

FIRST HALF 2024 RESULTS AND UPDATED GUIDANCE

- > REVENUES DOWN 17% WITH 21% DECLINE IN GROSS MARGIN
- > EBITDA: -€4.3 MILLION
- > FIRST HALF OPERATING COSTS CUT BY €1.6 MILLION
- > UPDATED GUIDANCE: €4 MILLION MRR AND €22 MILLION EBITDA IN 2027
- > NEW CFO APPOINTED

Paris, September 26th, 2024 - AteME (ISIN: FR0011992700), the global specialist in video delivery, publishes its 2024 Half Year results. The financial statements for the Six Months to June 30th, 2024, were approved by the Board of Directors at its meeting on September 25th, 2024. The limited review of the company's financial information by its statutory auditors is complete and the limited review report will be issued no later than September 30th, 2024.

Consolidated data (in € million) IFRS	H1 2023 (6 months)	H1 2024 (6 months)	Change (H1 2024 vs. H1 2023)	FY 2023 (12 months)
Revenues	49.1	40.8	-8.3 M€	100.0
Gross profit	28.4	22.3	-6.1 M€	59.9
<i>Gross profit margin (%)</i>	58%	55%	-3 pts	60%
EBITDA¹	0.0	(4.3)	-4.3 M€	2.7
<i>EBITDA margin (%)</i>	-	-		2.7%
Operating profit	(2.4)	(6.9)	-4.5 M€	(2.4)
Financial profit / loss	(0.9)	(0.2)	+0.7 M€	(1.5)
Tax income	0.1	(1.3)	-1.4 M€	(0.1)
Group net profit	(3.3)	(8.3)	-5.0 M€	(4.0)

H1 2024 revenues

For the First Half as a whole, revenues were down 17% year-on-year (same like-for-like). This reflects a strong base effect in the First Quarter 2023, when revenues rose 34% on a like-for-like basis, and actual market headwinds in the US.

- > EMEA revenues were up 34% (same like-for-like) at €18.2 million. The region confirmed its position as the Group's largest market, representing 45% of revenues;
- > The USA/Canada region generated revenues of €9.9 million, down 61% (same like-for-like), reflecting the above-mentioned base effect in the First Quarter 2023. The market in the US is facing headwinds

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.

because of a wave of consolidation in the content industry slowing down investment decisions. Nevertheless, overall yearly pipeline remains strong, and while recovery in the Second Quarter was limited, an acceleration is expected in the Second Half;

- > Asia Pacific revenues continued robust growth, with an increase of 24% (25% like-for-like) to €8.5 million;
- > Latin America revenues were up 35% (34% like-for-like) to €4.2 million, reflecting new commercial momentum.

Monthly Recurring Revenues (MRR²) were up by €130 K in the First Half at €2.6 million in July 2024.

H1 2024 Operating results

The gross margin rate stands at 55% compared to 58% in the First Half of 2023. The margin rate on direct costs remains stable at around 71.5% of revenue. The decrease in the gross margin rate is due to fixed and indirect sales costs increasing as a percentage following the revenue decline.

During the First Half, Ateame continued reorganization and rationalization initiatives to reduce the operating costs by €1.6 million while preserving its innovation roadmap and ability to deliver better numbers in the Second Half:

- > R&D investments decreased by €0.4 million versus H1 2023;
- > Sales and Marketing costs were down €1.5 million;
- > Only G&A only was up by €0.3 million.

The company recorded -€4.3 million in EBITDA, compared with breakeven EBITDA for the same period of 2023.

The operating result stood at a loss of €6.9 million versus deficits of €2.4 million, €1.3 million and €4.8 million in the First Half of the past 3 years, a slightly amplified version of the usual seasonality pattern that does not allow a profitable First Half.

The limitation of deferred tax assets in the France scope (non-cash effect) brings the net result to -€8.3 million.

Cash position

The negative cash flow from operations (-€4.1 million) was offset by a significant improvement in working capital (+€4.8 million).

