

Universal Registration Document 2023

Including the annual financial report

"This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer

ATEME
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Limited company with share capital of €1,608,522.16
Registered office: 6, rue Dewoitine -78140 Vélizy Villacoublay (France)
382,231,991 RCS Versailles

Universal Registration Document (URD)



The Universal Registration Document was filed on 29 April 2024 with the AMF, in its capacity as competent authority under title of Regulation (Eu) 2017/1129 , without prior approval pursuant to Article 9 of said Regulation.

The universal Registration Document may be used for the purposes of a public offering of financial securities or of the admission of financial securities to trading on a regulated market if completed by a transaction note and , if applicable , a summary and any amendments to the Universal Registration Document . The package then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is available free of charge at the Company's registered office, as well as in electronic version on the AMF website (www.amf-france.org) and on the Company's website (www.ateme.com).

NOTES

In this document the terms:

'Company' or 'Ateme' means Ateme SA;

The 'Group' means all Ateme SA and its subsidiaries.

Information incorporated by reference

In accordance with the provisions of Article 19 of Regulation (EU) 2017/1129 of 14 June 2017, the following information is incorporated by reference in this document:

- The consolidated financial statements and the auditors' report on the consolidated financial statements for the year ended 31 December 2022, included on pages 61 to 130 and page 154 respectively; and the management report for the year ended 31 December 2022 included on pages 5 to 31 of the Annual Financial Report filed with the AMF on 28 April 2023.
- The consolidated financial statements and the auditors' report on the consolidated financial statements for the year ended 31 December 2021 included on pages 62 to 129 and page 160 respectively; and the management report for the year ended 31 December 2021 included on pages 5 to 31 of the Annual Financial Report filed with the AMF on 28 April 2022.

Table of contents

Chapitre 1. Persons responsible, information from third parties, expert reports and approval by the competent authority.....	7
1.1_ Name of person responsible.....	7
1.2_ Statement by the person responsible	7
1.3_ Expert reports.....	7
1.4_ Information from third parties.....	7
1.5_ Approval by the AMF.....	7
Chapitre 2. Statutory Auditors.....	8
2.1_ Name of the Statutory Auditors	8
2.2_ Statutory Auditors who have resigned, been dismissed or have not been reappointed.....	8
Chapitre 3. Risk factors.....	9
3.1_ Segmentation and risk prioritisation principle	9
3.2_ Market risks and sector risks	10
3.2.1_ Risks related to the competitive environment	10
3.2.2_ Customer risks	11
3.2.3_ Supplier risks.....	11
3.2.4_ Risks related to market growth.....	12
3.3_ Financial risks.....	13
3.3.1_ Liquidity risk.....	13
3.3.2_ Currency risk	15
3.4_ Risks related to the Company	15
3.4.1_ Risks related to the security of the Company's information systems.....	15
3.4.2_ Risks related to growth management.....	16
3.5_ Legal risks	16
3.5.1_ Risks related to internet regulation and mobile networks.....	16
3.5.2_ Risks related to the protection of confidential information and the Company's intellectual property	18
3.5.3_ Risks related to the liability of the Company in the event of damage generated by one of its products.....	21
Chapitre 4. Information about the issuer	23
4.1_ Company name and trade name - Article 3 of the Articles of Association	23
4.2_ Place and number of registration and legal entity identifier.....	23
4.3_ Date of incorporation (Article 1 of the bylaws) and term (Article 5 of the bylaws).....	23
4.4_ Other information about Ateме	23
4.4.1_ Registered office (Article 4 of the Articles of Association), legal form, country of origin, address and telephone number of its registered office and website	23
4.4.2_ Legislation governing the Company's activities	23
4.4.3_ Fiscal year - Article 6 of the bylaws	24

Chapitre 5. Business overview	25
5.1_ Principal activities.....	25
5.2_ Main markets	28
5.2.1_ Breakdown of revenue by region and country	29
5.2.2_ Consumer expectations and challenges for production and distribution players.....	30
5.2.3_ Future developments.....	30
5.3_ Important events in business development.....	37
5.3.1_ Historical Ateme	37
5.3.2_ History Anevia.....	37
5.3.3_ Reconciliation.....	37
5.4_ Strategy and objectives	37
5.4.1_ Positioning of the 'end to end' treatment solution.....	37
5.4.2_ Sales strategy.....	39
5.4.3_ Evolution of business models towards more recurring revenues.....	39
5.4.4_ Geographical expansion.....	41
5.4.5_ External growth.....	41
5.5_ Degree of dependence of the issuer on patents or licenses, industrial, commercial or financial contacts or new manufacturing processes.....	42
5.5.1_ Dependence on patents or licences.....	42
5.5.2_ Dependence on industrial contracts	43
5.5.3_ Dependence on commercial contracts	43
5.5.4_ Dependence on financial contracts	43
5.5.5_ Dependence on manufacturing processes.....	43
5.6_ Competitive position of the Company.....	44
5.7_ Investments.....	48
5.7.1_ Main investments made over the last three financial years	48
5.7.2_ Principal investments in progress	48
5.7.3_ Main planned investments.....	48
5.7.4_ Information about joint ventures and companies in which the issuer holds a share of capital.....	48
5.7.5_ Important events in business development.....	48
5.8_ Group CSR strategy	50
5.8.1_ Use of property, plant and equipment and environmental issues.....	50
5.8.2_ Vision and implementation of the CSR strategy	50
Chapitre 6. Organisational structure.....	54
6.1_ Membership of a group.....	54
6.2_ Principal subsidiaries	54
6.3_ inter company loans.....	55
Chapitre 7. Operating and financial review.....	56
7.1_ Financial position	56
7.1.1_ Results of operations and changes.....	56

7.1.2_ Probable future evolution and research and development activities.....	61
7.2_ Consolidated operating income and consolidated balance sheet	62
7.2.1_ Alternative performance indicators	62
7.2.2_ Formation of operating profit and net profit	63
7.2.3_ Analysis of the balance sheet	68
7.3_ Presentation of the annual financial statements of Ateme SA	70
7.4_ Activities and results of subsidiaries and controlled companies	71
Chapitre 8. Cash and capital resources	72
8.1_ Consolidated equity and financial debt.....	72
8.2_ Consolidated cash flows.....	75
8.2.1_ Cash flow from operating activities	75
8.2.2_ Cash flow from investing activities.....	75
8.2.3_ Cash flow from financing activities.....	76
8.3_ Funding requirements and funding structure	76
8.3.1_ Funding through research tax credit.....	76
8.3.2_ Financing through repayable advances and grants.....	77
8.3.3_ Financing by lease commitment	77
8.4_ Possible restriction on the use of capital.....	77
8.5_ Expected sources of funding	77
Chapitre 9. Regulatory environment.....	78
9.1_ Regulations applicable to Ateme's business	78
9.1.1_ Stock market regulations	78
9.1.2_ Regulation of electronic waste	78
9.1.3_ Local and sector regulations	79
9.1.4_ Intellectual property regulations.....	79
9.1.5_ Personal data protection regulations	79
9.1.6_ Export related regulations	81
Chapitre 10. Trend information	82
10.1_ Main trends.....	82
10.2_ Factors that may affect Ateme's prospects.....	82
Chapitre 11. Profit forecasts or estimates	83
11.1_ Old publications of forecasts or estimates	83
11.2_ New forecast or estimate.....	83
11.3_ Forecast or estimate statement	83
Chapitre 12. Administrative, management, supervisory and general management bodies.....	84
12.1_ General information.....	84
12.1.1_ Board of Directors and Company Committees	84
12.1.2_ Statements by the Company.....	86
12.2_ Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management.....	87

12.2.1_ Conflicts of interest	87
12.2.2_ Arrangement or agreement entered into	87
12.2.3_ Restrictions on the sale of Ate me shares for members of a management or supervisory body or General Management	87
Chapitre 13. Remuneration and benefits.....	88
13.1_ Remuneration paid and benefits in kind granted	88
13.1.1_ 2022 and 2023 compensation of the Chairman and Chief Executive Officer and compensation principles 2022	88
13.1.2_ Compensation paid to the Chairman and Chief Executive Officer for 2022 and 2023	88
13.1.3_ Remuneration paid to directors for 2022 and 2023.....	89
13.1.4_ Incentive plan and bonuses	90
13.2_ Amounts provisioned or recognised by Ate me or its subsidiaries for the payment of pensions, retirement or other benefits	91
Chapitre 14. Functioning of the administrative and management bodies.....	92
14.1_ Management of Ate me.....	92
14.2_ Information on service contracts	93
14.3_ Information on committees.....	93
14.3.1_ Appointments and Remuneration Committee	94
14.3.2_ Audit Committee	95
14.3.3_ Strategy Committee	97
14.3.4_ CSR Committee	98
14.4_ Advisory Board.....	99
14.5_ Declaration of compliance with the corporate governance regime in force in France	100
14.6_ Potential significant impacts on corporate governance	102
14.7_ General principles of internal control	102
14.7.1_ Definition and objectives of internal control.....	102
14.7.2_ Components of internal control.....	102
14.7.3_ Players in risk management and internal control	104
14.7.4_ Risk management and internal control limits and areas for improvement	104
Chapitre 15. Employees.....	105
15.1_ Change in headcounts	105
15.2_ Shareholdings and stock options	106
15.3_ Arrangements for involving employees in the capital.....	107
Chapitre 16. Major shareholders.....	108
16.1_ Changes in the Group's shareholding structure	108
16.2_ Different voting rights.....	110
16.3_ Control of the Company.....	111
16.4_ Agreement that may result in a change of control.....	111
Chapitre 17. Related party transaction	112

Chapitre 18. Financial information concerning the assets and liabilities, financial position and results of the issuer	114
18.1_ Historical financial information	114
18.1.1_ Audited historical financial information	114
18.1.2_ Audit of historical financial information 2023	137
18.1.3_ Change in accounting reference date.....	145
18.1.4_ Accounting standards.....	145
18.1.5_ Change in accounting standards.....	145
18.1.6_ National accounting standards	145
18.1.7_ Consolidated financial statements.....	146
Note 1: Presentation of business and major events	152
Note 2: Accounting principles, rules and methods.....	156
Note 3: Revenue	162
Note 4: Details of expenses and income by function.....	165
Note 5: Restated EBITDA.....	169
Note 6: Group workforce.....	170
Note 7: Financial income and expenses, net	170
Note 8: Income taxes.....	171
Note 9: Earnings per share	173
Note 10: Business combinations and goodwill.....	173
Note 11: Intangible assets	174
Note 12: Property, plant and equipment	177
Note 13: Rights of use	178
Note 14: Impairment	180
Note 15: Other non current financial assets.....	182
Note 16: Inventories	183
Note 17: Receivables.....	184
Note 18: Marketable securities and cash	186
Note 19: Financial assets and liabilities and effects on profit or loss.....	187
Note 20: Share capital.....	189
Note 21: Share subscription warrants, stock options, share subscription warrants for business creators' shares and free shares.....	190
Note 22: Borrowings	194
Note 23: Employee benefit obligations.....	200
Note 24: Provisions.....	201
Note 25: Trade and other current liabilities	202
Note 26: Analysis of changes in WCR.....	203
Note 27: Related parties	204
Note 28: Off balance sheet commitments	205
Note 29: Financial risk management and assessment	207

Note 30: Statutory Auditors' fees	208
18.2_ Date of latest financial information.....	209
18.3_ Interim and other financial information.....	209
18.4_ Audit of historical annual financial information	210
18.4.1_ Statutory Auditors' report on the consolidated financial statements	210
18.4.2_ Other information contained in the Universal Registration Document audited by the Statutory Auditors	218
18.4.3_ Financial information in the Universal Registration Document that is not extracted from the audited financial statements of the issuer	218
18.5_ Proforma financial information	218
18.6_ Other information	218
18.6.1_ Dividend policy.....	218
18.6.2_ Five year financial summary	219
18.6.3_ Allocation of the result of AteME SA.....	219
18.6.4_ Sumptuary expenses and expenses not deductible for tax purposes	220
18.6.5_ Information on payment deadlines	220
18.7_ Legal and arbitration proceedings.....	221
18.8_ Significant changes in the financial or trading position	222
Chapitre 19. Additional information	223
19.1. Share capital	223
19.1.1_ Amount of subscribed capital	223
19.1.2_ Shares not representing capital	223
19.1.3_ Treasury stock and share buyback programme	223
19.1.4_ Change in share price.....	224
19.1.5_ Calculation elements and results of the adjustment of share conversion bases.....	225
19.1.6_ Approval of the additional reports of the Board of Directors and the Statutory Auditor	225
19.1.7_ Stock options	225
19.1.8_ Free shares.....	225
19.1.9_ Restrictions imposed by the Board of Directors on the exercise of options or the sale of free shares granted to executives	225
19.1.10_ Employee shareholding threshold	225
Chapitre 20. Material contracts	226
Chapitre 21. Documents available	227
21.1_ Financial calendar	227
ANNEXE 1. Annual financial report cross reference table	228
ANNEXE 2. Cross reference table for the management report.....	229
ANNEXE 3. Cross reference table for the governance report	231

Chapitre 1. **Persons responsible, information from third parties, expert reports and approval by the competent authority**

1.1_Name of person responsible

Chairman and Chief Executive Officer of Ateme SA, is the person responsible for this document.

Michel Artières, Chairman and Chief Executive Officer of Ateme SA.

6, rue Dewoitine -78140 Vélizy Villacoublay - Tel. +33 1 69 35 89 89

1.2_Statement by the person responsible

I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the companies included in the consolidation and that the management report (a cross reference table of which is presented in Appendix 2 of this Universal Registration Document) presents a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the consolidation and that it describes the main risks and uncertainties they face.

Michel Artières

Chairman and Chief Executive Officer

29 April 2024

1.3_Expert reports

No report or statement, attributed to a person acting as an expert, is included in this document.

1.4_ Information from third parties

No statements or information from third parties are included in this document.

1.5_Approval by the AMF

The Universal Registration Document has been approved by the Autorité des marchés financiers (AMF), as the competent authority under Regulation (EU) 2017/1129.

The AMF only approves this Universal Registration Document as complying with the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

This approval should not be considered a favorable opinion on the issuer that is the subject of the Universal Registration Document.

Chapitre 2. **Statutory Auditors**

2.1_Name of the Statutory Auditors

BL2A

42, rue Jenner
91600 Savigny sur Orge

Represented by Mrs. Mélanie Hus

Date of first appointment: Appointed at the Annual General Meeting of 30 June 1997

Term of office expires: Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2026

Member of the Compagnie Régionale des Commissaires aux Comptes de Paris

ERNST & YOUNG AUDIT

Tour First, TSA 14444
92037 Paris La Défense

Represented by Mr. Franck Sebag.

Date of first appointment: Appointed at the Annual General Meeting of 11 April 2014

Term of office expires: Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2025

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre

2.2_Statutory Auditors who have resigned, been dismissed or have not been reappointed

None.

Chapitre 3. Risk factors

3.1_Segmentation and risk prioritisation principle

Before acquiring shares in the Company, investors are invited to review all the information contained in this Universal Registration Document, including the risk factors described below.

The Company has reviewed the risks that could have a material adverse effect on its business, financial position or results (or its ability to achieve its objectives) and considers that there are no significant risks other than those set out below.

However, the Company cannot rule out that other risks may materialise in the future and have a material adverse effect on the Group, its business, financial position, results or development.

The Company only presents its specific risks here.

For each of the risks set out below, the Company has reviewed the gross risk, as it exists in the course of the Company's business and taken into account the measures implemented by the Company for the purpose of managing such risk.

The application of these measures to gross risk allows the Company to analyse a net risk.

The Company assessed the degree of criticality of the net risk based on a joint analysis of two criteria:

- The extent of its negative impact; and
- Its probability of occurrence.

The 11 risks identified, specific and specific to the Company, are mapped below by combining an assessment of the extent of the impact of the risk and its probability of occurrence.

The most important risk factors are mentioned first in each category, in accordance with Article 16 of the Prospectus Regulation.

Summary of risk mapping

Impact scale	Major		<ul style="list-style-type: none"> - Risks related to the competitive environment - Customer risks - Supplier risks - Liquidity risk - Risks related to the security of the Company's information systems - Risks related to internet regulation and mobile networks - Risks related to the protection of confidential information and the Company's intellectual property 	
	Significant		<ul style="list-style-type: none"> - Currency risk 	
	Important		<ul style="list-style-type: none"> - Risks related to market growth - Risks related to growth management - Risks related to the liability of the Company in the event of damage generated by one of its products 	
		Unlikely	Possible	Probable
		Scale of occurrence		

3.2_Market risks and sector risks

3.2.1_Risks related to the competitive environment

The Company operates in the market for coding and video broadcasting solutions. It is a provider of software, products, system solutions and video broadcasting services that enable its customers to create, prepare, store, broadcast and distribute a full range of high quality video services, whether broadcasting services or 'over the top' (OTT) services, on consumer devices, including TVs, fixed and laptops, tablets and smartphones.

This market is characterised by strong competition which could intensify in particular with the emergence of new players.

In addition, more established companies of higher size and resources compete with the Company in this market.

Their long standing presence in the market has enabled them to establish strong relationships with their customers, which could benefit them, particularly through privileged access to information on their customers' future demands and anticipated changes in their needs.

The significant resources of these large competitors enable them to allocate substantial resources to technological competition, achieve economies of scale, expand their product portfolios and benefit from greater credibility with existing and potential customers of the Company. In addition, some competitors may adopt an aggressive pricing policy.

In addition, the Company's customers, in particular telecommunications operators or distribution platforms, may decide to internalise all or part of the services offered by the Company at a lower cost than the prices charged by the Company.

The occurrence of one or more of these events, and in the event that the Company is unable to adapt and respond to this current and future competitive pressure in its markets, could lead to a decline in demand for the services offered by the Company, but also adversely impact the market share, business, revenue, results, financial position and development of the Company.

This risk related to the competitive environment is not new to the Company and has not prevented it from experiencing strong growth in recent years.

In order to prevent this risk or limit its impact, the Company has pursued and pursued a research and innovation policy, in particular through a continuous investment in its R & D department. This research and innovation policy enables the Company to offer reliable and high quality products, solutions and services, thereby ensuring customer loyalty and thus effective management of risks related to the competitive environment.

3.2.2_Customer risks

The Company currently has a customer base made up of players in digital video production and broadcasting, which accounts for a large proportion of its revenues.

The Company has a fairly balanced distribution of revenue among its main customers and therefore believes that to date there is only a limited risk of dependence on its customers.

Given the quality and solvency of its customers, the Company believes that it does not face any major recovery risk.

The Group's contractual customer settlement period is 30 days in the United States and 45-60 days in the *Europe Middle East Africa* region.

Given the high seasonality of the Group's business, with strong sales at the end of the year, the trade receivables item was high at 31 December 2023.

This also explains the high level at year end of customer settlement time and working capital.

Finally, the digital video production and broadcasting market in which the Company operates is a highly competitive market, marked by customers of a wide variety of nature and size.

The majority of the Group's customers are leading international players in their sector. Due to the quality of its major counterparties, the diversification of its customers and its customer credit management, the Group has never experienced any significant loss from non collection of receivables and considers that it is not exposed to any significant credit risk. The Group's largest customer, its five largest customers and its ten largest customers accounted for 12%, 24% and 34% of its consolidated sales respectively for the 2022 financial year; 9%, 20% and 28% of its consolidated sales for the 2022 financial year.

Recurring monthly income (MRR) increased from €2443k in January 2023 to €2470k in January 2024.

However, the loss of a major customer, a significant reduction in turnover or a difficulty in recovering trade receivables, could adversely affect the business, turnover, results, financial position and development of the Company, it being specified that at the date of this Universal Registration Document, the Company believes that it does not face such situations.

The fact that the Company has adopted a monthly revenue recurrence strategy (MRR) allows it to prevent the occurrence of temporary commercial underperformance and to better understand a possible deterioration in the competitive or macroeconomic context.

3.2.3_Supplier risks

The Company's business is also impacted by dependence on its suppliers in several respects.

In recent years, the Company has expanded its product offering and is increasingly turning to software products.

Today, the software offering 'Titan' and 'Nea' is very much predominant compared to the material products 'Kyrion'

However, although customers purchase, directly or via the Company, the servers on which they wish to use the software 'Titan' and 'Nea,' they will not be able to use the Company's products in the event of a shortage of servers.

The Company is therefore partially exposed to supply risk on servers, but only in the event of a widespread shortage, since the Company's software can be used on all types of standard *datacenter* servers, and obviously on servers of a public " *cloud* . '

For Kyrion products, the Company is *fabless* , i.e. it designs its products and subcontracts all of its production. There is therefore a risk of the Company becoming dependent on its suppliers.

However, the Company has taken the usual measures to limit exposure to supplier risks with respect to its strategic components (in particular its processors, etc.).

Its main activity is the development and marketing of software (*software*) and customised servers (*hardware*).

In order to limit supplier risk, the Company:

- Performs prior checks with its suppliers: Careful assessment of their sustainable production capacities (production capacity over a period of 6 months giving reciprocal visibility on orders and their production), verification of their quality standards, control of their financial health and compliance with environmental standards;
- Secure its supplies: Implementation of a dual source system for strategic components such as microprocessors (purchase of microprocessors at Intel and AMD) or servers (HP, Dell and Samsung), procurement from local suppliers located in the Company's customer regions, identification of alternative sources of supply for key components as well as for assemblers or 'EMS' (Electronics Manufacturing Services), monitoring of price pressure under QBR (Quarterly Business Review) provided for in the supply contracts to anticipate any risk of sudden price changes.
- The Company has not been confronted in the past with any problems of inventory obsolescence, as a result, it was not required to significantly write down its inventories in its accounts during the 2023 financial year.
- Has a stock for unique components. The Company does not encounter any risk of inventory obsolescence as its inventories are kept at low levels and this problem is mainly encountered in consumer relations (B to C) while the Company's customers are professionals (B to B). In addition, this risk of inventory obsolescence is also reduced as the Company accompanies its sales of product support and warranty contracts, such that products in inventory are used under such contracts.

Thus, in the event of the occurrence of a supplier risk, the Company will have room to design an alternative solution thanks to the systems put in place.

However, the occurrence of a supplier risk would have an impact on the Company's operating cost and possibly margins.

3.2.4_Risks related to market growth

The Company's total addressable market is valued at 2 billion dollars for the year 2023.

