Repayable advances	204	334
CIR financing	8,307	8,131
Borrowing from credit institutions	8,379	10,393
Non-current financial liabilities	19,011	21,172
Lease obligations (IFRS 16)	795	667
Repayable advances	244	320
Borrowing from credit institutions	7,369	3,748
Bank overdrafts	1,458	1,042
Current financial liabilities	9,866	5,778
Total financial liabilities	28,877	26,951
O/w due in less than a year	9,866	5,778
O/w due in 1 to 5 years	19,011	21,172
O/w due in over 5 years	-	-

CHANGE IN FINANCIAL DEBT (amounts in €'000)		Borrowing from credit institutions	Repayable advances	Lease liabilities (IFRS 16)	Total	Bank overdrafts
At 31 December 2022		22,273	655	2,982	25,910	1,042
Change in cash	Inflows	3,330	-	-	3,330	418
	Outflows	(1,840)	(210)	(371)	(2,421)	-
	Net cash provided by/(used in) operating activities	1,490	(210)	(371)	909	418
Change in non-cash items	Translation adjustments	-	-	(11)	(11)	-
	Lease liabilities	-	-	315	315	-
	Accrued interest	83	-	-	83	(3)
	Amortised cost	209	5	-	214	-
	Other	-	-	-	-	-
Total non-cash		292	5	305	602	(3)
At 30 June 2023		24,054	449	2,915	27,419	1,458

Breakdown of financial liabilities by maturity

The maturity of financial liabilities is as follows during the financial years presented:

Current AND NON CURRENT FINANCIAL DEBT (amount in K €)	30/06/2023			
	Gross amount	Share at less than one year	From 1 to 5 years	Over 5 <x id="1"/>years
Lease obligations (IFRS 16)	2,916	795	2,121	-
Repayable advances	449	244	204	-
CIR financing	8,307	-	8,307	-
Borrowing from credit institutions	15,748	7,369	8,379	-
Bank overdrafts	1,458	1,458	-	-
Total financial liabilities	28,877	9,866	19,011	-

Current AND NON CURRENT FINANCIAL DEBT (amount in K €)	31/12/2022			
	Gross amount	Share at less than one year	From 1 to 5 years	Over 5 <x id="1"/>years
Lease obligations (IFRS 16)	2,982	667	2,315	-
Repayable advances	655	321	334	-
CIR financing	8,131	-	8,131	-
Borrowing from credit institutions	14,141	3,748	10,393	-
Bank overdrafts	1,042	1,042	-	-
Total financial liabilities	26,951	5,778	21,172	-

21.1. Borrowing from credit institutions

Evolution OF BORROWINGS FROM CREDIT INSTITUTIONS (Amount in K €)	Borrowing from credit institutions	CIR financing
At 31 December 2022	14,141	8,131
(-) Capture	3,330	-
(-) Repayment	(1,840)	-
(-) Amortised cost	118	175
At 30 June 2023	15,748	8,307

Borrowings taken out in the first half of 2023:

- Cash advance**

In the first half of 2023, the company received a cash advance of US \$3.5M corresponding to €3.3M at 30 June 2023. This cash facility matured in July 2023 and was repaid.

- CIR financing**

As of 30 June 2023, the balance on the amount of the CIR financing of the company is identical to that of 31 December 2022, i.e. a total of €8.8M in repayment value. The average effective interest rate is between 3.65% and 4% on an average maturity of between 2.5 and 3 years from the receipt of the debt. The final maturity date is 30 June 2025.

The debt relating to the financing of the CIR is recorded as a loan net of the retention of guarantees and the CIR receivable is reconstituted as an asset.

21.2. Repayable advances

Evolution OF REDEMPTIVE BENEFITS AND SUBVENTIONS (Amounts in K €)	EIF	IA4SEC	Anevia PTZI (Zero percent interest rate loan for innovation)	Total
At 31 December 2022	100	231	323	655
(+) Borrowing	-	-	-	-
(-) Repayment	(100)	-	(110)	(210)
Subsidies	-	-	-	-
Financial expenses	-	1	4	5
At 30 June 2023	-	232	216	449

The Company did not obtain any new repayable advance during the 1st half of 2023. All debts are described in the notes to the financial statements of 31 December 2022.

21.3. Lease obligations

Evolution OF DEBT RELATING TO LOCATIVE BONDS (Amount in K €)	Total
At 31 December 2022	2,982
(+) Increase	315
(-) Repayment	(371)
(+/-) Translation differences	(11)
At 30 June 2023	2,915

The interest expense related to IFRS 16 at 30 June 2023 was €15k.

Note 22: Employee benefit obligations

Staff commitments shall consist of the provision for end-of-career allowances, assessed on the basis of the provisions of the applicable collective agreement, namely the SYNTEC collective agreement.

