

FULL YEAR 2023 RESULTS

- > **REVENUES UP 10% AT €100 MILLION (12% LIKE -FOR-LIKE¹)**
- > **EBITDA² OF €2.7 MILLION**

FINANCIAL OBJECTIVES CONFIRMED

- > **2024 EBITDA TARGET OF €10 MILLION, WITH A STABILIZED COST BASE**
- > **MONTHLY RECURRING REVENUES (MRR³) TO €3 MILLION IN 2024**

Paris, March 21, 2024 - Ateme (ISIN: FR0011992700) has published Full Year 2023 Results, as approved by its Board of Directors on 20 March 2024. 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) IFRS	FY 2022 (12 month)	H1 2023 (6 month)	H2 2023 (6 month)	FY 2023 (12 month)	Change (23 vs. 22)
Revenue	90.6	49.1	50.9	100.0	+10%
Gross profit	54.4	28.4	31.5	59.9	+10%
<i>Gross profit / Revenue (%)</i>	60.1%	57.8%	61.8%	59.8%	
EBITDA²	5.0	0.0	2.7	2.7	-47%
<i>EBITDA / Revenue (%)</i>	5.6%	-	5.3%	2.7%	
Operating profit	(0.2)	(2.4)	0.0	(2.4)	
Financial profit / loss	(0.2)	(0.9)	(0.6)	(1.5)	
Tax income	0.3	0.1	(0.2)	(0.1)	
Group net profit	(0.0)	(3.3)	(0.7)	(4.0)	

Full Year 2023 Results

Total revenues amounted €100 million for the fiscal year ending 31 December 2023, up by 10% and by 12% on a like-for-like basis.

Gross profit stood at €59.9m, up 10% and implying a margin of 59.8%, virtually the same level as in 2022. The Second Half gross margin amounted to 61.8%, up from 57.8% in the First Half.

¹ Like-for-like: At constant exchange rate and perimeter.

² 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.

³ MRR: Alternative performance indicator not subject to review by Ateme's statutory auditors: monthly recurring revenue is defined as the sum of (1) monthly sales from support contracts already signed, (2) monthly sales from multi-year license contracts already signed (CAPEX) and (3) monthly sales from license rental contracts (OPEX).

Monthly recurring revenues (MRR) stood at €2.470m in January 2024, reflecting a good pace of MRR creation in the Fourth Quarter of 2023, following a contraction of the MRR in the first nine months of 2023 due to the termination of a big subscription contract.

Ateme begins the 2024 financial year with €29.6m in Annual Recurring Revenue (ARR), representing 30% of the 2023 revenues.

Ateme continued to invest in supporting its growth in 2023. Operating costs rose by 14% to €62.3 million notably with an increase in total headcount from 560 to 580 over the year. These additional investments were balanced between the Sales and Marketing, up €3.6 million, and the R&D effort, up €3.5 million, respectively 13% and 17% up year-on-year, and to a lesser extent to G&A, up €0.5 million or 9% year-on-year.

EBITDA stood at €2.7 million, versus €5.0 million in 2022, reflecting continued investments throughout 2023 and the timing of revenue recognition related to certain projects which shifted into 2024. The result exceeded expectations⁴ thanks to an improved product mix and gross margin in the Second Half, as well the impact of cost reduction initiatives launched since mid-2023, that led to a stabilization in operating costs in H2 2023 compared to H1.

The operating result stood at €-2.4 million, while the net result stood at €-4.0 million, integrating a €1.0 million negative financial result and foreign exchange losses of €0.5 million.

Shareholders' equity stood at €38.0 million at 31 December 2023.

Liquidity stood at €5.6 million, vs. €3.9 million a year earlier, notably due to the decrease in inventory (-€1.9 million) and in customer accounts receivable (-€1.0 million). Trade payables were also down (-€0.5 million).

At 31 December 2023, net debt amounted to €23.8 million vs €20.1 million (excluding IFRS 16). This includes €12.3 million of Research Tax Credit receivable mobilized.

Looking ahead

As communicated at the beginning of 2021, we aim from 2024 onwards to reap the benefits of three years of R&D and Sales & Marketing investments and improve profitability. This ambition is supported by:

- Recently launched or revamped products:

- o Ateme recently released the **7th generation of its video compression technology** that powers our solutions such as Titan Live (for streaming) and Titan File (for VOD). This includes more efficient HEVC and AV1 encoding engines, where these 2 standards are set to replace the older H.264 standard in all use cases.
- o Ateme pioneers '**Spatial Computing**' encoding solutions compatible with the **Apple Vision Pro** virtual/augmented reality headset. We introduce a new compression standard, MV-HEVC, within our TITAN range, and recognition of our leadership is further affirmed by our participation in a panel alongside Apple, Disney, and Dolby at the NAB trade show in Las Vegas in April 2024 (press release: [Ateme Propels Spatial Computing with TITAN Encoders for Apple Vision Pro](#));
- o **NEA Genesis, the new generation Cloud DVR solution** that was selected by Swisscom in 2023,
- o And more generally **all the NEA software family** in which Ateme substantially invested in the past three years, notably NEA Live and Nea CDN for the OTT delivery, and NEA Composer for the dynamic ad insertion and FAST channels markets,

⁴EBITDA was announced breakeven in our January press release.

- **Partnerships with major public cloud providers**, including Akamai, AWS (Amazon Web Services), GCP (Google Cloud Platform) and Microsoft Azure, and a few more, in a world where our clients look after hybrid and multi cloud solutions to launch news services while maintaining operational agility and control of opex,
- **A more favorable competitive environment** when a major competitor is looking for divesting their video business unit,
- **Major upcoming global sports events** in Europe and in France and the US elections.

Our aim is to maintain a flat cost base and headcount in 2024. It will be accompanied by a strong focus on cost reductions, notably travel, trade shows, advertising, offices, energy, cloud costs, investments in our labs, and other.

We will also seek to reduce our exposure to selected challenging countries, notably in Asia Pacific and Latin America. Similarly, we are currently undertaking a rationalization of our product lines, aimed at reducing the cost of supporting legacy architectures.

As a result of our growth drivers and the containment in Operating costs, **Ateme confirms its 2024 EBITDA target of €10 million.**

We also maintain the **objective to grow Monthly Recurring Revenues to €3 million in 2024.**

Michel Artières, Chairman and CEO of Ateme, commented: *"In 2023, amidst a challenging market environment, Ateme upheld its standards of growth and profitability, notably outperforming other technology vendors in our industry. Looking ahead to 2024, we anticipate improved market conditions and plan to capitalize on three years of accelerated investment to sustain our growth trajectory. With rigorous control over operating expenses, we aim to achieve our targeted €10 million EBITDA in 2024, a goal set since 2021. Maintaining our commitment to long-term success, we continue to prioritize the growth of recurring revenues, with a target of €3 million MRR in 2024."*

Next publication:

April 25th, 2024: 2024 First Quarter Revenue

June 12th, 2024: Annual Shareholder Meeting

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 580 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 2023, Ateme served close to 1,000 customers worldwide with revenues of €100 million, of which more than 90% outside its home market.

Find out more: www.ateme.com.

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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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