This figure is consolidated by two market studies carried out by recognised analyst firms in the industry which are:

- Rost & Sullivan (<https://ww2.frost.com/>), and
- Devoncroft (<https://devoncroft.com/>).

This figure breaks down into two parts:

- \$ 1 billion for video processing and compression. This market is growing moderately due to the increase in content and the growth of image formats,
- \$ 1 billion for content dissemination. This market is growing more strongly due to the arrival of new entrants offering streaming services leading to an explosion in the consumption of content on all types of screens.

War in Ukraine

The war in Ukraine unleashed by Russia on 24 February 2022 has significant global economic and financial consequences.

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

Ateme does not depend in any way (supply chain, R & D or finance) on the countries concerned and does not have any late payments from customers in these markets.

However, the Company's activities could be impacted by the direct or indirect consequences of the conflict that cannot be fully quantified to date.

The Company could be exposed in several ways:

- Supply problems, particularly on metals (titanium, etc.) or electronics;
- Higher production costs of products in connection with the surge in raw materials and energy.

The increase in production costs is partly passed on to customers and partly to the Company's gross profit margin (up to 2 margin points).

Outside this particular context, a reversal of the general growth trend in these markets, observed since television switched to digital in the 1990's, seems unlikely, as video consumption is growing globally.

In order to limit the risks associated with market growth, the Company systematically takes three parameters into account.

- 1) The Company has an obligation to understand the needs of its market, its way of evolving, and in regular consultation with the members of its Board of Directors, particularly during the budget review meetings at the beginning of the year, it develops a growth strategy that is both ambitious and realistic in order to ensure that the organisation is ready to implement its strategic growth plan while respecting the forecast budgets approved by the Board.
- 2) Imperfect knowledge of market conditions or preferences of customers, content providers or service providers is a major risk associated with market growth. Many organisations have seen their growth strategy run short for making a false assessment of the potential market. Management's analysis of the strengths and weaknesses of competition and the good knowledge of barriers to market entry are also part of a proactive strategy to limit the risk associated with market growth. In addition, the negative perception of the quality of a company's current products may prove to be an obstacle to the acceptance of new video products.
- 3) Finally, Management should consider its pricing strategy to determine whether new products and services should be offered at high or competitive prices.

This risk factor is therefore managed in particular through discussions with the governing bodies at the strategic level and through quarterly Business Review with all sales teams in all regions or the Group distributes its solutions.

3.3_Financial risks

3.3.1_Liquidity risk

At the date of publication of this Universal Registration Document, the Company has carried out a specific review of its liquidity risk and believes that it will be able to meet its maturities at 12 months. The Company had available cash at 31 March 2024 totalling €7420k.

The Company exercises prudent management of its available cash. Cash and cash equivalents include cash held by the Company. As at 31 December 2023, cash held by the Company amounted to €5478k and is available immediately.

Credit risk is associated with deposits with banks and financial institutions.

All of its debt is at a fixed rate.

Since its creation, the Company has financed its growth through successive capital increases, bank borrowings, obtaining subsidies and public aid for innovation and repayment of research tax credit receivables.

The Company's debt at 31 December 2023 was as follows:

Current AND NON CURRENT FINANCIAL DEBT (Amount in K €)	Balance 31/12/2023	Current portion -1 year	1 to 5 years	Share +5 years
Debt relating to lease obligations (IFRS 16)	4,564	678	3,887	-
Repayable advances	637	167	470	-
Pre financing CIR	12,331	1,473	10,858	-
Borrowings from credit institutions	16,314	4,253	8,728	3,333
Bank overdrafts	151	151	-	-
Total borrowings	33,997	6,721	23,943	3,333

The Company is subject to compliance with financial ratios from 31 December 2023 on a single loan with an initial amount borrowed in December 2021 of €4000k. (See Section 18.01.07 Consolidated financial statements in Note 23.1 to this Universal Registration Document and Section 8.3 of this Universal Registration Document for more details).

The operation of the Company generated the following operating cash flows:

- €627k for 2023,
- (5,430) K € for fiscal year 2022.
- (552) K € for fiscal year 2021;

Since its creation, the Company has maintained its R & D efforts in order to consolidate its technological advance, which may include:

- The acquisition of new technologies, products or licences, and
- Recruitment within its R & D team based in France.

The increase in these expenses could have a material adverse effect on the Group, its business, financial position, results, development and outlook.

If the Company needs additional financing, it may be required to raise capital by issuing new shares or other financial instruments that may ultimately give access to the Company's share capital. These financing transactions could lead to a dilution of its shareholders.

The Company's ability to raise additional funds will depend on financial, economic and cyclical conditions, as well as other factors, over which it has no or only limited control. In addition, the Company cannot guarantee that additional funds will be made available to it when it needs them and, where appropriate, that such funds will be available on acceptable terms.

Although the Company has achieved significant commercial success and has experienced significant growth in an industry with strong growth prospects (see paragraph 5.2 " Main markets " and paragraph 5.6 " Competitive position " of this Universal Registration Document), it still has little hindsight in anticipating trends in a market that is still new and likely to change, and assessing the capability of its products to meet future customer requirements to make massive deployments within their operating locations.

Other factors could also increase the Company's difficulty in obtaining financing: Fluctuations in interest or exchange rates; deterioration in economic conditions and/or closure of banking or capital markets (particularly in connection with the COVID-19 health crisis); deterioration in the Company's financial position or operating income.

The increase in the Company's indebtedness in the future, or conversely its inability to raise capital to meet its financing needs, could call into question its ability to continue its development.

3.3.2_Currency risk

Currency risk is defined as the impact on the Company's financial indicators of exchange rate fluctuations in the course of its business. To this end, the Company is exposed to transactional currency risk as well as currency translation risk.

Transactional currency risk affects the Company and its subsidiaries when monetary items in the consolidated statement of financial position (mainly cash, trade receivables or operating and financial debts) are denominated in foreign currencies. The Company is exposed to the risk of exchange rate fluctuations between the date of recognition and the date of recovery or settlement.

The Company is exposed to foreign exchange risk arising from changes in the EUR/USD exchange rate on cash inflows and outflows from France:

- Of its purchases of products in USD, which in 2023 accounted for approximately 40% of its purchases of goods,
- Of its sales in USD products, which accounted for approximately 68% of its sales in 2023.

Foreign currency translation risk arises from the Company's investments in the net foreign currency assets of its subsidiaries. The Company is exposed to the risk of exchange rate fluctuations when the net assets of each of its subsidiaries are converted into euros during the consolidation process.

The change in the Company's other currencies (SGD, CAD, AUD, GBP) is considered immaterial group wide in terms of impact on net income.

The Company has not, at its current stage of development, made any hedging arrangements to protect its business from exchange rate fluctuations. The Company cannot rule out that a significant increase in its business does not result in greater exposure to foreign exchange risk and would then consider using an appropriate policy to hedge these risks.

Should the Company fail to make effective exchange rate fluctuation hedging arrangements in the future, the operating results of the Company may be adversely affected.

3.4_Risks related to the Company

3.4.1_Risks related to the security of the Company's information systems

Electronic and IT based data form the basis of the Company's business.

A flaw, breakdown or hacking of the Company's information systems may result in a delay in the completion of projects or the submission of commercial offers in time to repatriate the saved data and restore the systems to their original state of operation and could therefore have a negative impact on the Company's image.

However, all development and production data is saved daily on servers, replicated in different storage locations and protected to maximise security.

However, the Company cannot guarantee absolute protection against viruses, Trojan horses, ransomware and other systems intrusion techniques.

A data theft or intrusion of computer systems by a malicious person could impair the integrity of the systems. This could compromise the confidentiality and integrity of the data saved by the Company, but also affect the quality of the services rendered by the Company.

Due to the open nature of the internet networks and the constantly changing issues related to IT security, the Company is sometimes exposed to cyber attacks.

Even if the Company has protections in place, a malicious attack against its servers could disable the Company's IT platform for several hours or even days, resulting in loss of revenue and commercial and reputational harm.

As of the date of this Universal Registration Document, the Company has not had to face any significant cyber attacks.

The Company cannot also rule out the possibility that its servers may inadvertently serve as a vector for the spread of viruses, particularly in the event of the emergence of a new virus that is not yet referenced to anti virus solution providers, or that they may be exploited by malicious third parties to spread spam.

The Company should therefore have to make significant investments or devote significant resources to cope with the increase in these risks relating to It security on the internet. As a result, it has taken out a number of insurance policies to limit the risks associated with cyber attacks.

The occurrence of an act of cybercrime could have a negative impact on the Company's business, results and outlook.

The COVID-19 crisis has led to new vulnerabilities with the massive use of telecommuting by organisations that were not prepared for it.

There is a global resurgence of computer hacking, such as phishing and misappropriation of regulations, scam to the president, or even ransomware.

In 2020, the Company conducted an internal audit and intrusion tests of its It system, strengthened internal control procedures, and raised awareness among all employees through video training, and very regular reminders on basic prudence rules.

However, it is impossible to completely eliminate the human risk in this area.

3.4.2_Risks related to growth management

As part of its development strategy, the Company will have to recruit additional staff and develop its operational capabilities, which could strongly mobilise its internal resources.

In particular, the Company intends to complement its R & D teams to be able to maintain its technological lead and develop its sales force to intensify its sales presence.

To this end, the Company must in particular:

- Train, manage, motivate and retain an increasing number of employees;
- Anticipate the expenses related to this growth as well as the associated financing needs;
- Anticipate demand for its products and the revenues they are likely to generate;
- Increase the capacity of its existing operating, financial and management IT systems; and
- Increase product inventory levels,
- Monitor the market and anticipate any potential acquisition.

To ensure its growth and renew its key employees, the Company must attract and retain the best talent. Any loss of the Group's attractiveness in the labour market could adversely affect the Group's performance. In addition, the talent pool in which the Group draws a large proportion of its engineers and developers is highly geographically mobile.

To limit the potential impact of this risk, the Group has put in place human resources management and recruitment programs, including a value proposition for employees that attracts talent, an annual review of employees and a career advancement plan for high potential employees and key employees as well as the allocation of stock options, free shares or share warrants.

The Company's inability to manage growth, or unexpected difficulties encountered during its expansion, could have an adverse effect on its business, results, financial position, development and outlook.

3.5_Legal risks

3.5.1_Risks related to internet regulation and mobile networks

The Company's activities are subject, in France and abroad, to complex and varied regulations that are constantly evolving, particularly with regard to the transition to 5G.

The Company is in constant and direct contact with local regulatory bodies in this area in France, and as of the date of the Universal Registration Document, no proceedings are in progress against the Company concerning compliance with all of its legal and regulatory obligations.

Generally speaking, the Company is subject to the risk of changes in legislation, tax policy or regulations that may occur in the various countries in which it conducts its business.

In particular, multiple studies are currently aimed at guiding the development and transition to 5G.

The Company is currently working on the development of products and technologies in connection with the transition to 5G.

If the transition to 5G were not to take place, this could have an adverse effect on the Company, its business, outlook, financial position, results and development.

However, the Company enjoys some protection due to the global nature of its business, which limits its exposure to the aforementioned regulatory risk. Indeed, the Company operates around 35% of its business in Europe, 38% in the United States, 10% in Latin America and 17% in Asia.

Legislative and regulatory changes (in France and in countries where the Company operates) also require the Company to incur significant costs in order to comply and may require an adaptation of the Company's services and a change in commercial policy.

These adaptations may require implementation time and considerable effort by management and may make the Company the target of complaints or other remedies, which could adversely and unexpectedly affect the Company's revenue, results and competitive position.

Nor can the Company exclude criminal, civil or administrative liability, particularly on the basis of national consumer protection provisions.

The pursuit of the Company's liability for violation of domestic or foreign legal provisions would necessarily entail costs related to its defense and possibly the costs related to its conviction in court to the payment of damages. These actual or potential costs could lead the Company to review its commercial policy in accordance with local requirements. This could require the Company to mobilise significant resources or to cease offering certain services, which would be detrimental to the Company's business, financial position and results.

Part of the contracts entered into by the Company is subject to foreign law. The vast majority of contracts entered into by the Company are subject to European law, harmonised in the legal disciplines impacting the Company such as intellectual property law, consumer law or competition law.

The Company cannot guarantee that certain clauses of these contracts will not be disputed, nor will they give rise to an action under the relevant national law or that provisions of such law will not serve as a basis for an action restricting the Company's business in the relevant country, which would have a negative impact on its revenue, results, financial position and outlook.

In order to limit this risk, the Company strives to enter into contracts with its customers that are subject to French law or European legislation.

The Company is also developing a multi channel business. This means that its technology is used for cable operators, satellites, mobiles, tablets, etc.) which limits the risk associated with specific or sector specific regulations.

3.5.2_Risks related to the protection of confidential information and the Company's intellectual property

Risk relating to the disclosure of the Company's technology, manufacturing processes and know how

In the course of its business, the Company shares information relating to the technologies it uses, its processes, know how and data that are not patented or not patentable to third parties under partnership or commercial contracts.

This information is also known to the Company's employees.

They constitute the Company's industrial secrets and are protected by confidentiality clauses contained in all its contracts with third parties and with its employees.

The Company has no control in practise over the conditions under which its co contractors protect or use such confidential information.

It cannot therefore be entirely ruled out that the Company's co contractors disclose this confidential information in violation of their confidentiality clauses.

Confidentiality clauses do not provide adequate or sufficient protection in certain cases and their violation is only sanctioned after the disclosure of confidential information or industrial secrets to third parties, including competitors of the Company.

The realisation of the risk related to the confidentiality of the Company's information and the disclosure of the Company's technology, manufacturing processes and know how could have a material adverse effect on the Company's business, prospects, financial position, results and development.

Risk of failure in the protection of intellectual property rights belonging to the Company

General

The Company's success depends in particular on the protection of its patents, trademarks, domain names, software, databases and copyright (the 'Intellectual Property Rights').

The Company ensures that its Intellectual Property Rights are deposited in France and in the foreign countries in which it operates.

The Company cannot guarantee (I) that all Intellectual Property Rights held by it shall not be invalidated, circumvented or disputed, (II) that Intellectual Property Rights will provide competitive advantages to the Company, and (III) that current or future intellectual property right applications will be granted with the scope of the desired claims.

The Company cannot guarantee that competitors and third parties will not develop technologies similar or superior to its own technologies.

In addition, the protection of Intellectual Property Rights may be unavailable or limited in certain foreign countries in which the Company does business or may be required to do business.

Internally created content (content created by employees of the Company) belongs to the Company through the effect of rights assignment clauses contained in employment contracts entered into with its employees.

However, the Company cannot guarantee that the measures taken will not prevent the unlawful appropriation by third parties of its technology. Russia, where the Company carried out operations through its local teams, is a country where patent protection of our technology could prove insufficient to guarantee the protection of our assets, as this state does not recognise this patentability, moreover in a conflict situation as we are currently experiencing it is possible that we are not able to guarantee the full protection of our rights.

The Company may have to defend itself against claims for infringement or invalidity of its Intellectual Property Rights. Such disputes could result in substantial costs, a diversion of the time and resources of the Company's teams to the management of such disputes and could therefore have a significant negative effect on the Company's activities, its operating results, and its financial position in general.

The Company has no known litigation of this nature to date. No disputes have taken place in the past.

Special case of patents

The Company's success depends in part on its ability to obtain, retain and protect patents over which it holds rights.

The Company ensures that patents are filed in France and in the foreign countries in which it operates.

Patent protection is still uncertain. The Company may not be able to maintain adequate patent protection and thereby lose its technological and competitive advantage.

Firstly, patent law is not uniform in all countries. Accordingly, the Company cannot guarantee that:

- Its current patent applications will result in the grant of patents;
- Its patent applications, even if granted, will not be challenged, invalidated or deemed inapplicable;
- The scope of any patent protection will be sufficient to protect the Company from its competitors;
- Its products and technologies will not violate intellectual property rights or patents held by third parties, and it will not be forced to defend itself against such accusations by third parties;
- Third parties will not be granted or will not file patent applications or will not have any other intellectual property rights which, even if they do not infringe on those of the Company, would limit its development.

In addition, intellectual property disputes are frequently long, costly and complex.

Some of the Company's competitors have greater resources to conduct such proceedings.

An unfavourable judicial decision could seriously affect the Company's ability to continue as a going concern, and more specifically, could force the Company to:

- Cease selling or using certain of its products and technologies;
- Acquire the right to use third party intellectual property rights on onerous terms; or
- Change the design, delay the launch or even abandon some of its products.

The Company's protection of its patents represents a significant cost related, in particular, to the costs of filing and maintaining patents, additional compensation and prices paid to inventors and, in general, to the management of all its patents.

This cost could be increased if legal actions were to be brought by the Company to assert its rights.

If one or more patents covering a technology, process or product necessary for the Company's business were to be invalidated or deemed inapplicable, (I) the development and marketing of such technology or product could be directly affected or interrupted and (II) the technology or product necessary for the Company's business could be used by competitors of the Company thus affecting the Company's valuation of its R & D.

In addition, any failure to protect its patents could allow competitors to access the technologies developed by the Company in collaboration with partners and thus result in the loss of a competitive advantage for the Company.

The Company also faces the risk of 'patent trolls.'

In the field of intellectual property, and more particularly in the field of licencing or patent concessions, patent trolls are legal or natural persons who use licencing and patent litigation as their main economic activity.

Thus, where one or more companies hold patents similar to those operated by the Company, there is a risk that patent trolls may initiate legal actions against the Company for patent infringement.

In addition, this risk extends to customers of the Company who may themselves be subject to 'patent trolls' attacks for products that have been sold to them or granted by the Company. There is therefore a risk that the Company may have to face its own patent infringement disputes but also be called as security in legal actions involving its customers.

In order to prevent intellectual property risks, the Company uses the advice of external providers to manage its patent portfolio.

As of the date of this Universal Registration Document, no administrative or judicial proceedings to challenge the Company's Intellectual Property Rights are in progress.

Dependence of the Company in the use of patent licences belonging to third parties

The Company's business depends in part on the granting of non exclusive licences on patents owned by third parties, in particular the Us companies Via Licensing and Dolby Laboratories Licencing Corporation.

In addition, the holders of the patents licenced to the Company do not grant any guarantees to the Company in respect of these patents.

As a result, the Company cannot guarantee (I) that the validity of these patents will not be challenged by a third party, (II) the patents are not dependent on other previous patents or (III) that the patents do not infringe a patent held by a third party.

In the event of the rejection or cancellation of these patents, the dependence of these patents on a previous dominant patent or the infringement of a product of the Company due to the use of these patents, the Company may not claim any refund of the sums paid to third parties under the license.

In addition, in connection with the granting of licences by third parties, the Company is bound by a number of obligations.

If the Company fails to meet any of these obligations or any other obligations under any of the contracts it has entered into, or if the Company uses the licence in a manner that exceeds the scope of the authorisation granted, it could be subject to financial penalties as a result of litigation, and its rights under such contracts could be terminated, which could have a material adverse effect on its business, results of operations and financial position.

Dependence on third party technologies and intellectual property

In connection with the development of certain products and technologies, the Company may enter into technology development agreements or licences with third parties.

The Company cannot guarantee that all technology development agreements or any licences it expects to negotiate will be entered into, and where appropriate, on terms favourable to the Company.

Failure to enter into or delay in entering into technology development agreements or licences with third parties, where necessary, could limit the Company's ability to develop and market new products and could have a material adverse effect on its operations.

The Company incorporates technologies produced by third parties into its own products. A malfunction of these technologies could lead to a significant delay in the development and marketing of the Company's products until an alternative solution is identified, licensed or developed and integrated into its products.

Such delays are likely to adversely affect the Company's business, results of operations and financial position in general.

The use of open-source software

In the development of certain products and technologies, the Company uses certain 'free' systems and software.

These systems and software are made freely available to the public by their authors under a licence that allows the user to access the source code, use it, copy it, modify it, incorporate it into programs of its creation and redistribute it.

'Free' software is made available to the public without any guarantee and at the risk and peril of the user.

Consequently, the Company cannot guarantee the origin, security, quality or infringement of the intellectual property rights of third parties of the 'free' software it uses.

3.5.3_Risks related to the liability of the Company in the event of damage generated by one of its products

The risk of the Company being held liable for defective products is inherent in the development, manufacture, marketing and sale of its products.

The Company may be held liable as a manufacturer for damage caused by a defect in a product put into circulation by the Company.

A product is considered defective when it does not offer the safety that can legitimately be expected.

Compensation could be sought from the Company for damage resulting from an attack on a person or property.

However, it would be for the applicant to prove the damage, the defect and the causal link between the defect and the damage.

In addition, the liability of the Company could be waived if it demonstrated that the state of scientific and technical knowledge, at the time the product was put into circulation, could not detect the existence of the defect or that the defect of the product is due to the conformity of the product with mandatory rules of a legislative or regulatory nature.

Any accident involving the Company's products could impact product requests developed by the Company. This could affect the Company's financial position, results and outlook.

The Company's reputation could also be affected by negative publicity resulting from difficulties or accidents in relation to its products. The Company cannot guarantee that such claims will not be made in the future.

In order to reduce the potential consequences of the risks associated with bringing into play the Company's liability in the event of damage generated by one of its products, the Company has taken out civil liability insurance that covers the damage that could be caused by its products.

The Company has no known litigation of this nature to date.

Chapitre 4. **Information about the issuer**

4.1_Company name and trade name - Article 3 of the Articles of Association

The company name is: Ateme

All acts and documents issued by the Company and intended for third parties must indicate the corporate name, preceded or followed immediately and legibly by the words 'Société Anonyme,' or the initials 'SA,' and the statement of the amount of the share capital.

4.2_Place and number of registration and legal entity identifier

The Company is registered with the Trade and Companies Register of Versailles under number 382,231,991. Its LEI number is: 969500I4RF06BPM4AN82.

4.3_Date of incorporation (Article 1 of the bylaws) and term (Article 5 of the bylaws)

The Company was incorporated in the Registry of the Commercial Court of Evry on 20 June 1991 as a public limited company for a term of 99 years, ending on 20 June 2090, except in the event of early dissolution or extension decided by the extraordinary general meeting of shareholders. Its commencement of business is dated 20 June 1991.

4.4_Other information about Ateme

4.4.1_Registered office (Article 4 of the Articles of Association), legal form, country of origin, address and telephone number of its registered office and website

The Company was incorporated as a société anonyme.