This liability relates only to employees under French law. The main actuarial assumptions used to assess retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	30/06/2023		31/12/2022	
	Management	Non-management	Management	Non-management
Retirement Age	Voluntary departure (65-67 years of age)			
Collective agreements	SYNTEC			
Discount rate	3.75%		3.75%	
Mortality Table	INSEE 2022		INSEE 2018	
Salary adjustment rates	2.00%			
Turnover rate	Strong			
Social security rate	47%	43%	47%	43%

The provision for pension commitments has evolved as follows:

Amounts in €'000	Pension commitments
At 31 December 2022	1,259
Past service costs	85
Financial costs	24
Actuarial gains and losses	(16)
At 30 June 2023	1,352

Note 23: Provisions

Provisions (amount in K €)	30/06/2023				
	Amount at the beginning of the period	Allocations	Reversals	Reversals of provisions that are no longer required	Amount at end of period
Provisions for charges	11	-	-	-	11
Provisions for litigation	30	-	-	-	30
Total provisions for risks 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 registered by the Company where there is sufficient probability that such disputes will cause costs to be borne by the Company.

Labour disputes

The amounts provisioned are assessed on a case-by-case basis based on the estimated risks incurred by the Company on the basis of requests, legal obligations and lawyers' positions.

Note 24: Trade and other current liabilities

24.1 Trade payables

There was no discount rate applied to trade payables, as the amounts did not represent periods over one year at the end of each financial year concerned.

Accounts RECEIVABLES (Amounts in K €)	30/06/2023	31/12/2022
Trade payables	11,357	13,587
Uninvoiced payables	1,660	2,735
Total trade payables	13,017	16,322

24.2 Tax and social security liabilities

Tax and social liabilities are as follows:

Tax AND SOCIAL LIABILITIES (Amounts in € k)	30/06/2023	31/12/2022
Staff and related accounts	3,720	3,215
Social security and other social organisations	3,066	2,851
Other taxes, levies and similar payments	529	508
Total tax and social liabilities	7,314	6,574

24.3 Other current liabilities

Other CURRENT LIABILITIES (Amounts in € k)	30/06/2023	31/12/2022
Advances and down payments to customers	96	279
Liabilities on fixed assets	24	24
Deferred income (1)	11,120	9,039
Corporate tax	244	51
Other liabilities	10	10
Directors' fees payable	-	36

Total other current liabilities	11,494	9,438
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(1) BCPs are related to customer contract liabilities and are detailed in Note 3.

Note 25: Analysis of changes in WCR

ANALYSIS OF CHANGES IN WCR (amounts in €'000)	30/06/23 A	31/12/22 B	Change 30/06/2022 C = A - B	Non cash flows D	Transla tion differen ces E	Change <x id="1"/>i n WCR F = C - D - E
Inventory (net of inventory impairment)	7,150	10,005	(2,855)	-	(21)	(2,876)
Trade receivables (Net of impairment of trade receivables)	31,172	37,409	(6,237)	-	(129)	(6,366)
Other current receivables	22,318	19,476	2,841	40	(7)	2,874
Trade payables	(13,017)	(16,322)	3,305	-	54	3,358
Tax and social liabilities	(7,314)	(6,574)	(741)	-	20	(721)
Other current liabilities	(11,494)	(9,438)	(2,057)	-	40	(2,017)
	28,813	34,557	(5,744)	40	(44)	(5,748)

Note 26: Related parties

Transactions with related companies continued on the same basis as in 2022 with no significant changes.

Note 27: Off balance sheet commitments

The off balance sheet commitments between 31 December 2022 and 30 June 2023 did not change significantly over the period.

4. Limited review report of the Statutory Auditors on the half yearly condensed consolidated financial statements prepared under IFRS as adopted in the European Union

BL2A

10, parc François Villon
91600 Savigny sur Orge
S.A.S. with share capital of €34400
403,136,351 R.C.S. Evry

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

Ernst & YOUNG Audit

Tour First
TSA 14444
92037 Paris La Défense cedex
S.A.S. with variable capital
344,366,315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles and the Centre

Ateme

Period from January 1 to 30 June 2023

Statutory Auditors' report on the half year financial information

To the Shareholders,

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

- The limited review of the accompanying consolidated interim financial statements of Ateme for the period from^{January 1} to 30 June 2023;
- the verification of the information given in the half year activity report.

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

1 . conclusion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. A limited review consists mainly of interviewing the members of management responsible for accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit carried out in accordance with professional standards applicable in France. Accordingly, assurance that the financial statements, taken as a whole, are free from material misstatement obtained in the context of a limited review is moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, we did not identify any material misstatements likely to call into question, in accordance with IFRS as adopted by the European Union, the regularity and fair presentation of the consolidated half year financial statements and the true and fair view they give of the assets and financial position at the end of the half year and of the profit or loss for the last half year of 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 for 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, on 28 September 2023

The Statutory Auditors

BL2A

ERNST & YOUNG audit

Mélanie Hus

Franck Sebag