As of June 30, 2024, available cash stood at €3.8 million, compared to €5.6 million at the end of 2023. The net financial debt (excluding IFRS 16) amounted to €25.9 million, compared to €23.8 million on December 31, 2023. It includes a mobilized Research Tax Credit receivable of €14.6 million.

New technological developments

The following key announcements underscore Ateame pioneering role in delivering infrastructure-agnostic solutions that significantly reduce Total Cost of Ownership while enhancing the overall Quality of Experience.

² MRR: Alternative performance indicator not subject to review by Ateame'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).

Infrastructure-agnostic for lower Total Cost of Ownership:

- > [Ateme and AWS Lead Technological Innovation with Graviton Processors](#)
- > [Ateme Deploys New Video Delivery Solutions with NVIDIA Holoscan for Media to Advance Broadcast and Streaming](#)
- > [Ateme and EZDRM Offer Secure B2B Content Distribution over CDN for OTT and Broadcast Services](#)
- > [Ateme and ORS Boost 5G-Broadcast Capacity with the Deployment of a NextGen Statmux](#)

Higher Quality of Experience:

- > [SES Expands Partnership with Ateme for New Sports Broadcasting Technology](#)
- > [Ateme and Globo Drive the TV 3.0 Revolution at this Summer Global Sporting Event](#)

Outlook & Financial objectives

As an established seasonal pattern, the Second Half revenues are expected to exceed significantly the First Half.

Given the business visibility following IBC show in September 2024, with improved commercial momentum in the USA/Canada region, the Second Half should allow us to end this fiscal year at similar levels of revenues and profitability compared to 2023.

As announced since 2021, the company has entered a new phase after three years of intensive investments. Since the end of 2023, particular attention has been given to streamlining the organization and product offerings. The convergence of certain products and the consolidation of R&D or operations teams naturally allow, simply by not replacing all departures, to slightly and gradually reduce headcount while maintaining flexibility to recruit new talent in both R&D and Sales and Marketing. As a result, operating expenses (opex) will continue to decrease in the second half, and the company will end the fiscal year with lower opex and headcount compared to 2023. The headcount at the end of September is 560 vs 580 at the end of 2023.

Looking further, we restate our mid-term objectives and expect linear growth to Revenues of €130 million in 2027, €99million in Margin on Direct Costs, €22 million in EBITDA, and €4 million in Monthly Recurring Revenue. These objectives are consistent with Ateme past 10-year topline trajectory, and made possible with a strong inflection in operating costs.

Appointment of Véronique Coulman as CFO

Véronique Coulman, formerly Anevia CFO, and Management Control Director at Ateme since the merger in 2020, has been promoted Ateme group CFO succeeding Fabrice Sana who left the company at the end of June.

From their IPO in 2014 to 2020, Véronique served as CFO at Anevia, where she successfully implemented SAP ByDesign and introduced stringent cost and cash management practices. Prior to that, she was CFO at Ipanema Technologies, where she restructured the finance department, helping the French startup grow its revenue from €500K to €30M by establishing multiple subsidiaries worldwide. Véronique began her career at Amdahl, a U.S. company specializing in mainframes, where she gained extensive experience in various aspects of finance over a decade. She holds a degree from Sup de Co Poitiers, the D.E.S.C.F, an MBA from Seattle University, and is a Certified Public Accountant.

Michel Artières, Chairman and CEO of Ateame, comments: *"The first half ended with a shortfall in revenue and profitability of several million euros compared to 2023. However, it is worth noting that the seasonality in 2023 was unusual, and with the second half providing a much easier comparison base, we are targeting similar performance for the full year. We have undertaken ambitious projects to streamline our organization, resulting in efficiency and competitiveness gains. This will allow us, despite a more challenging macroeconomic environment than expected, to maintain solid growth and profitability targets, with EBITDA expected to reach €22 million by 2027."*

Upcoming event:

October 17th, 2024: Third Quarter 2024 Revenue

About Ateame

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 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.

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 2023, Ateame 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.ateame.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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