The registered office is located at 6 rue Dewoitine -78140 Vélizy Villacoublay France.

The Company's website is www.ateme.com.

The Company's telephone number is: 01 69 35 89 89.

The information on the website is not part of this Universal Registration Document, unless this information is incorporated by reference into this Universal Registration Document.

4.4.2_Legislation governing the Company's activities

Ateme is a French limited company (société anonyme) governed by French laws and regulations, in particular the provisions of the French Commercial Code applicable to commercial companies, as well as by the Company's Articles of Association. Please also refer to Chapter 9 'Regulatory environment.'

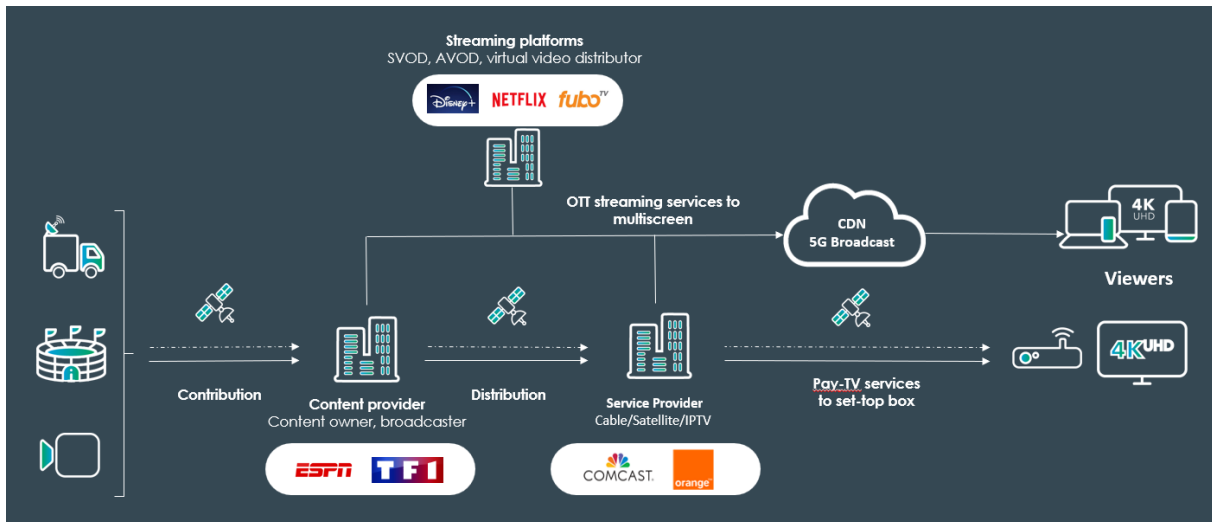
4.4.3_Fiscal year - Article 6 of the bylaws

" The fiscal year begins on January 1 and ends on December 31 of each year. "

Chapitre 5. Business overview

5.1_Principal activities

Ateme provides video processing and broadcasting software solutions for content providers and TV service providers. Applications cover all types of transmission networks (Satellite, Cable, Terrestre, IP, OTT) from field or studio to multi screen broadcasting



Ateme addresses all these applications:

- Contribution: This is the most upstream application of the treatment chain. A known example - but it's not the only one - is capturing an event on the ground and sending it to a control.
- Primary Distribution: This is the application where a Content Provider distributes its content domestically or internationally to an entity in charge of distribution to the viewer. The more frequent case is the television broadcaster that provides its signal to a service provider (e.g. TF1 that supplies Orange, ESPN that supplies its signal to Comcast). The 2 entities - content provider and distributor - may be common (e.g. TF1 is a content provider that broadcasts via terrestrial networks).
- Distribution: This is the historical distribution to the end user. This distribution is made by terrestrial networks to television (DTT) or Satellite/Cable/IPTV to a Set Top Box TV decoder).
- 'Direct to Consumer': This is the latest in distribution modes to the end user. This distribution has emerged as a result of the proliferation of high speed Internet networks (xDSL, Fibre, 2/3/4/5G) and the emergence of new screens such as smartphones or tablets. Instead of going through a master network, the content provider moves away from the traditional distribution infrastructure and uses the Internet to deliver its content directly to the end user. In this sense, he freed himself from the distributor by passing over his head, hence the appearance of the term Over The Top. This mode of distribution has been adopted by content providers as it allows them to make their content profitable by eliminating an intermediary (the service provider). Quickly, service providers followed suit to offer their subscribers the enjoyment of their subscription on any type of screen

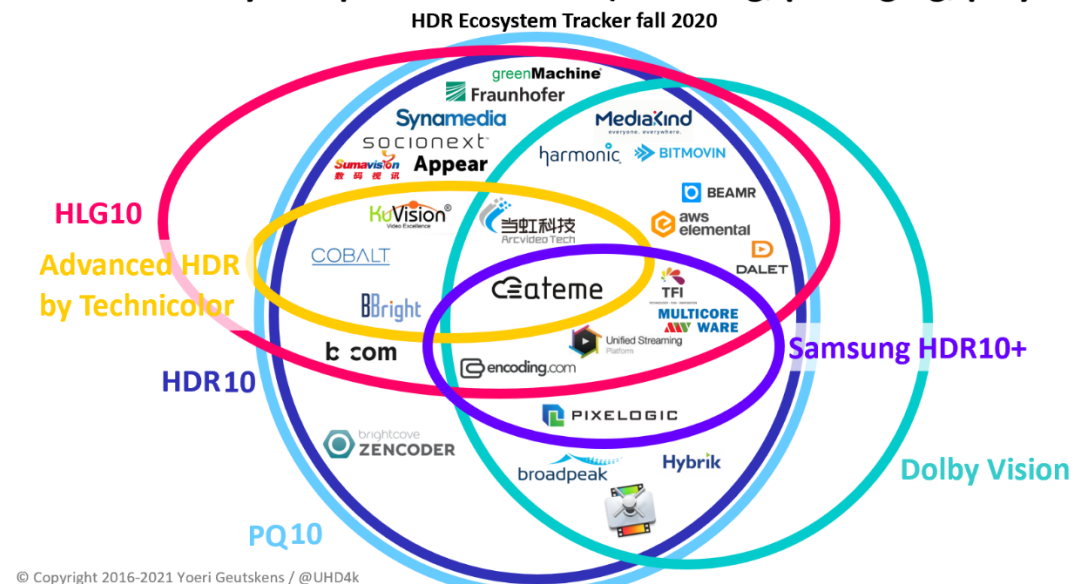
For each of these applications, Ateme provides software solutions:

- At issue/reception: Encoders/multiplexer/packer/decoder to capture the content and put it in the right format for the next transmission
- To transport: Streaming/CDN software adapting to the audience and popularity of content for OTT broadcast

Ateme's competitive advantages are:

- The superior video quality and bandwidth efficiency that can be seen from 2 angles:
 - Through its continuous research activities, Ateme is able to provide the best visual quality. This is reflected in the fact that Ateme wins blind tests when testing at the customer. This is also seen in Ateme's ability to support all visual quality standards, for example the High Dynamic Range (HDR) that controls colour dynamics (see illustration)
 - The ability to maintain a visual quality similar to the competition, but at a lower transmission rate. This allows a Service Provider to transmit more channels/content in the same distribution network. Thus, Ateme makes it possible to reduce operating and distribution costs while guaranteeing a user experience
- Unique OTT delivery/streaming solutions enabling value added services such as TV catch up, direct control, DVR Cloud, multi screen consumption while, again, keeping operating costs low.
- Ateme is one of the few companies in the industry to provide an end to end software solution controlling both processing and delivery.

Video delivery component vendors (encoding, packaging, playout)



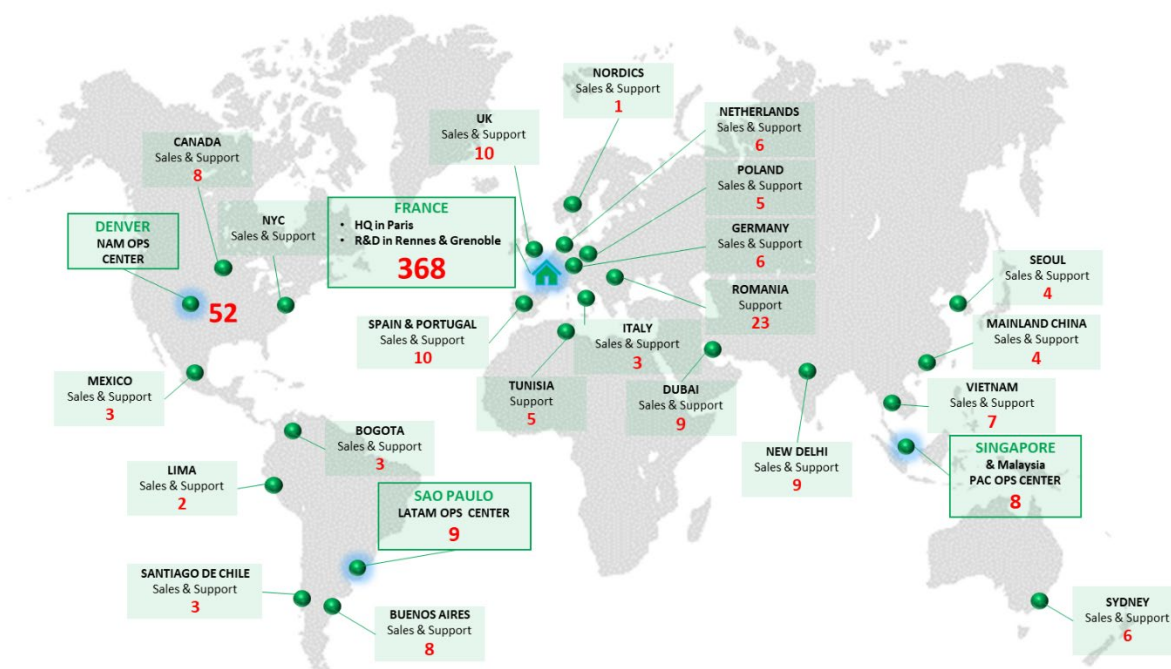
Ateme is the only company to support all HDR formats

Controlling the entire chain and therefore exchanging analytics between these components provides an end to end solution and improves performance.

	Contribution	File Xcoding	Broadcast	D2C Delivery	Channel Origination	Origin Server	Cloud DVR	DAI	CDN	Analytics
ATEME	X	X	X	X	X	X	X	X	X	X
harmonic	X	X	X	X	X	X	X	X		
MediaKind	X		X	X	X	X	X	X		
Synamedia	X			X	X	X	X	X	X	
aws elemental		X	X	X	(partners)	X	X	X	aws Cloudfront	aws Analytics
VECIMA						X	X	X	X	
VELOCIX						X	X	X	X	
broadpeak						X	X	X	X	X

Ateme has a global presence and customers on all continents.

At the beginning of 2024, the Group's full time equivalent headcount (Ateme and Anevia and their subsidiaries) is shown in the following diagram:



The head office and R & D are in France. The presence in some twenty other countries is made up of marketing, sales and pre sales and after sales technical support functions. The offices in Denver, Sao Paulo and Singapore are the largest outside Europe and benefit from technical facilities enabling them to support the other offices in their respective regions for pre sales and after sales operations.

For the whole of 2023, sales are broken down as follows:

- EMEA (Europe, Middle East, Africa): €35.3M or 35% of total revenues
- USA and Canada: €40.1M or 40% of total revenues
- Asia Pacific: €12.9M or 13% of total revenues
- Latin America: €11.8M or 12% of total revenues

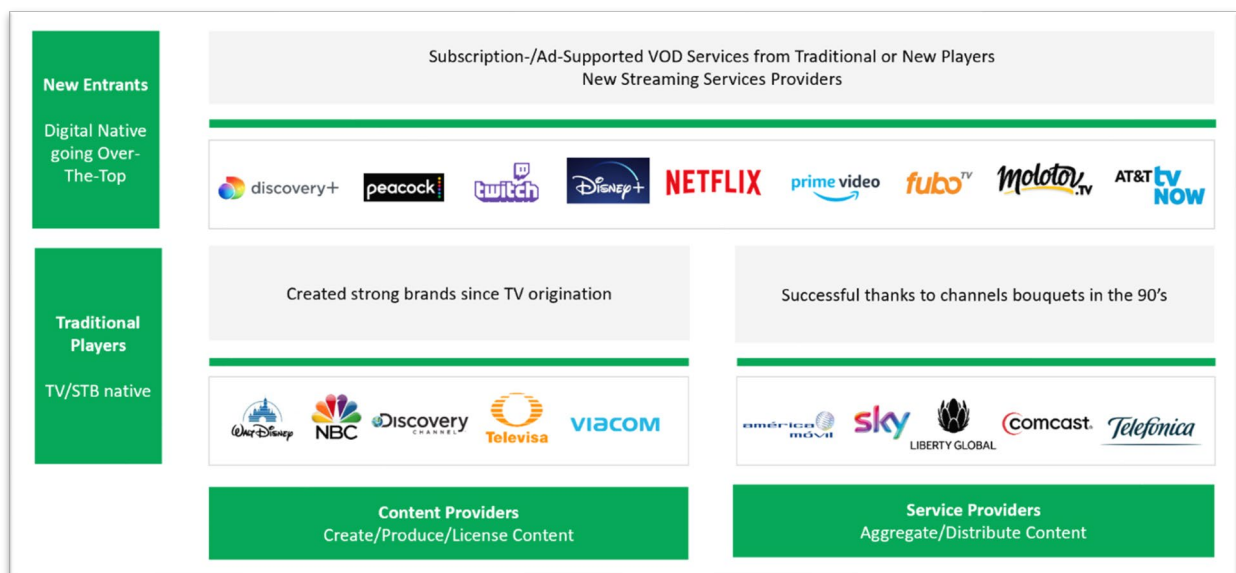
Ateme's total addressable market is estimated at 2 billion dollars for 2023. This figure is consolidated by 2 market studies carried out by recognised analyst firms in the industry:

- Rost & Sullivan: <https://ww2.frost.com/>
- Devoncroft: <https://devoncroft.com/>

This figure breaks down into 2 parts:

- 1 billion for the video processing and compression part. This market is estimated to be growing moderately through a transition to software and cloud
- 1 billion for content broadcasting. This market is estimated to be growing strongly due to the arrival of new entrants offering streaming services combined with the explosion in content consumption on any type of screen.

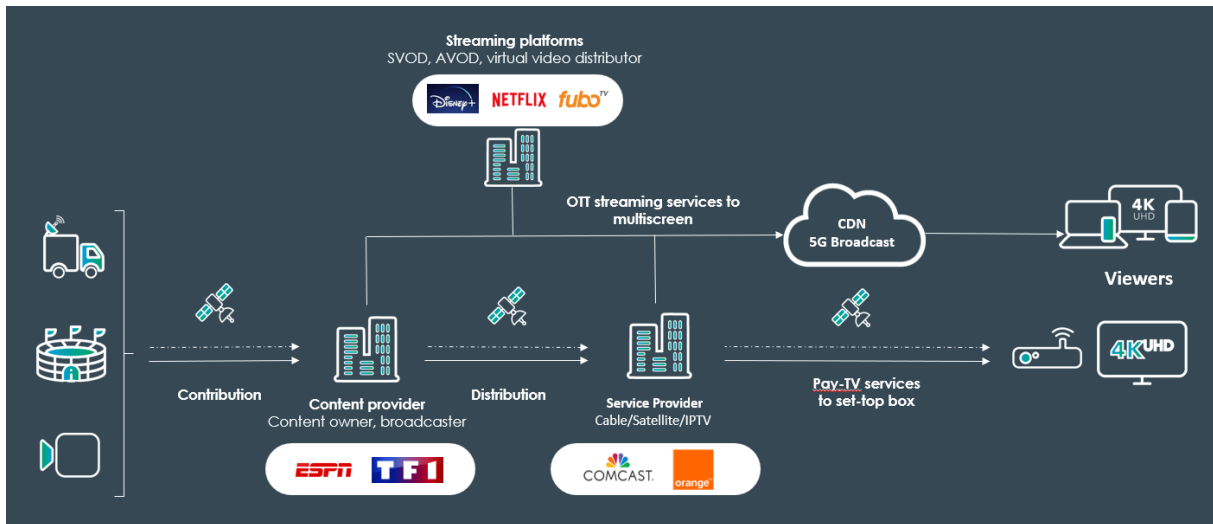
5.2_Main markets



Historically, there was a clear segmentation between (bottom left on the synoptic) companies that created content ('Content Providers') such as television channels, media groups, studios, and (bottom right on the synoptic), pay TV operators whose job was to aggregate a bouquet of channels to broadcast them on their own network (managed network), whether on cable, IPTV or satellite.

New entrants (the upper part of the synoptic) are the internet players that are now multiplying streaming offers. This category includes North American giants such as Netflix, Disney + and Amazon Prime, but also a very large number of new local entrants, such as Salto, Molotov or alchemy in France.

This segmentation and its evolution can be found in the graph below



The activities of the historical players are Contribution, Distribution and offers through the managed networks Cable, Satellite (DTH) and IPTV.

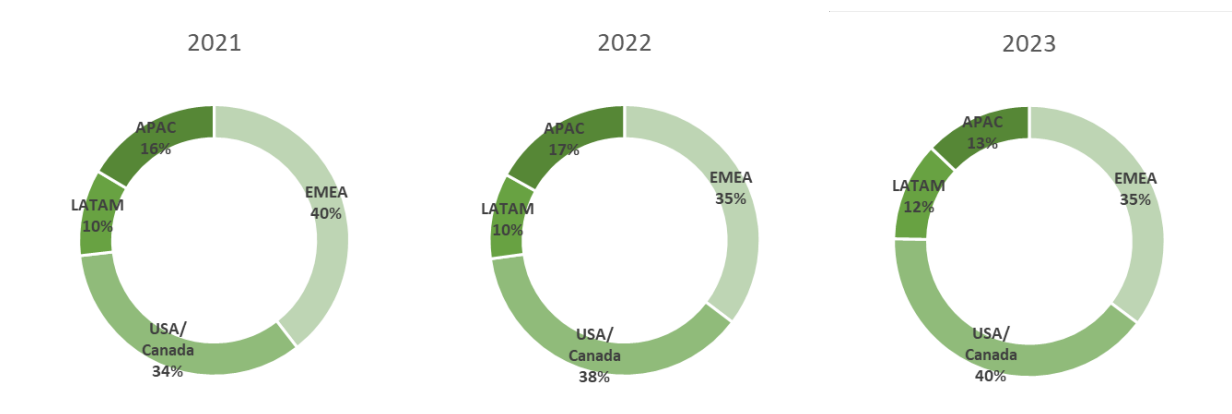
The proliferation of Internet networks, connectivity and connected terminals has led to the emergence of OTT offers, whether from Content Providers or Service Providers.

5G, due to its bandwidth and low processing latency properties, encourages the deployment of new dedicated Media distribution networks, which contributes to consumption on any type of OTT screen. For example, the BBC, the largest English broadcaster and among the largest in the world, sees in the 5G the emergence of television consumption in the car

The Company has thus established links with major players such as 'Content provider' or 'service provider' and has among its international customers: British Telecom (UK), Canal + (France), CJ Hello (Korea), Direct (USA), DU (UAE), EBU (Switzerland), Encompass (USA), Fox Sports (USA), FPT (Vietnam), France Télévision (France), Huawei (China), LGU (Korea), Mediapro (Spain), NEP (Norway), Nilesat (Egypt), NPC (Australia), Nuuday (Denmark), Proximus (Belgium), RTL (Luxembourg), SES (Luxembourg), Sinclair Broadcast (USA), Telecom Malaysia (Malaysia).

5.2.1_Breakdown of revenue by region and country

The following synoptics show the breakdown of Ate me revenues in 2021, 2022 and 2023:



Latam = Latin America; APAC = Asia Pacific; EMEA = Europe Middle East and Africa.

This distribution is relatively stable, although the two smaller regions of LATAM and APAC show greater volatility due to their lower granularity.

5.2.2_Consumer expectations and challenges for production and distribution players

In the last 10 years, the arrival of tablets and smartphones has completely revolutionised broadcasting architectures. Before that, pay TV operators broadcast each channel of their bouquet in a single format, and controlled the decoder, since it was only the box they equipped their subscribers themselves. The broadcasting infrastructure, and in particular the video network head in charge of preparing (and compressing) all content for dissemination, therefore did not need to be scalable. Only high reliability was expected, and 'hardware' architectures (dedicated electronics) were perceived much more reliable than software solutions.

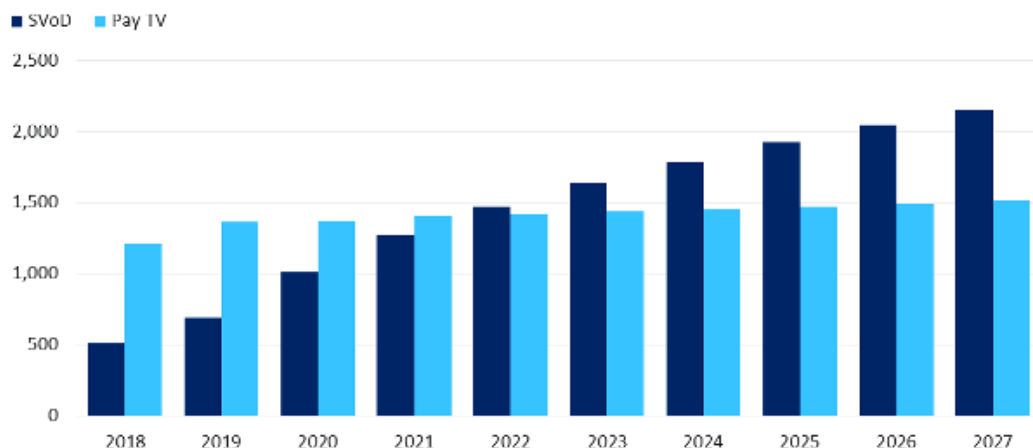
The arrival of tablets and smartphones has therefore upset this order established with the growing demand of subscribers to be able to watch their content on their nomadic screens. Operators struggled to meet this expectation as video network heads by nature did not easily offer the possibility of offering new output formats, compatible with nomadic decoders.

All have therefore evolved into software infrastructures, which are much more scalable and able each year to respond to the release of new nomadic screens.

5.2.3_Future developments

As the graphs below show, SVoD offers take precedence over conventional TV.

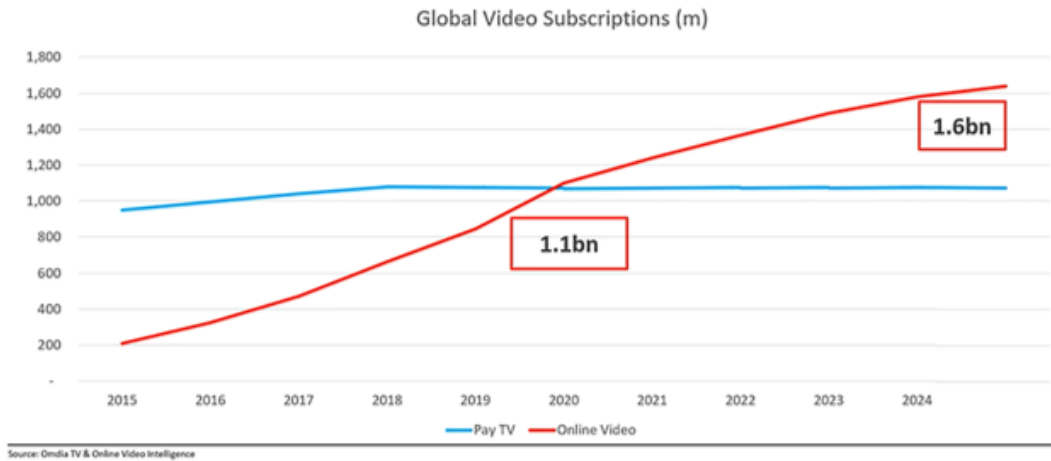
Global SVoD subscriptions vs pay TV subscriptions, 2018 - 2027



GlobalData.

Source: GlobalData Thematic Intelligence Center

Online streaming video to reach 1.6 bn subscribers in 2025

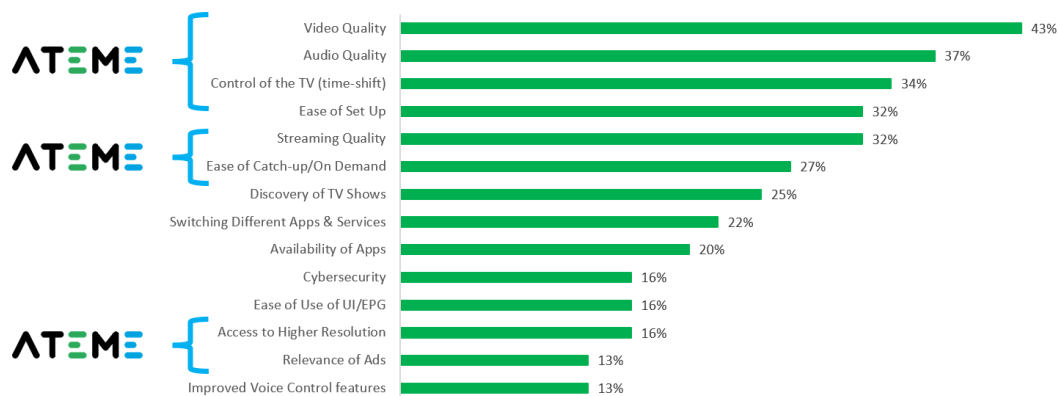


The growing demand for content on all types of screens and the proliferation of streaming services are leading market players to review their offers, how to interact with their subscribers, but also their operations. In particular, the proliferation of offers leads to a fragmentation of content: Consumers no longer know where to find the content, which leads to a certain saturation of the market despite the increase in the number of offers.

In order to counterbalance this effect, several trends appear

- The duty to offer an irreproachable Quality of Experience: In the face of increased competition to gain customer attention, any broadcasting or distribution service, regardless of the network, must offer an immersive visual/audio experience, the ability to enjoy its video without waiting time at startup, or buffering during broadcast, as well as the fact that a Live event arrives on an OTT screen at the same time as on conventional TV (under penalty of 'disclosure' effect).

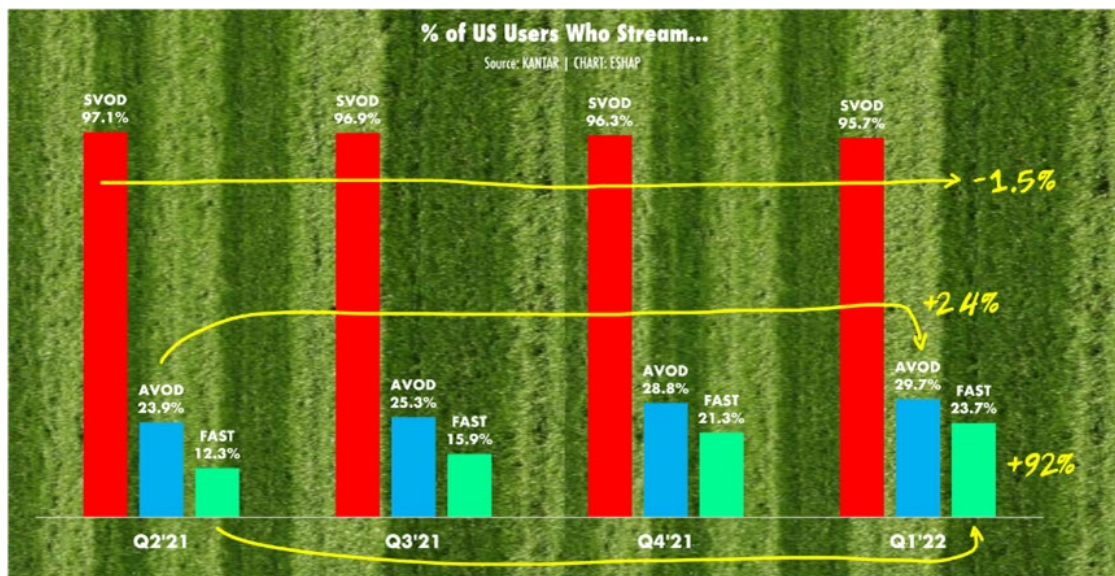
The graph below gives the main expectations of customers and those where Ateme has an impact



Criteria for improving the audiovisual experience, Source: DTG State of the Nation, May 2022

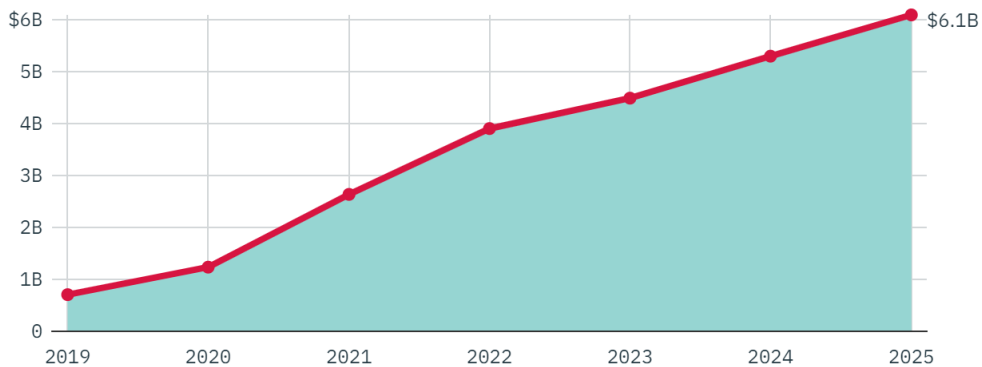
- Service Providers, which always have access to the end user via Internet access, play the role of aggregator of OTT offers. Via a single subscription and search portal, they seek to gather all major offers. Thus, the consumer does not need to juggle between multiple subscriptions and application. All major Service Providers around the world - Comcast, Liberty Global, Sky - have adopted this strategy. In France, this is the case for Canal + or Orange, which, in addition to offering their own content, have strategic, and in some cases exclusive, partnerships with Netflix, Disney + or OCS.

- The Content Providers and streaming Platforms try to stand out by creating a personalised experience. By taking advantage of their large contained library, but also of the data they can hold on the end user (gout, preference, location, etc.), these platforms offer content that will be adapted to the end consumer.
 - For example, The Weather Channel launched an OTT channel "Stream your city" where content is tailored to each city
 - Pluto TV has the functionality of adjusting its chain grid according to major external events.
 - The Tennis Channel offers the possibility to see dedicated chains for certain players during major tournaments, depending on the user's preferred settings.
- By extension, all market participants invest in the dynamic insertion of advertising and the customisation of this, called targeted advertising. In addition to the increased engagement effect mentioned above, targeted advertising generates more revenue. The business model is based on a CPM (cost per thousand). When advertising is targeted, CPM is more important because targeting guarantees the advertiser a better return on investment. The insertion of advertising is reflected both in the linear world and in the world of VOD.
- The world of VOD was dominated until now by unlimited subscription offers (a fixed amount for access to all the catalogue). Given the proliferation of offers and therefore the costs incurred by the end user who has to take up as many services, AVOD services (Ad supported VOD, **MYTF1** and **6Play** for example) have emerged: Subscription is cheaper in exchange for the insertion of advertising. Even giants like **Netflix** and **Disney +** got there.
- In the world of linear consumption, new chains - general or personalised as mentioned - have emerged. They are called FAST (Free ad supported streaming TV, **Pluto TV** and **Mango/Molotov** for example), and are free of charge and financed by advertising. The audiences of these two offers (AVOD and FAST) continue to increase as shown in the graph below



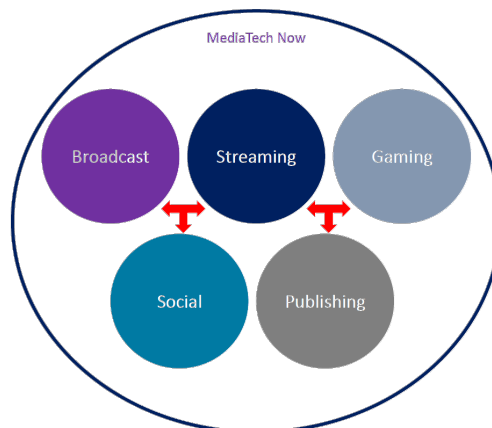
Source Evan Shapiro, May 2022

Estimated Annual U.S. FAST Ad Revenue

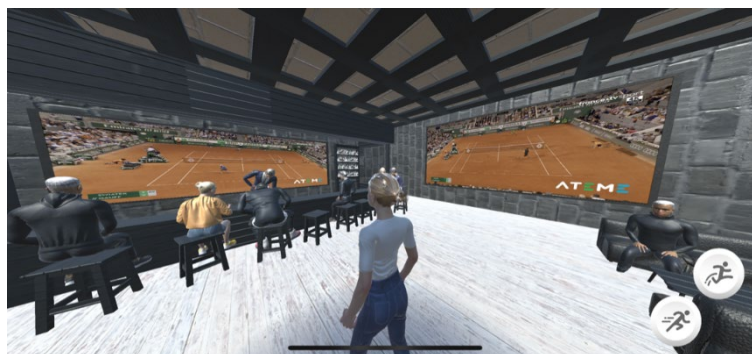


SOURCE: VIP+ ANALYSIS

- As a result of the emergence of new generations - especially generation Z- that become older than spending their own money to consume, new expectations in terms of experiences emerge. We see a trend to offer more than just one bouquet of channels or a catalogue of movies in VOD. Consumers are looking for **convergence with other entertainment sources** such as gaming, Betting, but also more **social interaction**. This is reflected in the arrival of new streaming spaces such as **virtual lounges**, digital spaces where the consumer can enjoy video feeds while conversing with remote friends present in the same space



Source IABM, Sept 2022



Example of virtual lounge

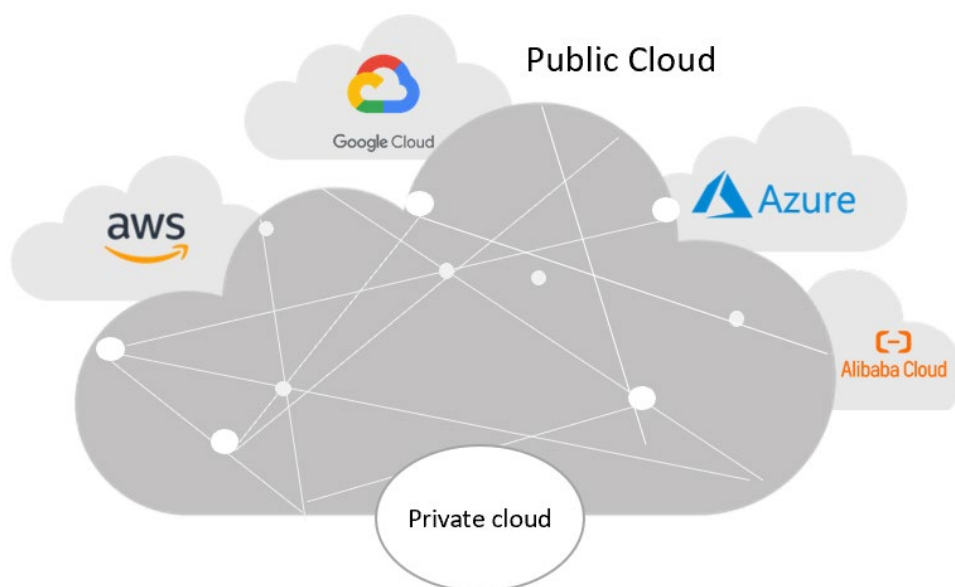
In addition to evolving offerings, market players are also reviewing the management of their CDN and Cloud operations and infrastructure.

The migration to the cloud began around 2015 and has been steadily accelerating since. The cloud offers the advantages of flexibility, scalability and cost ease tailored to the speed demanded by the OTT world. Nevertheless, in some cases, the cloud is not the right answer: For some legacy Service Providers already having datacenters, it is not appropriate to migrate the 24/7 channels to the cloud. This would result in a higher cost than deploying these chains in the private data center.

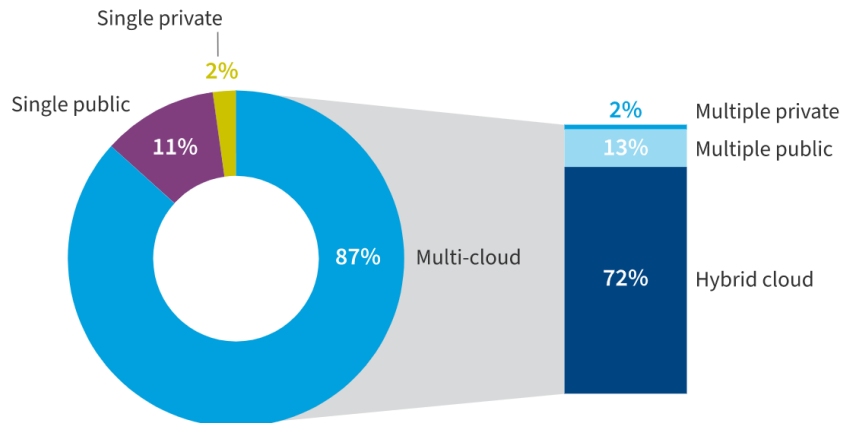
The industry continues to mature on the subject by investing in a so called multi/hybrid cloud choice, namely a combination of on site services and others hosted in the cloud and even on several cloud providers: Amazon Web Services, Akamai, Alibaba Cloud, Google Cloud Platform, Microsoft Azure are the most popular providers in 2022.

This multi/hybrid cloud approach has several advantages:

- Cost optimisation.
- Limited dependence on a limited supplier.
- Ease of deployment and accessibility, especially in a globalised context

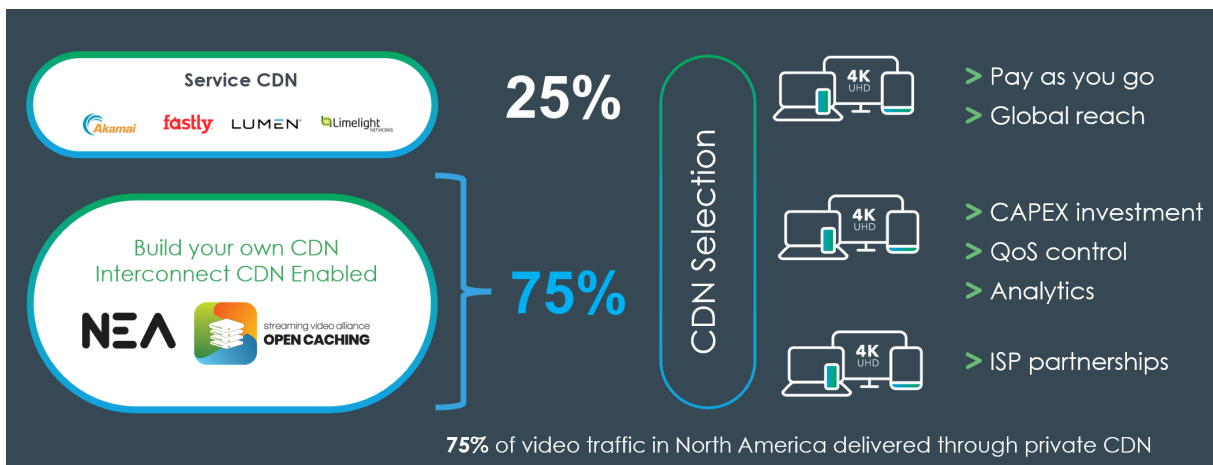


According to the 'Flexera 2023 State of the Cloud Report,' 87% of companies adopt a multi cloud strategy.



N=750
Source: Flexera 2023 State of the Cloud Report
flexera

In a similar approach, market players use several distribution networks called CDN, Content Delivery Network. Historically, this CDNs market was dominated by service providers (Akamai being the leader). For the same cost, flexibility and accessibility benefits as the water/multi cloud approach, AteME customers now use several CDNs, including by building their own CDN (Private CDN), which presents a walking opportunity for NEA solutions.



Finally, the emergence of new standards, such as Open caching driven by AteME through the Video Alliance streaming, makes all these private CDN interoperable and monetizable by agreeing to broadcast content from any content provider instead of CDN service providers

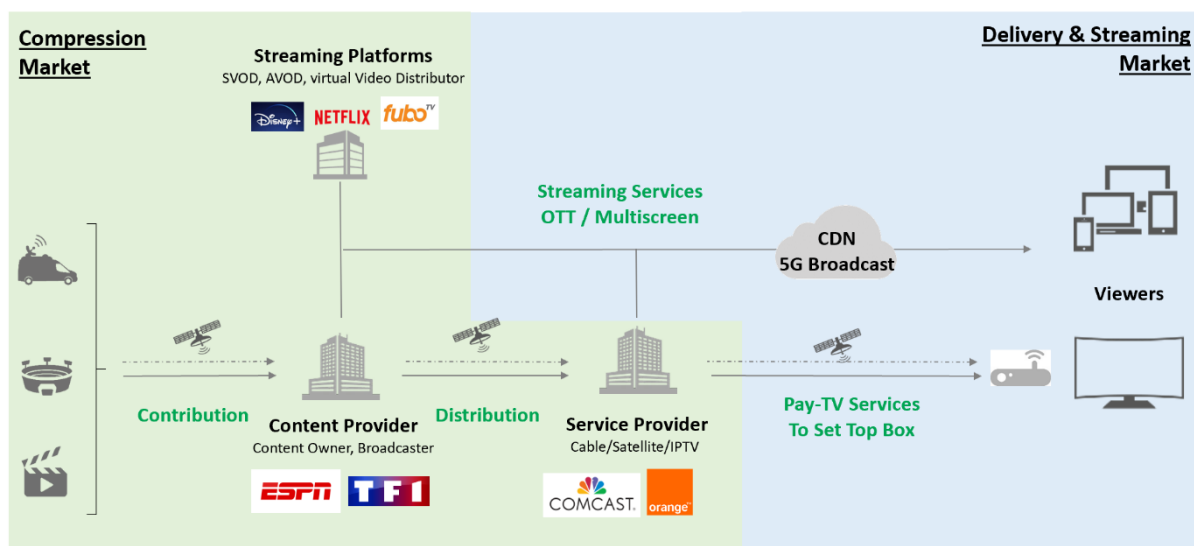
Segmentation and market size

AteME's total addressable market is estimated at 2 billion dollars for 2023. This figure is consolidated by 2 market studies carried out by recognised analyst firms in the industry:

- Rost & Sullivan: <https://ww2.frost.com/>
- Devoncroft: <https://devoncroft.com/>

This figure breaks down into 2 parts:

- 1 billion for the video processing and compression part.
 - This is the green part called 'Compression Market' in English in the diagram below.
 - This market is expected to grow moderately due to a transition to software and cloud
 - To sell in this market, Ateме uses the TITAN software solution which is a set of software components to perform compression, decompression, statistical multiplexing.
- 1 billion for the content broadcasting part, the market addressed by NEA.
 - This is the blue part called 'Delivery & Streaming Market' in English in the drawing below
 - This market is estimated to be growing strongly due to the arrival of new entrants offering streaming services combined with the explosion in content consumption on any type of screen.
 - To sell in this market, Ateме uses the NEA software solution which is a set of software components to achieve the right format, recording and distribution



5.3_Important events in business development

5.3.1_Historical Ateme

1991 - 2000: Creation of Ateme in 1991, which is developing over 10 years on a service delivery model.

2000 - 2005: Financed by development capital funds and driven by a partnership with Texas Instruments, Ateme is developing an offer of audio/video compression software bricks and is starting its international development.

2005 - 2014: Financed by venture capital funds, Ateme operates a strategic repositioning, disposes of its historical activities in the field of service provision and surveillance video, and launches its two product lines Kyrion (in 2007) and Titan (in 2009).

2014 - 2023: Following the IPO on Euronext in July 2014, the Company is growing rapidly and becoming profitable from 2016. It is working hard on its sales models and is rapidly expanding the share of recurring revenues from 2019 onwards.

5.3.2_History Anevia

2003: Anevia was founded in 2003 by four alumni from École Centrale Paris who all participated in the VideoLAN project in the early 2000's. The aim of the project was to create software for the dissemination of videos through the School's computer network. It has resulted in the creation of VLC Media Player, a globally known free multimedia player, which has exceeded 3 billion downloads since it was made available in 2001. Thanks to their experience in computerised video processing, and the start of the *Internet Protocol* market, with the emergence of the first Free and France Telecom Orange boxes in France's pioneering market, they decided to develop a software solution for the dissemination of video flows over the Internet.

2011: Anevia launches the ViaMotion product range, now renamed NEA Live and NEA CDN

2014: After being financed in 2005 and 2009 by venture capital funds, Anevia carries out its IPO on Euronext Growth

5.3.3_Reconciliation

At the end of July 2020, Ateme and Anevia announced that they had entered into exclusive talks. This operation, which received the unanimous support of Anevia's executives, founders and board of directors, is being carried out quickly.

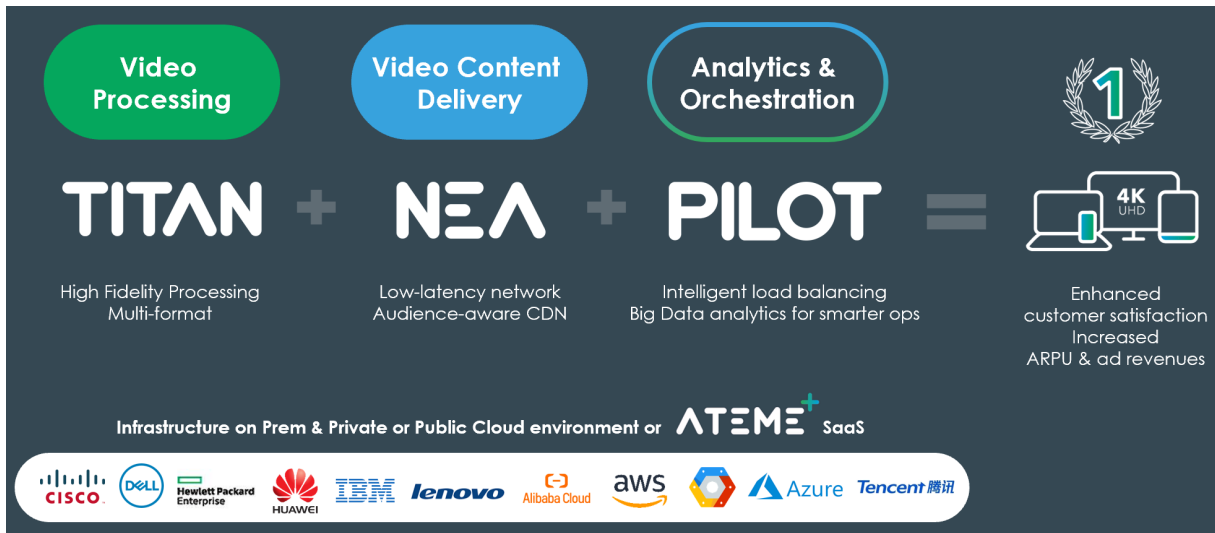
At the end of October 2020, Ateme became the majority shareholder of Anevia, in which it held 87% of the capital then 98% after the friendly takeover bid launched in December 2020 with the aim of merging the two companies.

^{as of} January 1, 2022 Anevia was the subject of a universal transfer of assets and liabilities to Ateme.

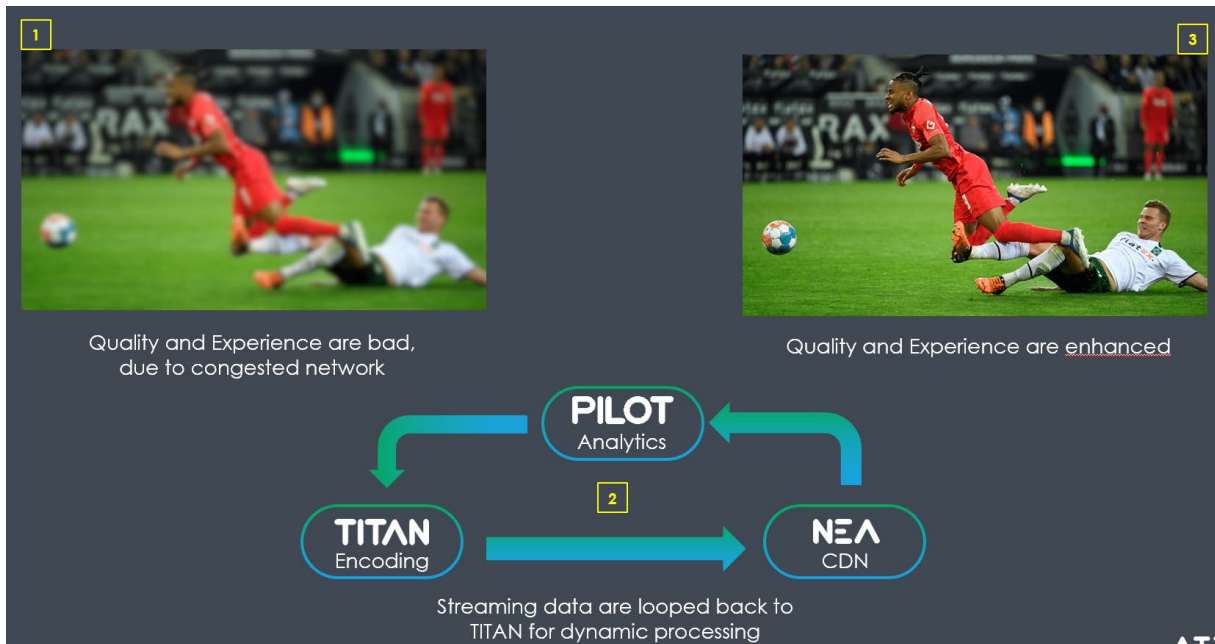
5.4_Strategy and objectives

5.4.1_Positioning of the 'end to end' treatment solution

As illustrated by the following synoptic, Ateme's products offer an end to end solution for the OTT broadcast of video content, whether operated by a historical broadcaster (Orange type) or by a media group (TF1 type).



To do this, the TITAN software suite, including TITAN Live, is used upstream to perform video compression operations and prepare the content for dissemination. Then the video feeds are cut into data packages that are distributed in the network by NEA Live., NEA CDN ensures their delivery to subscribers. Finally, the Pilot solution makes it possible to orchestrate and collect data on consumption, network capacity, enabling the improvement of performance and therefore of experience quality as shown in the diagram below.



It is well known that few competitors have such a comprehensive treatment offer. This point is detailed in Chapter 5.6

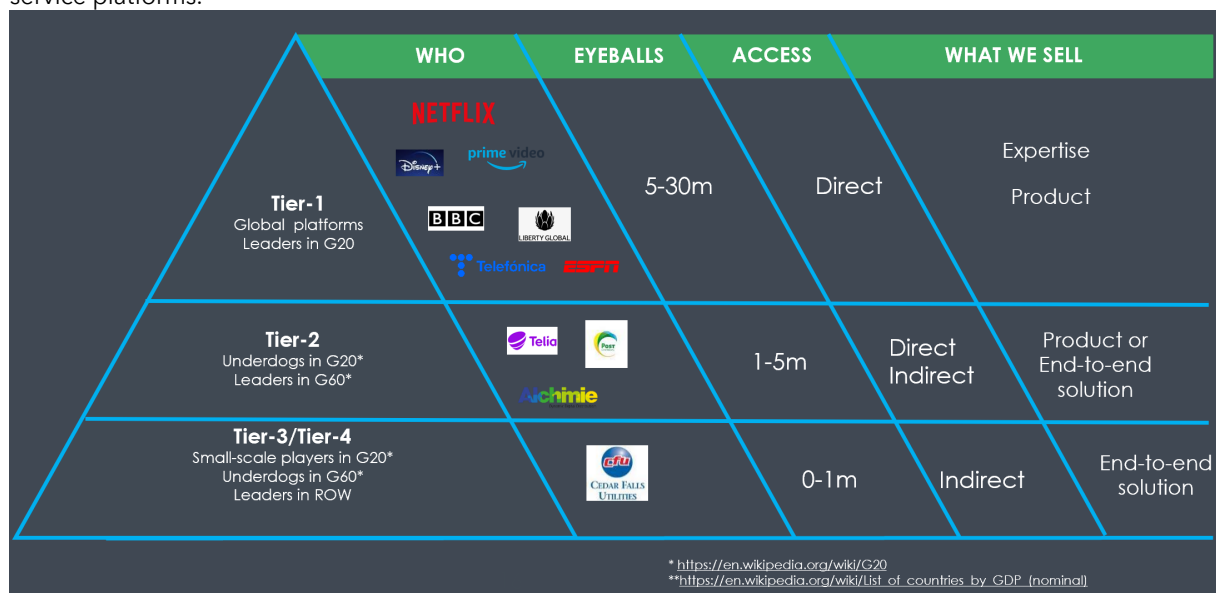
5.4.2_Sales strategy

If we segment customers into Tier1/Tier2/Tier3/Tier4, where a Comcast or Orange are Tier1, and a local cable operator in a small city would be a Tier4, we can establish that the expectations of these different categories of customer are very different.

Tier1 operators have an important scale and technical expertise, and generally have the approach of defining their diffusion infrastructure, choosing the best products and technologies available on the market and steering their integration.

Conversely, Tier3/Tier4 operators seek a turnkey solution, and entrust an integrator or service platform with the responsibility of providing a complete solution.

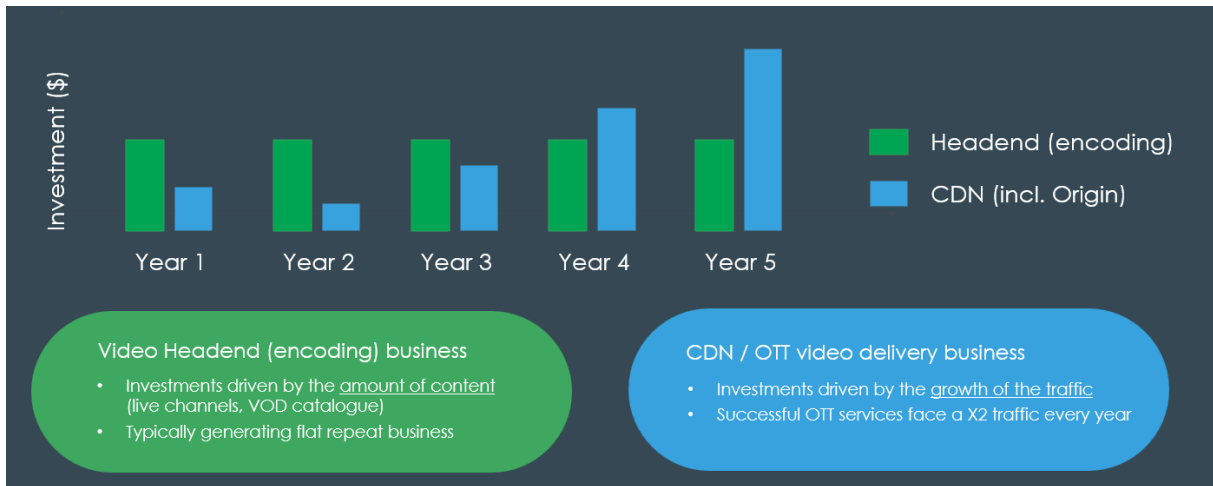
Ateme addresses T1/T2 customers directly, and Q3/Q4 customers through partnerships with integrators or service platforms.



In addition, broadcasters are increasingly looking to use a public cloud to support their broadcasting infrastructure. This is even more true in response to the 2020 pandemic, which showed the limits of relying only on a broadcaster specific data center. Hybrid cloud strategies (private datacenter combined with a public datacenter) or multi cloud strategies (combination of several public clouds services) all go in this direction of greater resilience to an unpredictable context.

5.4.3_Evolution of business models towards more recurring revenues

It should be noted that the typical sales and deployment cycles of Ateme and Anevia solutions are quite different, as illustrated in the following figure.



For the Titan software (Ateme historical product, in green), the business volume is proportion to the number of channels broadcast, while for the NEA CDN (Anevia historical product, in blue), the volume will be proportional to the consumption of content by the subscribers of the streaming service. This gives rise to a very interesting complementarity, as the Titan product makes it possible to win the customer's confidence in the initial phase of the deployment of a service, and thus to position itself on the longer term but potentially greater income from the deployment of its network infrastructure (the CDN).

Since the beginning of 2019, one of the pillars of the Company's growth strategy has been to move towards more recurring income.

The traditional and still dominant business model of the industry, inherited from recent times where video network heads were made up of electronic equipment, is a 'capex' model. Thus Ateme often sells Titan software in the form of perpetual licenses, and even sells the standard servers (Dell, HP, etc.) on which the software will turn. In addition, Ateme sells a software support contract for 10 to 20% of the software value according to the commitments made. Even though it is not contractual, there is often a de facto recurrence since customers that equip a network head of Titan software regularly recommend new licences to process new content. Ateme generates approximately 100% of its revenue in the previous year with the historical customer base, and the growth comes from new customers.

Noting this 'de facto' recurring income, Ateme has offered, particularly since early 2019, to its customers to commit to multi year contracts, which has been well accepted by the market.

In addition, some customers, particularly new entrants that do not yet have an installed subscriber base, are seeking a licence rental model (with variable commitment periods that can be negotiated against a discount on the lease cost).

In this drive to migrate to recurring revenues, the company launched its SaaS offer called "Ateme +" in September 2022 and follows a strategic roadmap to add more features in the coming years.

The three components described above (support contracts renewed annually, multi year 'capex' contracts, 'opex' licence leases) constitute the 'KPI MRR' (Key Performance Indicator Monthly Recurring Revenue, a key indicator on monthly recurring revenues) on which Ateme has started to communicate since the beginning of 2020.



The business models that made it possible to rapidly develop the MRR of Ateме products are now adapted and extended to Anevia products with a view to continuing to develop MRR's share of sales.

The Company hopes to derive from this strategy a better predictability of revenues, a more fine steering of the Company's growth, an improvement in the gross margin (as these MRR do not include any resale of hardware), and finally an improvement in the operating margin due to a better rationalisation of commercial investment.

5.4.4_Geographical expansion

Ateме now has a presence in some twenty countries. The latest additions are Australia (2019) and Russia (2020), before the company ceased all activity in Russia in early 2022.

This coverage now seems quite complete. The geographical expansion will henceforth essentially consist of strengthening the presence in the main markets, and first and foremost in the United States, where the growth potential remains considerable.

5.4.5_External growth

The market in which Ateме operates remains fragmented and there are nearly 3000 companies, suppliers of products and services combined. Following recent events - merger and acquisition among customers, acceleration of migration to the cloud, pandemic, there are many opportunities for consolidation in the sector.

Ateме plans to accelerate its development through one or more external growth operations that will have to bring complementary technology and products, a complementary customer base and be in a healthy financial position (quickly profitable if not pro forma). The sectors identified include:

- Workflow management
- Analytics
- The insertion of advertising, compatible with multi screen broadcasting, which controls the monetisation of content,
- Any company that could accelerate the 'SaaSification' of the Ateме offer
- And more generally, any application software technology associated with Ateме's compression and video delivery products that would be a vertical solution for its customers to launch new revenue generating services.

With this in mind, the Company acquired Anevia SA in the fourth quarter of 2020. Anevia is a software publisher specialised in OTT and IPTV distribution of live, deferred and on demand television and video (VOD), the company offers a comprehensive portfolio of video compression solutions, multi screen IPTV network heads, DVR Cloud and CDN. This merger is a key step in implementing the Group's external growth strategy.

5.5_Degree of dependence of the issuer on patents or licenses, industrial, commercial or financial contacts or new manufacturing processes

5.5.1_Dependence on patents or licences

Video compression standards:

Since the late 1980's, several international expert groups have been working to standardise compressed video flows and their interpretation. The most important of these groups is MPEG (Moving Picture Experts Group), to which the MPEG-2 standard was awarded in 1992, which is responsible for the growth of digital television worldwide. This text describes in detail the syntax (the sequence of information) of the compressed flows as well as the detailed process of their interpretation.

The work continued in the same philosophy of international openness and led to the MPEG-4 standard in 2003. This standard proposes a halving reduction in the amount of information transmitted compared to MPEG-2. This will be one of the reasons for the transition to high definition in many countries, including France which has launched SD DTT (standard definition) in MPEG-2 but will have to wait for MPEG-4 for HD.

Finally, in 2013, the same group presented the HEVC standard, offering in turn a halving flow reduction compared to MPEG-4. One of the guiding ideas behind the design of this standard was to prepare for a new transition, this time to ultra high definition.

These three major standards share the same general principles: Images are divided into blocks and each block is predicted from its spatial or temporal neighbors, the information transmitted being what could not be predicted.

While compression tools are in principle the same, significant differences to reduce compressed flow have been made. For example, from one standard to another, the number of directions in which moving an object inside the image will be sought is significantly increased. Thus, the tools defined under the HEVC standard require about 10 times more computing power than those of the MPEG-4 standard, themselves being about 3 times more complex than those of the MPEG-2.

Better efficiency therefore has a cost in terms of the amount of calculations to be made to benefit from compression gains.

The MPEG Group's more recent standards, such as VVC and EVC, lead to even higher compression gains but are not yet deployed in operations.

Alongside the MPEG Group, a consortium of private companies, the Alliance for Open Media (AOM), which includes Google and Netflix among its founding members in 2015, launched the AV1 standard in 2018 and is working on the AV2 standard. These standards deliver performance comparable to MPEG Group standards, but their authors guarantee that all royalties will be paid.

Ateme's positioning is to remain agnostic in this war of standards. Ateme is actively involved in both the MPEG Group and the Alliance for Open Media standardisation process, and Ateme's products support (and will support) all these standards. Ateme thus offers its customers the assurance that whatever compression standard they may choose in a few years for example to broadcast 4 K or 8 K, this will not call into question their choice of having adopted the Titan software solution.

Other standards

Ateme (like Anevia before the merger), is also involved in many other standardisation bodies or forums that bring together the ecosystem of our industry. These include ATSC, Cable Labs, Dash Industry Forum, DVB, IABM, SMPTE, Video Alliance streaming.

ATSC (Advanced Television Systems Committee) is the group that contributed to the development of the new ATSC3.0 standard for digital terrestrial television in the United States.

Cable Labs, a research and standardisation organisation created by American cable operators.

Dash Industry Forum, a group that promotes the DASH adaptive streaming standard (standardised by ISO, International Standard Organization, in 2012).

DVB (Digital Video Broadcasting) defines digital television standards, including DVB T for digital terrestrial television (used in Europe, where Americans use ATSC standards), DVB S for satellite, DVB C for cable.

IABM (International Trade Association for Broadcast & Media Technology) is an association that brings together the majority of broadcast and media technology providers.

SMPTE (Society of Motion Picture and Television Engineers) is a global association of media industry engineers, and has published over 800 standards.

Streaming Video Alliance is a collaboration forum to facilitate interoperability between different technology providers, such as the Open caching Group which aims to standardise network architectures to facilitate their cooperation.

Ateme patent policy

Ateme has an active intellectual property protection policy and currently holds more than 70 international patents.

Third party software

The Company's software incorporates a few third party software modules, limited to non critical functions and which could, if necessary, be replaced or redeveloped.

They also include proprietary third party software libraries, such as Dolby audio coding libraries, which are licenced and for which there is no risk of no longer being able to distribute these functions in our software suites.

5.5.2_Dependence on industrial contracts

There is no such dependence to report.

5.5.3_Dependence on commercial contracts

The Group's largest customer, its five largest customers and its ten largest customers accounted for 12%, 24% and 34% of its consolidated sales respectively for the 2023 financial year; 9%, 20% and 28% of its consolidated sales for the 2022 financial year.

The Group has a fairly balanced distribution of revenue among its main customers and therefore believes that to date there is only a limited risk of dependence on its customers.

5.5.4_Dependence on financial contracts

There is no such dependence to report.

5.5.5_Dependence on manufacturing processes

There is no such dependence to report.

5.6_Compertitive position of the Company

It is well known that few competitors have such a comprehensive treatment offering, as shown in the following analysis.

	Contribution	File Xcoding	Broadcast	D2C Delivery	Channel Origination	Origin Server	Cloud DVR	DAI	CDN	Analytics
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X		
	X		X	X	X	X	X	X		
	X			X	X	X	X	X	X	
		X	X	X	(partners)	X	X	X		
						X	X	X	X	
						X	X	X	X	
						X	X	X	X	X

This table is the aggregation of several sources:

- Analysis of the websites of all companies that makes it possible to clarify the offer of the competitor in question
 - Harmonisation: <https://www.harmonicinc.com/>
 - Mediakind: <https://www.mediakind.com/>
 - Synamedia: <https://www.synamedia.com/>
 - AWS Elemental: <https://aws.amazon.com/media/>
 - Vecima: <https://vecima.com/>
 - Velocix: <https://velocix.com/>
- How these companies categorise themselves at trade shows, with these categories being used by visitors to the show to find a company.
 - Example: Ateeme categorises as a compression provider, others do not
 - The list of salespeople and categories for the IBC 2019 (latest large face to face show) can be found here https://ibc19.mapyourshow.com/8_0/#/
- The screening of product/solution press releases, which makes it possible to understand the lines of communication and construction of the commercial pipe for the coming year.
- For listed companies the analysis of financial communications that shows how companies see their evolution in the medium to long term
 - Harmonisation: <https://investor.harmonicinc.com/investor-overview>
 - AWS Elemental: <https://ir.aboutamazon.com/overview/default.aspx>
 - Vecima: <https://vecima.com/investor-relations/>

We can distinguish between two types of competitors:

- The end to end competitors offering both processing solutions (TITAN competitors) and delivery solutions (NEA competitors) for an end to end offering. These competitors are Harmonic, Mediakind, Synamedia and to a lesser extent AWS Elemental, since AWS is primarily an Ateeme partner, Ateeme products being accessible by customers directly on AWS's marketplace.
- Anevia's pure player competitors on the delivery side: Vecima, Velocix, Broadpeak.

It should be noted that 'end to end' competitors were already Ateме's main competitors before the acquisition of Anevia when Ateме had only the processing part in its catalogue. This part of the competition has gone through a fairly large merger and acquisition phase in recent years, as evidenced by the following analysis.



Historical competitors were acquired by other competitors

- Ericsson (now Mediakind) acquired Envivio;
- Harmonic acquired Thomson Video Networks

Other companies are bought by larger groups:

- Elemental was acquired by AWS, Amazon's Cloud division,

Ateме's main competitor is the American company Harmonic. However, as the above summary shows, Harmonic is a leader in loss of speed and transition to a new field:

- The video activity (blue bar) saw its revenue drop. This comes directly from the market shares earned by Ateме and taken to Harmonic
- Harmonic is positioned on cable access technologies (yellow bar)

In addition, recent transactions in Ateме's scope of action and at significant multiples of sales show the dynamism of the market (see column 2 in illustration above).

Finally, the other companies, outside the Ateме market, have successfully switched to recurring revenues, validating Ateме's strategy towards this type of model

Ateме's competitive landscape has been clarified since 2015. This created favourable conditions for the growth of Ateме which was subsequently able to achieve external growth with the acquisition of Anevia, which strengthened its product offering.

Key advantages and competitors of Kyrion

The Kyrion range is intended for video processing in field operations often outside a datacenter environment, and in particular non air conditioned: News duplex, sports events. Kyrion encoders/decoders are so called material products, namely that Ateме:

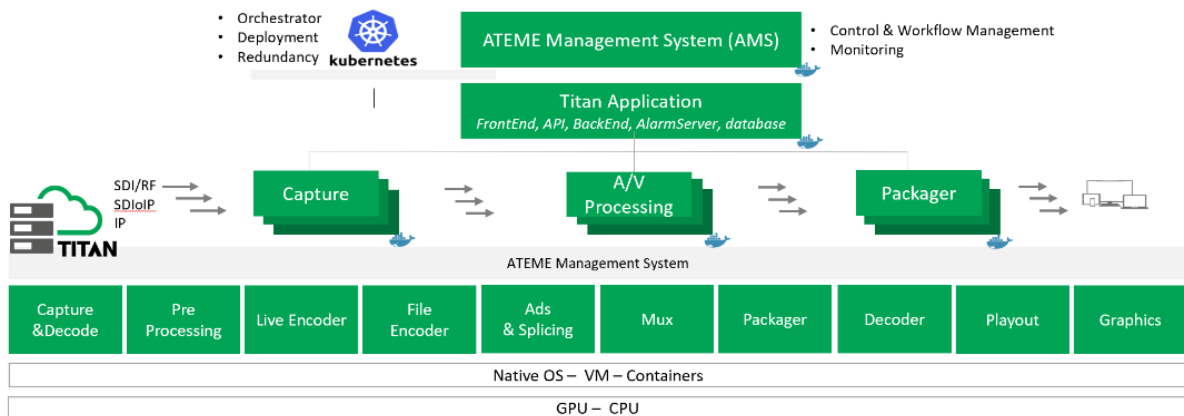
- Means compression/decompression software;
- Means the hardware used to host this software. This equipment is built on shelf components;
- Sells it all.

Ateme's added value lies in its ability to design the best software that leverages hardware performance. This product range, like all the others described below, embraces Ateme's expertise in video quality, bandwidth efficiency and simplified operations.

Ateme's competitors have decided to base their design on predefined architectures: The product is delivered in its first version with fixed capacities and these can only be improved if the equipment is changed. Ateme decided to base its design on so called reprogrammable components. As a result of its strong R & D team, Ateme is able to come with successive generations of software improving processing performance without changing the hardware on the ground. This presents a continuity of service and a gain in terms of significant total acquisition cost.

Titan's main advantages and competitors

Titan is Ateme's standard solution for everything related to video compression. This is a complete software suite covering the acquisition of content/signal to the right transmission and/or streaming format, including playout modules for creating and adding channels. This solution is intended for both Content Providers and Service Providers.

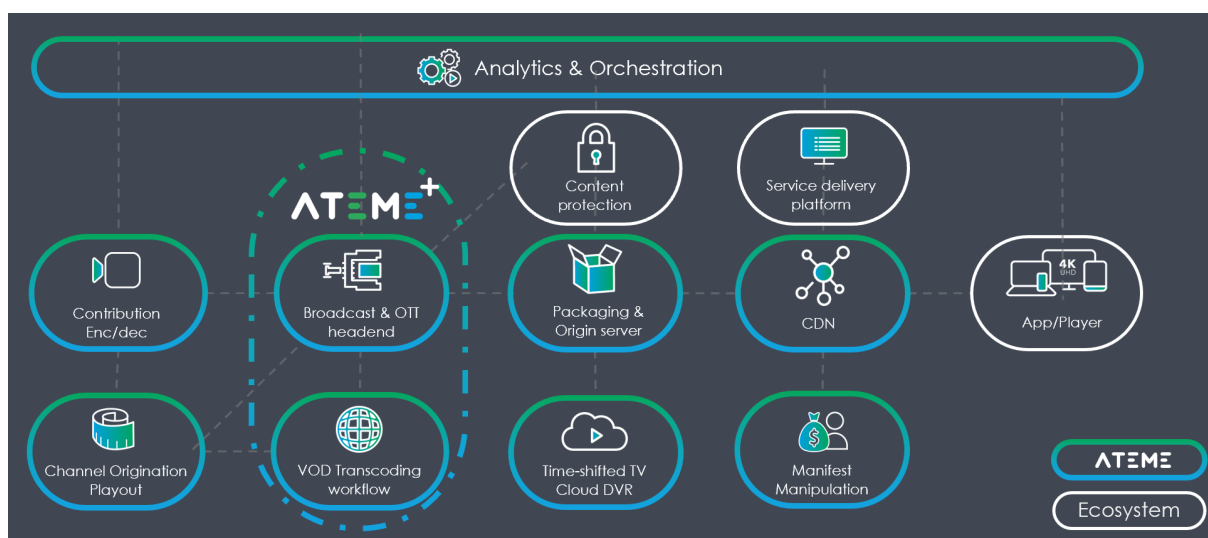


The competitive advantages of this solution are:

- Ateme bandwidth quality and efficiency enabling economies of scale in terms of transmission
- The ability to support all resolutions from the smallest to the 4 K HDR
- The ability to support all industry input/output and pressure relief/compression standards allowing TITAN to be used in a large number of applications, and thus simplify customer operations
- Adding key functions to manage everything that revolves around the video: Subtitles, sound level
- Software range completely independent of the infrastructure:
 - Any type of PC on site
 - Any type of cloud
 - Any type of virtualised environment

NEA's main advantages and competitors

The NEA range is Ateme's software suite for delivering OTT content. This range comes from the acquisition of Anevia. It covers many components ranging from Origin (the network entry point) to CDN. The drawing below represents the NEA range and also shows its complementarity with the TITAN range



The competitive advantages of this solution are:

- The ability to provide an all in one delivery solution: Origin, CDN, DVR Cloud and Analytics
- Optimised remote recording and storage management enabling Providers Service to reduce operating costs.
- The ability to populate content across the CDN, as close as possible to the end user, depending on its popularity, which reduces the infrastructure costs for the Service Provider and increases the quality of experience (less waiting time, less rebuffering).

Glossary:

ATSC : advanced Television Systems Committee, American Standardisation Committee

AVOD service : Advertising funded Video On Demand service

Catch up TV : catch up TV

CDN : Content Delivery Network, Content Distribution Networks

Cloud DVR : cloud Digital Video Recording, Cloud Recording

CPM : cost Per Thousand, cost per thousand

D2C Distribution : direct to Consumer Distribution, Direct to End User Distribution

DTH : direct to home, Satellite Television

DVB : digital Video Broadcasting, European Standardisation Committee

HDR : high Dynamic Range, Large Dynamic Beach (Colours)

IPTV service : Internet Protocol TeleVision, Internet TV service

OTT service : over The Top service, bypass service

SVoD service : subscription Video On Demand service

Video headend : video network head

5.7_Investments

5.7.1_Main investments made over the last three financial years

(Amounts in € k)	Dec. 31 2023	Dec. 31 2022	Dec. 31 2021
Capitalisation of development expenditure	(1,048)	(871)	(661)
Acquisition of intangible assets	(128)	(112)	(364)
Acquisition of property, plant and equipment	(2,068)	(2,230)	(1,982)
Total acquisitions	(3,243)	(3,213)	(3,007)

The investments in intangible assets of the Company in the last three financial years are mainly related to the development costs of the TITAN File, TITAN Live OTT and NEA projects.

Investments in property, plant and equipment over the last three financial years correspond to the acquisitions of It equipment used in its research and development activity and the fitting out of its premises.

5.7.2_Principal investments in progress

The Company continues its research and development activities and will be required to capitalise development costs if the criteria are met and to renew its It fleet and will be financed mainly by equity.

5.7.3_Main planned investments

The Company does not currently plan to make any significant investments for the coming years for which the Company's management bodies would have made firm commitments.

The investments planned for 2024 are mostly related to product launch and/or improvement and will be financed mainly by equity.

5.7.4_Information about joint ventures and companies in which the issuer holds a share of capital

Investments are mainly made within AteME SA. The other significant subsidiaries have a commercial and not production activity.

5.7.5_Important events in business development

1991

Creation of the Company by Dominique Edelin and Michel Artières, initially as a software designer for processing flows (development of encoding/decoding algorithms for audio and video flows). Such software is sold on a white label basis and the Company does not licence its software.

2004

Release of encoding software in H.264/MPEG-4 AVC, a new encoding standard initiated by the Moving Picture Experts Group (MPEG) expert group responsible for developing international standards for compression, decompression, processing and audio/video encoding.

2007

Strategic shift initiated with the launch of the first generation of the Kyrion decoder. Instead of designing and selling white label software, the Company now has its own servers in which its proprietary encoding/decoding software solutions are integrated.

2008

Opening of a subsidiary in the United States with an office in Hollywood, CA (USA)

2009

Launch of the Titan (File Transcoder) for catch up VoD/SVoD/TV + first encoder/decoder MPEG-4 4: 2: 2 10-bit worldwide, for the high quality/premium contribution segment.

2011

Opening of a second American office, in Miami, dedicated to the east coast of the United States as well as Latin America.

Release of the TITAN Live, in the multi screen video distribution segment, able to manage 90 HD video streams simultaneously.

2012

Opening of the Korean office in Seoul, dedicated to the Asian market

2013

The high quality contribution encoder Kyrion CM5000 receives the 'TV Technology Award' at the NAB lounge in Las Vegas.

TITAN transcoders now support the new generation compression standard: The HEVC/H.265 (High Efficiency Video Coding), which shows a 50% improvement in yields compared to the AVC/H.264 standard and supports the Ultra HD/4 K definition.

Participated in Eutelsat's launch of the 1^{era} UHDTV (Ultra HD) channel.

2014

The Company successfully floated on Euronext, Eurolist C. The Company's shares are now referred to as ISIN: Ateame (FR0011992700). On the occasion of this IPO, the Company raised approximately €13.3M through a capital increase, raising its value in 2014 to 44.7 million euros.

2015

Opening of a subsidiary in Singapore. Ateame Singapore PTE LTD carries out the sales and customer support activities in the Asia Pacific region.

2018

Opening of a subsidiary in Australia: Ateame Australia PTY Ltd provides sales and support dedicated to Australian customers.

2019

Start of the business model evolution strategy in favour of recurring revenue creation.

2020

Acquisition of Anevia SA, a software publisher for the OTT and IPTV distribution of live, deferred and on demand television and video (VOD); this company offers a comprehensive portfolio of OTT, Cloud DVR and CDN broadcasting solutions, as well as a historical business in the hospitality market.

2021

Sale of Anevia's hospitality business and Flamingo product line to Vitec Multimedia.

2022

Completion of the procedure for the Universal Transfer of Assets (TUP) of Anevia SA following its acquisition in 2020. Anevia was automatically cancelled following this TUP procedure.

On 14 December 2022, the subsidiary Ateme Japan KK was delisted from the Japanese Business Register.

Creation of a strategic advisory committee, composed of experts from our European and American partners and customers, to stimulate our strategic thinking based on changes in video consumption.

Launch of the SaaS Ateme + offer, announced at the IBC fair in Amsterdam in September 2022.

Creation of a CSR Committee within the Board of Directors.

2023

Ateme UK Ltd provides sales and support dedicated to UK customers.

5.8_Group CSR strategy

5.8.1_Use of property, plant and equipment and environmental issues

With regard to the social responsibility aspect and the use of fixed assets, the Group does not yet present a comprehensive report on the environmental and societal responsibility of Ateme SA, although at the social level, the Company is developing a human resources policy focused on (I) the continuous development of talent, (II) equal treatment of men and women, (III) the absence of discriminating measures in recruitment, and (IV) compliance with ethical rules.

At the global level, ethical charters are ratified with most partners (suppliers and customers) and the Company is developing a policy of contribution to specialised NGOs in the humanitarian and educational fields.

On the environmental front, the innovations that have been made to the TITAN and NEA product lines have reduced energy impacts by 65% in 3 years while improving the user experience with the quality of the videos that can be viewed. The Group aims to pursue its strategy of improving its energy consumption by around 50% more over the next three years; teleworking at 50% of the time has become the new operating rule in order to contribute to the reduction of the carbon footprint linked to the Group's operation.

5.8.2_Vision and implementation of the CSR strategy

At the end of 2022, the company created a CSR Committee within the Board of Directors.

Vision

Within Ateme, Corporate Social Responsibility (CSR) is an integral part of its Reason to be, namely 'Make the entertainment and video experience captivating, greener, and accessible to everyone. "

Convinced that the video and digital sectors can contribute to sustainable and social development, Ateame has designed a CSR policy that is in line with the 10 Principles of the United Nations Global Compact¹ and which incorporates the Sustainable Development Goals (SDGs).²

Strategy

Ateame's CSR strategy is divided into three main areas: Environmental, social and governance: "We care about our planète," "We care about our employees" and "We care about our écosystème". The latter are regularly evaluated since the aim of the year 2022 to implement concrete action plans.

On the subject of energy transition, which is crucial for the digital sector with the explosion in energy consumption at the data centre level, Ateame is working to decarbonise its digital solutions, with the development of technological encoding and video decoding systems that are less emitting, optimised video flows in terms of energy consumption as well as its infrastructures and a way of organising work that reduces the carbon footprint of the company's employees by adopting teleworking across the board at each of the group's sites. Ateame is therefore committed to contributing to the global effort to limit temperature rise to 1.5°C relative to pre industrial levels, in compliance with the Paris Agreement. In 2022, Ateame made a commitment to the Science Based Targets (SBTi) initiative³ by setting specific targets for greenhouse gas (GHG) emission reductions. this commitment corresponds to a reduction in the total GHG emissions of Scopes 1 and 2 of 42% by 2030 (compared with 2020, year of Group référence) and the measurement and reduction of Scope 3 emissions.

The company has set up an organisation to deal with these complex issues in order to strengthen the company's ability to create value, build approaches that will enable the organisation to meet the needs of its stakeholders and support the change in society towards a more sustainable model.

ESG performance

Since 2022, Ateame has embarked on a process of continuous improvement of its ESG performance and thus obtained several extra financial ratings in 2023.



¹ 10 Principles of the United Nations Global Compact: <https://pactemondial.org/decouvrir/dix-principes-pacte-mondial-nations-unies/>

² Sustainable Development Goals: <https://www.un.org/sustainabledevelopment/fr/objectifs-de-developpement-durable/>

³ Science Based Targets initiative: <https://sciencebasedtargets.org/>

	Description	Notes	Rankings 2023
	<p>CDP is the largest environmental reporting platform dedicated to companies, states, cities and investors.</p> <p>The rating scale from D- to A enables these players to measure and manage their environmental impacts.</p>	D	<p>Disclosure level</p> <p>This note demonstrates Ateme's transparency and commitment to incorporating sustainable practises into its operations and reducing its impact on the environment</p>
	<p>EcoVadis offers a comprehensive Corporate Social Responsibility (CSR) assessment service, via a global SaaS platform.</p> <p>The EcoVadis rating focuses on a wide range of non financial management systems, including the consequences in the following areas: The Environment, Social & Human Rights, Ethics and Responsible Purchasing.</p>	59/100	<p>silver Medal.</p> <p>Overall score greater than 74% of companies evaluated.</p> <p>+3 points compared to 2022 (56/100).</p>
	<p>EthiFinance is the non financial rating agency specialized in the rating of ESG performance of SMEs and mid caps listed on European markets.</p> <p>Its rating is used by leading management companies in their management and investment decision making processes.</p>	77/100	<p>+10 points compared to 2022 (67/100).</p>
	<p>Integrum ESG is a SaaS company that targets investors by providing transparent and objective ESG data.</p> <p>The latter can then assess the ESG score of a company, ranging from E to A, to help them in their investment decisions.</p>	B	"good" category.
	<p>Humpact is an innovative non financial rating agency (ESG): It provides its customers with data, indicators, scores and impact measures on the contribution of the main listed companies to societal issues in Europe and France.</p> <p>Humpact assigns a score of 1 to 5 stars to companies' answers on social issues. The rating is weighted with regard to the importance of the topics discussed.</p>	★★★	19/40 (Ateme's position in the evaluated segment)

Regulatory compliance

Ateme is currently engaged in a process of compliance with the Corporate Sustainability Disclosure Directive (CSRD). Aware of the growing importance of sustainability in the global business landscape, the company has undertaken proactive measures to prepare for this upcoming regulation. According to the current timetable, the company is expected to be submitted to the CSRD from fiscal year 2025 (publication of the reports in 2026).

This transition to compliance with the CSRD involves an in-depth assessment of internal sustainability issues through the realisation of a dual materiality matrix, data collection systems and existing reporting practices.

Chapitre 6. Organisational structure

6.1_Membership of a group

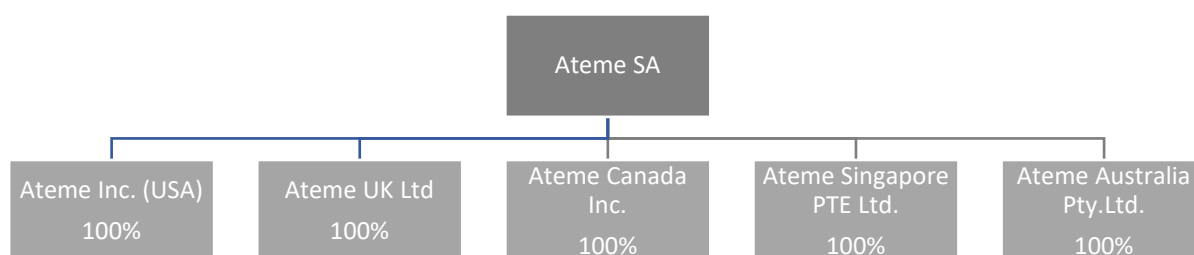
As of the date of registration of this Universal Registration Document, the Ateме Group consists of 6 entities: Ateме SA, Ateме Inc. (USA), Ateме Canada Inc., Ateме UK Ltd, Ateме Singapore PTE. Ltd., and Ateме Australia PTY, all fully consolidated.

The parent company Ateме SA concentrates part of the group's R & D activities, management functions, sales and marketing functions.

The revenues of Ateме Canada, Ateме USA, Ateме Australia, Ateме UK Ltd, Ateме Singapore are derived from services invoiced to the Company and sales of products and services to local customers.

Since the establishment of its head office in Vélizy Villacoublay in January 2015, the Company has held two secondary schools in France in Rennes and Meylan.

Ateме Group organisation chart as of 31 December 2023



6.2_Principal subsidiaries

As of the date of registration of this Universal Registration Document, the Ateме Group consists of 6 entities: Ateме SA, Ateме Canada Inc., Ateме Inc (USA), Ateме UK Ltd, Ateме Singapore PTE Ltd., and Ateме Australia PTD Ltd., all of which are fully consolidated.

- Ateме, Inc. located at 750 W. Hampden Ave., Suite 290 in Englewood, Colorado USA. Ateме Inc., carries out the sales and customer support activities for the Americas region. Ateме Inc. had 52 employees (including external service providers) at 31 December 2023. This subsidiary does not hold any interest in Ateме SA or any other company.
- Ateме Canada Inc., located at 2800-630 Boulevard René-Lévesque, Montreal, Quebec H3B1S6, is engaged in customer support activities and had a staff of 8 as at 31 December 2023. This subsidiary does not hold any interest in Ateме SA or any other company.
- Ateме UK Ltd was incorporated at the end of 2022 and had 10 employees at 31 December 2023. This subsidiary does not hold any interest in Ateме SA or any other company.
- Ateме Singapore PTE LTD Ltd located at 152 Beach Road, Singapore. Ateме Singapore PTE LTD carries out the sales and customer support activities. At 31 December 2023, Ateме Singapore PTE Ltd had 6 employees (including service providers). This subsidiary does not hold any interest in Ateме SA or any other company.

- Ateme Australia PTY Ltd., located at Suite 402 Level 4, 44 Miller Street, North Sydney NSW 2060, Australia and engaged in sales and support activities and comprised a workforce of 6 as at 31 December 2023.
This subsidiary does not hold any interest in Ateme SA or any other company.

Note that the Japanese subsidiary Ateme Japan KKK, inactive since 2010, was liquidated in December 2022.

The financial items at 31 December 2023 (shareholders' equity, revenues, income and value of investments) of subsidiaries and affiliates are presented in Note 22 'List of subsidiaries and affiliates' of the 2023 audited historical financial information presented at 18.01.01. 'Audited historical financial information' of this Universal Registration Document.

List of significant subsidiaries of the issuer

Company	Country of establishment	% of share capital	% of voting rights
Ateme	France	Parent company	
Anevia *	France	100%	100%
Ateme Canada	Canada	100%	100%
Ateme USA	United States	100%	100%
Ateme Singapore	Singapore	100%	100%
Ateme Australia	Australia	100%	100%
Ateme UK	United Kingdom	100%	100%

(*) Universal transfer of assets and liabilities on 01/01/2022 to Ateme SA

6.3_inter company loans

During the financial year ended 31 December 2023, the company renewed the following inter company loan arrangements referred to in Article L. 511-6 of the French Monetary and Financial Code.

- An intragroup loan agreement between Ateme SA and Ateme Australia PTY Ltd;
- An intragroup loan agreement between Ateme SA and Ateme Singapore PTE Ltd;
- A cash management agreement between Ateme SA and Ateme Australia PTY Ltd and Ateme Singapore PTE Ltd;
- An intragroup loan agreement between Ateme SA and Ateme UK LTD;
- An intragroup loan agreement between Ateme SA and Ateme Inc;
- An intragroup loan agreement between Ateme SA and Ateme Canada;

Chapitre 7. Operating and financial review

The published financial information presented below is derived from the consolidated financial statements for the years ended 31 December 2021, 31 December 2022 and 31 December 2023, prepared in accordance with IFRS as adopted by the European Union at the balance sheet date of these financial statements and which are mandatorily applicable at that date.

7.1 Financial position

7.1.1 Results of operations and changes

2023: IFRS accounts

For the full year 2023, sales amounted to €100.0M, up 10% compared to 2022, and up 12% on a comparable basis.

Gross margin amounted to €59.9M, up +10%, representing a gross margin rate of 59.8%, virtually stable compared to 2022. The gross profit margin for the second half was 61.8%, compared to 57.8% in the first half.

Monthly recurring income (MRI) was €2.470M in January 2024, reflecting good MRI growth in the 4th quarter of 2023, after a decline in the first nine months of 2023 due to the termination of a major subscription contract.

Ateme began 2024 with an annual recurring income base (ARR) of €29.6M in January 2024, representing 30% of the previous year's revenues.

Ateme continued to invest in 2023 to support its growth. Operating expenses increased by +14% to €62.3M, notably with an increase in the total workforce from 560 to 580 employees at year end. These investments were split between selling and marketing expenses, up + €3.6M, and R & D expenses, up + €3.5M, up +13% and +17% year on year, respectively. General and administrative expenses increased by a limited amount of +€0.5M, or +9% over the year.

EBITDA amounted to €2.7M in 2023, compared to €5.0M in the previous year, reflecting continued investment throughout 2023, and the income recognition lag for certain projects that were delayed from 2023 to 2024. EBITDA exceeded expectations, due to the improved business mix and gross margin level in the second half of the year, as well as the impact of cost cutting measures launched since mid-2023, which resulted in a stabilisation of operating expenses in the second half of 2023 compared to the first half of 2023.

Underlying earnings amounted to €-2.4M, while net income amounted to €-4.0M, including a negative financial result of €-1.0M and foreign exchange losses of € -0.5 million.

Shareholders' equity amounted to €38.0M at 31 December 2023.

Available cash amounted to €5.6M at the end of 2023, compared with €3.9M a year earlier, mainly due to the decrease in inventories (€-1.9M) and trade receivables (€-1.0M). Trade payables also decreased (-0.5 M €).

At 31 December 2023, net debt stood at €23.8M, compared with €20.1M (excluding IFRS 16). It includes a €12.3M research tax credit receivable.

2022: IFRS accounts

Market share gains

Annual turnover amounted to 90.6 million euros for the year ended 31 December 2022.

The gross margin rate improved in the second half of the year (62%) compared to the first half (58%) to 60% on a full year basis, compared to 62% in 2021 and 55% in 2020. Gross profit thus came to 54.4 million euros, up 11%.

Monthly recurring income (MRI) increased by 25% from 1.96 million euros in January 2022 to 2.44 million euros in January 2023, which is higher than expected. This growth far exceeds that of sales and demonstrates the effectiveness of the transformation of the business model.

Ongoing investments for growth in 2022

Ateme continued to invest in 2022 to support its growth. Thus, operating costs increased by 14% to 54.6 million euros, due in particular to the increase in the total workforce from 490 to 560 people in one year. Additional investments were mainly in R & D expenses, up 4.8 million euros (+30% compared to 2021), and general and administrative expenses, up 1.2 million euros (+24% year on year), while marketing and selling expenses remained virtually stable (+3%).

Underlying earnings amounted to € -0.2 million, while net income, after the impact of a negative financial result and a positive tax contribution, came to almost balance.

EBITDA of €5.0M, compared with €6.4M in 2021, reflects continued R & D investments throughout 2022, and the lag in certain income related to projects carried forward to 2023.

Shareholders' equity amounted to 40.9 million euros at 31 December 2022, compared with 39.6 million euros a year earlier.

The change in cash and cash equivalents (3.9 million euros at year end versus 11.4 million euros a year earlier) was due to the increase in working capital partly due to the significant increase in inventories (+3.4 million euros) to cope with the tensions in the semiconductor industry in 2022 and to meet the expected growth. In 2023, inventories are expected to decrease, while additional measures are also being taken to reduce trade receivables, which were particularly high at the end of 2022.

At 31 December 2022, net debt amounted to 20.1 million euros, compared with 10.3 million euros (excluding IFRS 16). It includes a 8 million euros research tax credit receivable.

2021: IFRS accounts

Market share gains

Total revenue for the year ended 31 December 2021 was US 81.1 million euros. After restatement of the sale of Anevia's former business dedicated to the corporate sector and the Flamingo product range in November 2021, sales amounted to 78.8 million euros.

As expected, the second half of the year confirmed the improved product mix with an inherent increase in the gross margin rate which exceeded 62% for the year, compared to 55% in 2020.

The Group thus confirms this long term trend of margin improvement, amplified by the successful transition to cloud based applications and the shift to a business model based on recurring revenues.

Gross margin was 49.0 million euros, up 27%. Combined with the 31% increase in recurring monthly revenues (1.96 million euros in January 2022), this performance reflects the speed at which the company wins stable market share more accurately than the only observation of revenue growth.

New investments in growth in 2021

Ateme continued to invest in its future growth in 2021, with operating expenses up 31% to 47.9 million euros, linked to the integration of Anevia since November 2020 as well as the increase in the workforce from 450 to 490 employees in 2021. These investments break down equally between R & D and sales/marketing, including:

- The acceleration of NEA's roadmap (Anevia's former product range) which includes OTT diffusion technologies such as DVR Cloud and CDN solutions (content distribution networks).
- The creation of teams of global experts to help all regions position, sell and deploy the Ateme range of solutions, adapting to the growing complexity of end to end OTT broadcasting solutions, from video network heads to CDN networks.

- Optimising our streaming solutions, enabling server and storage savings for our customers and helping them achieve their carbon footprint reduction targets.
- The development of products, solutions and services scheduled for launch in 2022 and 2023.

All income statement indicators above forecast

Operating income amounted to 1.1 million euros, while net income from continuing operations (excluding operations dedicated to the business sector sold in 2021) amounted to 1.8 million euros (2.3% of sales), including a positive financial result and tax income.

Restated EBITDA was 6.4 million euros, in line with the January 2021 forecast and above the conservative January 2022 forecast.

Solid financial structure

Shareholders' equity amounted to 39.6 million euros at 31 December 2021, up from 35.6 million euros in 2020.

Cash and cash equivalents amounted to 11.4 million euros, compared with 17.1 million euros in 2020. Cash flows from investing activities amounted to 7.1 million euros, of which 3.7 million euros was spent on finalising the acquisition of Anevia.

At 31 December 2021, net financial debt stood at 10.3 million euros, compared with 3.7 million euros. The Group contracted new state guaranteed loans (PGE) totalling 3 million euros in 2021.

Geopolitical situation

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

Ateme does not depend in any way (supply chain, R & D or finance) on the countries concerned and does not have any late payments from customers in these markets.

This risk is detailed in section 3.2.4 of this Universal Registration Document.

Income statement
Consolidated income statement for the last 3 years

Simplified Statement of Income in Euro IFRS Standards (in K €)	31/12/2023 audited 12 months	31/12/2022 audited 12 months	31/12/2021 audited 12 months
Gross margin	59,860	54,432	48,957
O/w revenue	100,032	90,553	78,798
O/w cost of sales	40,172	(36,121)	(29,841)
Operating expenses	(62,263)	(54,590)	(47,853)
O/w R & D expenses	(24,397)	(20,850)	(16,012)
Of which marketing & sales	(31,449)	(27,827)	(27,086)
O/w general expenses	(6,417)	(5,914)	(4,754)
Recurring Operating Income	(2,404)	(158)	1,105
O/w other recurring operating income and expenses	-	-	-
Operating income	(2,404)	(158)	1,105
Financial result	(1,503)	(232)	511
Taxes for the period	(89)	345	169
Net income from continuing operations	(3,995)	(46)	1,785
Income from discontinued operations		-	(648)
Net income	(3,995)	(46)	1,137
Earnings per share from continuing operations (In euros)	(0.35)	0.00	0.10

Balance sheet
Consolidated balance sheet for the last 3 years

Simplified balance sheet in Keuros IFRS standards	31/12/2023 Audited 12 months	31/12/2022 Audited 12 months	31/12/2021 Audited 12 months
TOTAL ASSETS	108,045	101,534	93,153
Non current assets	32,769	30,740	30,311
O/w Goodwill	12,886	12,886	12,886
O/w intangible assets	8,192	8,381	8,877
Of which property, plant and equipment	3,931	3,770	3,203
Of which other non current financial assets	1,276	1,176	975
Of which deferred tax assets	2,081	1,554	1,508
Of which right of use related to rental obligations	4,403	2,972	2,862
Current assets	75,276	70,795	62,842
Of which inventories	8,100	10,005	6,558
Of which trade receivables	36,357	37,409	32,289
O/w other receivables	25,191	19,476	12,548
Of which cash and cash equivalents	5,629	3,904	11,447
TOTAL LIABILITIES	108,045	101,534	93,153
Shareholders' Equity	38,041	40,940	39,590
Non current liabilities	29,264	22,483	18,665
Of which employee benefit obligations	1,978	1,259	1,224
Of which provisions for charges	-	41	41
Of which non current financial debt	23,390	18,858	15,189
O/w lease obligations	3,887	2,315	2,201
Of which deferred tax liabilities	11	11	10
Current liabilities	40,740	38,112	34,898
Of which current borrowings	6,043	5,111	6,529
O/w lease obligations	678	667	745
Of which trade payables and related accounts	15,823	16,322	14,173
Of which tax and social security liabilities	8,524	6,574	5,728
Of which other creditors and other payables	9,672	9,438	7,723

Cash flow statement

Consolidated cash flow statement for the last 3 years

Simplified cash flow statements IFRS	31/12/2023 Audited 12 months	31/12/2022 Audited 12 months	31/12/2021 Audited 12 months
Cash flow from operating activities	627	(5,430)	(552)
Of which cash flow	1,574	5,544	7,453
O/w change in WCR	(947)	(10,974)	(9,126)
Cash flow from investing activities	(3,376)	(3,076)	(7,123)
Cash flow from financing activities	5,401	(209)	1,909
Change in cash and cash equivalents	2,616	(8,586)	(5,645)
Cash and cash equivalents at beginning of period	2,862	11,447	17,092
Impact of changes in foreign exchange rates	(37)	129	121
Cash and cash equivalents at end of period	5,478	2,862	11,447

7.1.2_Probable future evolution and research and development activities

Probable future development of the issuer's activities

Please refer to Chapter 10. 'Trend information.'

Research and development activities

The Company maintained its R & D business and continued its policy on patent filings during the past financial year.

This R & D essentially covers solutions based on our H264 and HEVC video compression technology. It is also actively involved in defining a new standard (AV1) within the Alliance for Open Media.

The importance of R & D investments enables the Group to maintain its reputation and know how in terms of the reliability and quality of its video encodings.

The R & D effort is mainly divided between 4 historical divisions and 1 new division related to the acquisition of Anevia:

- Codecs research to maintain our competitive edge of video quality and prepare for the future by working on new standards like HEVC,
- Encoders and decoders of the broadcast contribution, Kyrion range,
- TITAN multi screen transcoding software solution for broadcasting content to boxes or streaming on the internet or to mobiles or tablets,
- Software solutions for processing and managing video for networks,
- Video diffusion technologies.

CIR's net research and development expenses incurred over the last financial years are shown in the table below:

Amount of research and development expenses

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Research and development expenses	(31,062)	(27,485)	(21,625)
Research tax credit and innovation tax credit	5,908	5,822	5,169
Subsidies	757	813	445
Total research and development expenses	(24,397)	(20,850)	(16,011)

As in previous years, Ateame continued to invest in its development, giving priority to R & D.

Between 2021 and 2023, the Company invested significantly in research and development to ensure its future development in terms of robustness and performance. (See section 5.5.1 of this Universal Registration Document).

7.2_Consolidated operating income and consolidated balance sheet

7.2.1_Alternative performance indicators

Restated EBIDTA

The term 'recurring operating income' is defined as the difference between total operating income and 'Other operating income' and 'Other operating expenses.'

The term 'current EBITDA,' in English, 'earnings before interest, taxes, depreciation, and amortization,' means the Group's current operating income before it is excluded, depreciation, amortisation and impairment of fixed assets and share based payment expenses. It highlights the profit generated by the activity regardless of the conditions of its financing, tax constraints and the renewal of the operating tool. Non recurring expenses (unusual, abnormal and infrequent items) are excluded.

Restated Ebitda (Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Recurring operating income	(2,404)	(158)	1,105
(-) DPA on intangible assets and property, plant and equipment *	(2,548)	(2,448)	(2,375)
(-) DPA on acquired technologies	(712)	(712)	(712)
(-) DPA on rights of use	(858)	(779)	(895)
(-) Allowance/reversal of provisions	(173)	(175)	(152)
(-) IFRS share based payment 2	(776)	(1,073)	(1,187)
Restated EBITDA	2,664	5,028	6,426

* All of these expenses are allocated to the items cost of sales, R & D costs, marketing and sales costs, and general and administrative expenses detailed in section 7.2.2.

Gross margin

The gross profit margin was 60% for 2023, compared with 60% in 2022 and 62% in 2021. Gross profit thus came to 59.9 million euros, up 10%.

Monthly recurring revenue (MRR)

Monthly recurring income (MRI) was €2.470M in January 2024, reflecting good MRI growth in the 4th quarter of 2023, after a decline in the first nine months of 2023 due to the termination of a major subscription contract.

The Group intends to expand its business models that generate recurring monthly sales and increase, each year, the share of monthly recurring sales in the overall sales volume.

7.2.2_ Formation of operating profit and net profit

Revenue

Consolidated revenue for the last 3 years

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
France	5,021	6,773	8,557
Rest of the world	95,011	83,779	70,241
Total revenue	100,032	90,552	78,798

For the full year 2023, sales amounted to €100.0M, up 10% compared to 2022, and up 12% on a comparable basis.

Group revenue for the year ended December 31 was €90.6M, up 15% on 2021 (+8% like for like).

Group revenue for 2021 (ended 31 December) was €78.8M, up 12% compared to 2020. This revenue was stable at constant exchange rates and scope of consolidation.

Breakdown of revenue by type over the last 3 financial years:

BREAKDOWN OF REVENUE (Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Static licenses, equipment	71,607	67,532	59,242
Dynamic licences	6,414	3,740	3,937
Maintenance	22,011	19,280	15,619
Total revenue	100,032	90,552	78,798

The Group recognises its revenue in accordance with IFRS 15 as follows:

The Group's revenue arises from the sale of professional video compression solutions, maintenance contracts and services.

Multiple element service contracts

The Group enters into multiple element service contracts, which may correspond to a combination of different services or deliveries of goods. Revenue is recognised separately for each item when it is separately identifiable and the customer can benefit from it separately.

When these activities transfer to the customer control of a separate service or property from which the customer can benefit independently of the recurring services, they are treated separately and revenue is recognised without waiting for the recurring services phase. These contracts mainly concern the 'contribution' activity, which includes the delivery of a hardware incorporating the license, which makes the whole inseparable and a maintenance contract over a period of 12 to 24 months. The maintenance contract can be sold independently of the hardware.

When a contract contains several performance obligations, the price is allocated to each of them on the basis of its individual selling price. This selling price is determined on the basis of the 'catalogue' price. The 'catalogue price' corresponds to the observable price when the entity sells this service separately in similar projects. These contracts mainly concern the 'distribution' activity which includes, in particular, the delivery of a right of use to a TITAN license, dissociable from hardware, a maintenance contract (which is optional and independent of license sales), in some cases, a delivery of hardware on which the license will be installed and in some cases, a service provision for the parameterization of the solution.

The licence attached to these contracts consists of a basic encoding feature and multiple options to be chosen by the customer, making the licence price very variable from one contract to another.

Revenue recognition at a given date over time or continuously

Revenue is recognised when the Group transfers control over the goods or services sold to the customer, either on a given date over time or continuously.

For recurring services, revenue is recognised on an ongoing basis as the customer immediately benefits from the services as soon as they are performed by the Group. When the Group has a right to charge the customer that corresponds directly to the performance obligation achieved to date, revenue is recognised for this amount.

Intellectual property licences

These perpetual licences (with no time limit) transfer to the customer:

- Or a right to use the intellectual property as it exists at the precise time the licence is granted (static license), These licences only benefit from corrective updates
- Or a right of access to intellectual property as it exists throughout the licence term (dynamic license). These licences benefit from the upgrades provided by the Group.

The company offers dynamic licence offers to its customers, this multi year offer allows the customer to benefit from unlimited licences including the versions of the product roadmap during the contract term. The contractual analysis of these contracts leads to the identification of two performance obligations:

- One under the licence initially sold that immediately provides profits to the customer, revenue is recognised as soon as the licence is granted. An analysis of the amount to be recognised is performed on a contract by contract basis to identify the value to be allocated to the initial licence;
- This revenue is recognised on a straight line basis over the term of the contract (in line with the pace of version increases).

The group does not have any contracts falling within the scope of the definition of the order book under IFRS15. 120-122.

Cost of sales

Cost of sales amounted to €29.8M in 2021 and €36.1M in 2022 and €40.2M in 2023. Cost of sales takes into account purchases of goods, personnel expenses, indirect production expenses and transportation costs.

Indirect production expenses include a share of overheads, production costs, impairment of merchandise inventories and impairment of receivables.

Gross margin

Gross profit for the last 3 years - IFRS

(In K €)	31/12/2023	31/12/2022	31/12/2021
Gross margin	59,860	54,432	48,957
Of which net sales	100,032	90,552	78,798
Of which cost of sales *	(40,172)	(36,121)	(29,841)
Gross margin in%	59.84%	60.11%	62.13%
* Of which DPA on fixed assets	(208)	(484)	(437)
** Of which IFRS 2 share based payment	(173)	(165)	(94)

Operating expenses by function

Research and development expenses

Research and development expenses over the last 3 financial years

(In K €)	31/12/2023	31/12/2022	31/12/2021
Personnel expenses	(25,931)	(22,865)	(17,365)
Other	(235)	(299)	(340)
Amortisation of capitalised R & D expenses	(1,203)	(1,216)	(1,180)
Depreciation, amortisation and provisions	(1,748)	(1,433)	(1,747)
Taxes and training	(69)	(189)	(209)
Share of general expenses	(1,506)	(1,176)	(682)
Purchases not stored	(670)	(618)	(337)
Travel, Missions and Reception	(434)	(272)	(47)
Share based payments	(314)	(288)	(377)
Capitalisation of R & D expenses net of outflows	1,048	871	660
Research and Development expenses	(31,062)	(27,485)	(21,625)
Research tax credit and innovation tax credit	5,908	5,822	5,169
Subsidies	757	813	445
Research and Development expenses, net	(24,397)	(20,850)	(16 011)

Subsidies amounting to €757k, recorded in the income statement, mainly correspond to operating subsidies, the main characteristics of which are as follows:

- The grant for the nested project granted by MINEFI in the amount of €326k. Income recognised in the income statement amounted to €54k over the period.
- The subsidy for the SimpleRAN project in the amount of €1626k. Income recognised in the income statement amounted to €336k
- The 3EMS-2, MERCI, SMART CD and HyperOpenX grants totalling €1181k. Income recognised in the income statement amounted to €368k

In the last three years, the Company recognised 24.4 of R & D expenses in 2023, 20.9 M € in 2022, and €16M in 2021

The increase between the years presented was mainly due to an increase in staff costs. The amount of research tax credit remained constant between 2022 and 2023.

Marketing and selling expenses

Marketing and selling expenses over the last 3 years

(In K €)	31/12/2023	31/12/2022	31/12/2021
Personnel expenses	(23,232)	(20,710)	(23,028)
Travel expenses	(2,376)	(1,742)	(671)
Other	(430)	(524)	(132)
Share of general expenses	(2,752)	(2,149)	(1,247)
Trade shows	(1,669)	(1,198)	(452)
Depreciation, amortisation and provisions	(583)	(646)	(582)
Taxes and training	(126)	(345)	(382)
Share based payments	(281)	(512)	(592)
Marketing and sales	(31,449)	(27,827)	(27,086)

Marketing and sales expenses include staff costs allocated to marketing and selling the Company's products, participation in trade fairs, organisation of seminars and demonstrations with potential customers, marketing tools such as brochures or animated films, travel and travel expenses.

Marketing and sales expenses amounted to €31.5M in 2023 compared to €27.8M in 2022 and €27.0M in 2021. These increases are mainly due to the increase in marketing and sales staff and the increase in travel expenses related to trade fairs.

General and administrative expenses

General and administrative expenses over the last 3 years

(In K €)	31/12/2023	31/12/2022	31/12/2021
Personnel expenses	(3,721)	(3,486)	(2,737)
Fees	(1,879)	(1,714)	(1,366)
Travel expenses	(120)	(104)	(17)
Depreciation, amortisation and provisions	(146)	(161)	(154)
Share of general expenses	(312)	(243)	(114)
Other	(195)	(98)	(244)
Share based payments	(45)	(107)	(122)
General and Administrative Expenses	(6,417)	(5,914)	(4,754)

Expenses increased from €4.8M in 2021 to €5.9M in 2022 and €6.4M in 2023, an increase of 8.5% between 2023 and 2022 and 24% between 2021 and 2022. These increases were due to an increase in staff costs and fees in 2022.

General and administrative expenses include:

- Salaries and social security charges;
- Real estate and real estate leases;
- Fees;
- Banking and insurance costs;
- Other expenses related to administrative expenses.

Other operating income and expenses

None

Share based expenses

Share based expenses

Type (in K €)	31/12/2023	31/12/2022	31/12/2021
Total SO	(141)	(279)	(309)
Total BSA	(90)	(137)	(129)
Total AGM	(546)	(657)	(748)
Share based payment expenses	(777)	(1,073)	(1,186)

All of the plan criteria are described in the notes to Chapter 18 of this Universal Registration Document.

Financial result

Net investment result

(In K €)	31/12/2023	31/12/2022	31/12/2021
Amortised cost of borrowing	(948)	(413)	(609)
Other financial expenses	(54)	(35)	(12)
Financial income	21	4	122
Foreign exchange (losses) and gains	(522)	211	1,010
Net investment result	(1,503)	(233)	511

The financial result for the years 2023, 2022, and 2021 amounted to €(1,503) K, €(233) K and €511k respectively. It is mainly impacted by financial expenses related to borrowings and exchange differences over each period presented.

The increase in the cost of financial debt from 2022 to 2023 was mainly due to the increase in financial expenses and the adverse effect of the dollar. The decrease in net financial income in 2022 was mainly due to foreign exchange gains and losses in line with changes in the Us dollar.

Corporate income tax

At 31 December 2023, income tax expense was €89k. At 31 December 2022, the tax income borne by the Group amounted to €345k. In 2021, the Group's income includes tax income of €169k.

Profit for the year

Over the last three financial years, the Group recorded a loss of €3995k in 2023, a loss of €46k in 2022 compared to a profit of €1137k in 2021.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profit attributable to ordinary equity holders and the weighted average number of ordinary shares in issue for the effects of all dilutive potential ordinary shares.

Basic earnings per share

Amount in K €	31/12/2023	31/12/2022	31/12/2021
Profit for the year (in K €)	(3,995)	(46)	1,137
Weighted average number of shares outstanding for basic earnings	11,409,900	11,263,069	11,167,335
Weighted average number of shares outstanding for diluted earnings	11,804,288	11,814,653	11,591,429
Basic earnings per share (€/share) *	(0.35)	0.00	0.10
Diluted earnings per share (€/share) *	(0.35)	0.00	0.10

(*) from continuing operations following the disposal of the Enterprise business in 2021

7.2.3 Analysis of the balance sheet

Non current assets over the last 3 years

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Goodwill	12,886	12,886	12,886
Intangible assets	8,192	8,381	8,877
Property, plant and equipment	3,931	3,770	3,203
Rights of use	4,403	2,972	2,862
Deferred tax assets	2,081	1,554	1,508
Other non current financial assets	1,276	1,176	975
Total non current assets	32,769	30,740	30,311

In 2020, AteME acquired Anevia, resulting in the recognition of goodwill of €13186k and the recognition of a technology value on the Telco and Enterprise product lines, using the royalty method, for a gross amount of €9350k. The disposal of the Enterprise business in 2021 resulted in the disposal of a share of goodwill of €300k so that the goodwill recognised in connection with the acquisition of Anevia amounts to €12886k since the financial year ended 31 December 2021. Technology relating to the Enterprise business was also released in 2021 so that only Telco technology is included in AteME's balance sheet for a gross amount of €7830k. It is amortised over a period of 11 years.

Amortisation for the years presented amounted to €712k respectively.

Property, plant and equipment and office equipment relate mainly to the fitting out of AteME SA's premises.

Financial assets mainly consist of security deposits related to the commercial leases of the French company, security withheld paid in connection with financing with Bpi France and loans.

Current assets over the last 3 years

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Inventories	8,100	10,005	6,558
Trade receivables	36,357	37,409	32,289
Other receivables	25,191	19,476	12,548
Cash and cash equivalents	5,629	3,904	11,447
Total current assets	75,276	70,795	62,842

Raw material inventories mainly consist of electronic components used in the manufacture of Kyrion and Titan products.

The provision for impairment of customers is mainly established on a case by case basis according to the estimated risk of non recovery and the statistical portion determined in accordance with IFRS 9. In addition, the amounts of net receivables over 12 months are non material at Group level for the years presented.

In the Other receivables item, the VAT receivables mainly come from the deductible VAT and the VAT refund requested. The increase in the item was due to the research tax credit for the period, repaid 3 years after its recognition. Prepaid expenses relate to current expenses and mainly correspond to insurance premium and software maintenance expenses.

For cash and cash equivalents, bank overdrafts amounted to €151k in 2023 and are classified as liabilities.

Shareholders' equity over the last 3 years

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Share capital	1,601	1,579	1,571
Additional paid in capital	27,293	26,584	26,554
Translation reserve	429	440	291
Other comprehensive income	(291)	88	(88)
Reserves - Group share	13,004	12,295	10,125
Net income - Group share	(3,995)	(46)	1,136
Total equity	38,041	40,940	39,590

At 31 December 2023, the share capital was set at €1600542. It is divided into 11,432,444 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

At 31 December 2022, the share capital was set at €1579344. It is divided into 11,281,027 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

At 31 December 2021, the share capital was set at €1571364. It is divided into 11,224,027 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

No dividends were distributed in 2023, 2022 or 2021.

Non current liabilities over the last 3 financial years

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Employee benefit obligations	1,978	1,259	1,224
Provisions	-	41	41
Deferred tax liabilities	11	11	10
Non current financial debt	23,390	18,858	15,189
Financial debt on lease obligations	3,887	2,315	2,201
Non current liabilities	29,264	22,483	18,665

Employee benefit obligations consist of the provision for retirement benefits, which changes according to the number of employees (up over the periods presented). The discount rate between 2021 and 2023 impacted the provision upwards.

Changes in borrowings (repayable advances and other borrowings) are described in section 8.3. 'Financing needs and funding structure' of this Universal Registration Document.

Current liabilities

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Current financial debt	6,043	5,111	6,529
Debt relating to lease obligations (IFRS 16)	678	667	745
Trade payables and related accounts	15,823	16,332	14,173
Tax and social security liabilities	8,524	6,574	5,728
Other creditors and other payables	9,672	9,438	7,723
Current liabilities	40,740	38,112	34,898

The other posts do not require any particular comment.

Changes in borrowings (repayable advances and other borrowings) are described in section 8.3.2 'Financing requirements and funding structure' of this Universal Registration Document.

For provisions, the Group may be involved in legal, administrative or regulatory proceedings in the normal course of its business. The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the group, based on requests, legal obligations and opinions issued by the group's lawyers.

Changes in trade payables, tax and social security payables and other payables are related to changes in the company's business.

7.3_Presentation of the annual financial statements of AteME SA

During the year ended 31 December 2023, the Company recorded net sales of US 84.3 million euros as compared to US 79.0 million euros in the previous year, representing an increase of about 7%.

- Operating income amounted to €88298k compared to K 86,397 in the previous financial year;
- Operating expenses amounted to €95708k compared to €91288k for the previous year;
- Operating profit was a loss of €7410k compared to a loss of €4891k for the previous financial year.

After taking into account the financial result of € (1,391) K, the exceptional result of € (157) K, the tax credit (CIR) of €5,908k, the net result for the year ended 31 December 2023 is a net profit of € (3,040) K compared to €1,429k for the previous year.

7.4_Activities and results of subsidiaries and controlled companies

The financial items at 31 December 2023 (shareholders' equity, revenues, income and value of investments) of subsidiaries and investments are presented in Note 4.5 'List of subsidiaries and investments' of the 2023 audited historical financial information, presented in section 18.01.01. 'Audited historical financial information' of this Universal Registration Document.

Chapitre 8. Cash and capital resources

The published financial information presented below is derived from the consolidated financial statements for the years ended 31 December 2021, 31 December 2022 and 31 December 2023, prepared in accordance with IFRS as adopted by the European Union at the balance sheet date of these financial statements and which are mandatorily applicable at that date.

8.1 Consolidated equity and financial debt

Since its creation, the Group has been financed by:

- Capital increases;
- Refunds received in respect of the research tax credit;
- Innovation aid and BPI grants, COFACE prospecting insurance;
- Loans from credit institutions.

The most significant capital increase took place in July 2014 following the IPO on Euronext Paris, which enabled it to raise a net of expenses amount of €12251k.

The company has not paid any dividends since its inception.

The company's financial debt has grown since 2021, from €24664k to €33997k at 31 December 2023.

Current and non current financial debt over the last three years

CURRENT FINANCIAL LIABILITIES AND Non CURRENT (Amount in K €)	31/12/2023	31/12/2022	31/12/2021
Debt relating to rental obligations	3,887	2,315	2,201
Repayable advance	470	334	561
Pre financing CIR	10,858	8,131	2,483
Loans from credit institutions	12,061	10,393	14,628
Non current financial debt	27,276	21,172	17,390
Debt relating to rental obligations	678	667	745
Repayable advances	167	320	750
Pre financing CIR	1,473	-	-
Borrowings from credit institutions	4,253	3,748	5,779
Bank overdrafts	151	1,042	-
Current financial debt	6,721	5,778	7,274
Total borrowings	33,997	26,951	24,664
O/w -1 year portion	6,721	5,778	7,274
Of which 1 to 5 years	23,943	21,172	17,227
Of which due in more than 5 years	3,333	-	163

Principal borrowings at 31 December 2023:

CIC

On 30 June 2021, the Group benefited from a loan agreement guaranteed by the State with CIC bank for €1000k:

- Duration: 60 months;
- Rate: 0.70%;
- Repayment: Monthly with a delay of 12 months.

The loan is 90% guaranteed by the State. This loan was extended for 5 years from June 2022.

HSBC

On 22 December 2021, AteME benefited from a loan agreement guaranteed by the State with HSBC for €2000k:

- Duration: 12 months initially then reduced to 71 months (with an initial amortisation deferral of 12 months) of which 62 remaining months fixed
- Rate: 0% for the first 12 months then 3.2%;
- Repayment: Monthly with a delay of 12 months.

The loan is 90% guaranteed by the State. This loan was extended for 5 years from June 2022.

Pre financing of the CIR

Since 2020, the company has financed its annual CIR for a total of €13.7M in repayment value. The debt relating to the pre financing of the CIR is recorded as a loan net of the retention of guarantees and the CIR receivable is reconstituted as an asset. 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 for the years 2020 to 2022. As of 2023, the average effective rate was 8% for an additional amount of € 2.5 million borrowed as of 31 December 2023.

Participatory loan relaunched with Société Générale

On 28 August 2023, the Company received a loan to finance development and investment projects in the amount of 5 million euros for a 8 year term including a 4 year deferral at an average effective rate of 5.72%. The first repayment is scheduled from 24 September 2027.

Palatine loan

On 20 November 2023, the Company received a loan to finance the equipment of the Rennes premises in the amount of €850k for a term of 5 years at an effective average rate of 4.541%.

Available credit lines

The Company has the following available credit lines:

- Cash facility lines with its banking partners in the amount of €2M, used for €1M at 31 December 2023

Available cash (cash and cash equivalents less bank overdrafts) stood at 5,478 at 31 December 2023, compared with 2,862 at 31 December 2022.

The table below shows the change in equity over the years 2021 to 2023.

Change in consolidated equity

(Amounts in K €)	Share capital	Additional paid in capital	Reserves and income	Translation adjustments	Actuarial gains and losses	Equity, Group share
At 31 December 2020	1,549	25,137	8,981	111	(217)	35,560
Net income 2021	-	-	1,137	-	-	1,137
Other comprehensive income	-	-	(22)	180	130	288
Comprehensive income	-	-	1,115	180	130	1,425
Issue of new shares	10	1,113	-	-	-	1,123
Vesting of bonus shares	7	(7)	-	-	-	-
Exercise of stock options	6	311	-	-	-	317
Cancellation of treasury shares resulting from the liquidity contract (change)	-	-	(22)	-	-	(22)
Share based payments -1 187--1 187Share based payments	-	-	1,187	-	-	1,187
At 31 December 2021	1,571	26,554	11,261	291	(88)	39,590
Net income 2022	-	-	(46)	-	-	(46)
Other comprehensive income	-	-	-	148	176	324
Comprehensive income	-	-	(46)	148	176	278
Vesting of bonus shares	8	(8)	-	-	-	-
Exercise of stock options	-	38	-	-	-	38
Cancellation of treasury shares resulting from the liquidity contract (change)	-	-	(40)	-	-	(40)
Share based payments	-	-	1,073	-	-	1,073
At 31 December 2022	1,579	26,584	12,248	440	88	40,939
Net income 2023	-	-	(3,995)	-	-	(3,995)
Other comprehensive income	-	-	-	(11)	(378)	(389)
Comprehensive income	-	-	-	-	-	(4,385)
Definitive allocation of free shares	6	(6)	-	-	-	-
Capital increase reserved for employees	15	815	-	-	-	830
Cancellation of treasury shares resulting from the liquidity contract	-	-	(20)	-	-	(20)
Share based payments	-	-	776	-	-	776
Capital increase costs	-	(99)	-	-	-	(99)
At 31 December 2023	1,600	27,293	9,009	429	(291)	38,042

8.2_Consolidated cash flows

Simplified cash flow statements

(Amounts in K €)	31/12/2023 Audited 12 months	31/12/2022 audited 12 months	31/12/2021 audited 12 months
Cash flow from operating activities	627	(5,430)	(552)
<i>Of which cash flow</i>	1,574	5,544	7,453
<i>O/w change in WCR</i>	(947)	(10 74)	(9,126)
Cash flow from investing activities	(3,376)	(3,076)	(7,123)
Cash flow from financing activities	5,401	(209)	1,908
Change in cash and cash equivalents	2,616	(8,586)	(5,645)
Cash and cash equivalents at beginning of period	2,862	11,447	17,092
Impact of changes in foreign exchange rates	(37)	129	121
Cash and cash equivalents at end of period	5,478	2,862	11,447

8.2.1_Cash flow from operating activities

Cash flow from operating activities for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 amounted to €627k, € (5,430) K, and € (552) K, respectively.

8.2.2_Cash flow from investing activities

Cash consumption from investing activities for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 amounted to (€3376k), (3,076) K €, and (7,123) K €, respectively.

The changes mainly concern the capitalisation of R & D costs, acquisitions of intangible assets and property, plant and equipment (explained in paragraph 5.7. of this Universal Registration Document).

8.2.3_Cash flow from financing activities

Cash flows from financing activities for the years presented are as follows:

Cash flow from financing activities

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Exercise of stock options	-	38	1,440
Capital increase reserved for employees	830		
Allocation of capital increase costs	(99)		
Receipt of advances and conditional grants	337	91	-
Collection of new borrowings	15,234	5,406	5,430
Gross interest paid	(494)	(413)	(563)
Repayments of conditional loans and advances	(9,722)	(4,549)	(3,654)
Repayment of IFRS16 debts	(684)	(782)	(794)
Changes in assets related to financing flows		-	50
Cash flows from financing activities	5,401	(209)	1,909

In 2023, the Company increased its debt by €5.4M in connection with the pre financing of its CIR and the €5M participating loan. (See section 8.1. Of this Universal Registration Document 'Consolidated shareholders' equity and Group debt' for more details.

In fiscal year 2022, the Company increased its debt by € 0.2 million thanks to the CIR's pre financing and the receipt of the last tranche of the repayable advance related to the 'IA4SEC' project, which enabled it to increase its cash position (see section 8.1. Of this Universal Registration Document 'Consolidated shareholders' equity and Group debt' for more details. In addition, the company also repaid €4.5M in borrowings and conditional advances, which resulted in a reduction in its cash position.

In fiscal year 2021, the Company increased its debt with the obtaining of loans for €5.4M, which enabled it to increase its cash position (see section 8.1. Of this Universal Registration Document 'Consolidated shareholders' equity and Group debt' for more details. In addition, the company also repaid €3.7M in borrowings and conditional advances, which resulted in a reduction in its cash position.

8.3_Funding requirements and funding structure

Positive cash flows from operating activities, and financing operations (mainly borrowings) finance investing activities.

The company also partly finances its research and development expenses through the research tax credit. (See section 8.3.1 of this Universal Registration Document)

8.3.1_Funding through research tax credit

Amount of research tax credit in the last 3 years

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Research tax credit	5,908	5,822	5,169

The Company has benefited from the research tax credit ('CIR') since its inception. The Company benefits from public financing to which all innovative companies have access, in particular the research tax credit ('CIR'). Research expenditure eligible for the RIC includes salaries and wages, consumables, operating expenses, patent maintenance costs and technology intelligence expenses.

Since the company is no longer considered as a Community SME as of 31 December 2020, and in the event of no possibility of charging its 'CIR against its corporate tax due in the same year, the refund will be made after three years. To this end, the company will have to find alternative pre financing.

8.3.2_Financing through repayable advances and grants

Evolution of repayable advances and reduced rate loans

(Amounts in K €)	31/12/2023	31/12/2022	31/12/2021
Repayable advances and other loans at reduced rates	637	655	1,310

The Group benefited from six repayable advances programmes over the years presented. All the characteristics of these advances are described in Chapter 18.01.06 of this Universal Registration Document.

8.3.3_Financing by lease commitment

The amount of debt per lease commitment was €4564k in 2023, compared with €2982k in 2022 and €2945k in 2021.

8.4_Possible restriction on the use of capital

The 'Equipéa Optima' loan is subject to compliance with certain covenants detailed in 8.1 of this Universal Registration Document.

8.5_Expected sources of funding

As stated in paragraph 3.3.1. 'Liquidity risk,' on the date of publication of this Universal Registration Document, the Company carried out a specific review of its liquidity risk and adopted the principle of going concern.

The financial statements for the year ended 31 December 2023 have been approved by the board of directors on a going concern basis based on the available cash position and the revised revenue and gross margin growth assumptions.

At the date of publication of its URD, the Company received nearly €530k in grants in 2024 under the SimpleRAN, MERCI and AR Lounge projects.

In addition, the Company continues to explore complementary financing solutions that would support its development strategy and accelerate its transformation. In particular, it envisages the mobilisation of CIR's share corresponding to the second half of 2023 (approximately €2M).

Chapitre 9. Regulatory environment

9.1_Regulations applicable to Ateme's business

The Group operates in a complex, evolving and multi jurisdictional regulatory environment. This chapter presents the main regulations applicable by focusing on the geographical areas in which the Group is most active. General provisions such as those concerning company law, labour law and taxation, although they apply to all Group entities, are not addressed in this section. As part of the process of harmonisation within the European Union, the rules applicable in the various Member States of the Union tend to be closer and on many subjects the differences are now minor.

9.1.1_Stock market regulations

As the securities issued by the Company are admitted to trading on a regulated market (Euronext Paris), the Company must comply with the stock market regulations applicable to French issuers, in particular the following provisions :

- Monetary and Financial Code (Book IV) ;
- General Regulations of the Autorité des Marchés Financiers (available on the AMF website : <https://www.amf-france.org>), particularly the provisions of Book II applicable to issuers and financial reporting.

9.1.2_Regulation of electronic waste

The products marketed by the Group include various electrical and electronic compounds with a high potential for recycling the materials that make up them. The Group must comply with the rules on waste recovery in France; these rules are defined in the French Environmental Code and in particular the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (ROHS) directive . " this system aims to restrict the use of certain hazardous substances in electrical and electronic equipment. 'The RoHS directive is increasingly used in the electrical and electronic industries. This directive was officially adopted in July 2006 by the European Union with the aim of protecting humans and the environment from hazardous chemicals found in electronic and electrical products.

Since 1 July 2006, all electrical and electronic products sold in the European Union must be compatible with the requirements of the RoHS standard. This RoHS or lead free directive actually limits the use of 6 substances to 0.1% per unit weight of homogeneous materials :

Lead : this chemical element is commonly used in battery, TV and screen manufacturing. RoHS limits lead use to 1000ppm (Part Per Million)

Mercury : mercury has been used in the production of fluorescent lamps, printed circuit boards, aluminium galvanising, steam lamps, thermostats and fuel cells. The ROHS Directive limits the use of mercury to 1000ppm

Cadmium : cadmium, which has been limited to 100ppm, can act as a stabiliser for some plastics and is used in nickel cadmium batteries, galvanising, pigment production, soda, alloys, brazing, alarm systems, automatic sprinklers as well as in nuclear protection.

Chrome Exavalent : used in photography, paints, plastics and stainless steel products, this chemical element is limited by the RoHS directive to 1000ppm.

Polybrominated biphenyls (PBB): They are used in plastic foams, flame retardants and in certain plastics used in household appliances. The ROHS Directive limits the use of polybromobiphenyls to 100 ppm.

Polybrominated diphenyl ether (PBDE): They are used in household appliances, printed circuit boards and capacitors. The ROHS Directive limits the use of polybrominated diphenyl ether to 1000ppm.

- [Four types of phthalates \(DEHP, BBP, DBP, DIBP\) - since 22 July 2019](#)

The Group ensures that its suppliers of electronic components comply with these regulations.

9.1.3_Local and sector regulations

The Group's activities are not subject to any specific sector regulations that could have a direct impact on its financial position. However, since the Group generates most of its revenue internationally, it has to contend with local regulations put in place by the various states, the competent authorities and international bodies. The laws and regulations to which the Company is subject apply in many areas such as the supervision of business practices, competitive practices, anti corruption, personal data management, corporate governance, labour laws, internal controls, local and international tax regulations, compliance of high tech products for export.

The Group may face substantiated or unsubstantiated allegations that it has failed to comply with applicable national or international regulations. This could damage its reputation, potentially damage its growth prospects and weigh on its financial performance. Any substantial change in these laws and regulations may have an impact on the Group's activities.

The Group ensures compliance with all these standards and therefore limits its exposure to this type of risk with its legal department and external advisers.

9.1.4_Intellectual property regulations

The products and services marketed by the Group use innovative technologies, the protection and use of which are governed by intellectual property law. This mainly concerns software created or used by the Group (copyright) and inventions (patent rights), but also to a lesser extent trademark law and registered model law. These rules are, to a fairly large extent, unified at the global level (e.g. Paris Convention for the Protection of Industrial Property, Bern Copyright Treaty) and codified in French law (in France, in the Intellectual Property Code).

The Group, which specialises in the development and manufacture of video compression equipment and software, is subject to certain intellectual property regulations, and more particularly the rules relating to the audiovisual sector, in particular following the inclusion of television services and audiovisual media on demand (SMAD) services in the scope of application of 42 broadcasting, made effective by Law no. 2009-258 of 5 March 2009 on audiovisual communication and the new public television service.

In addition, the Group must also comply with Directive 2001/29/EC of the European Parliament and of the Council of the European Union of 22 May 2001. The aim of this directive is to harmonise certain aspects of copyright and related rights in the context of the information society. It places special emphasis on the legal protection of copyright and related rights.

9.1.5_Personal data protection regulations

As part of its business and the solutions it markets, the Group may process information subject to laws and regulations relating to the protection of personal data in Europe as well as in other regions where the Group operates. Such personal data processing is carried out solely by the Group's customers through the technology produced by the Group and its subsidiaries, in their capacity as controller.

The GDPR laid down the new regulatory framework for the protection of personal data in Europe as soon as it came into force on 25 May 2018.

The GDPR applies to automated or non automated processing of personal data. Personal data is broadly defined as any information relating to a natural person identified or identifiable directly or indirectly, regardless of the country of residence or nationality of that person. The GDPR has three objectives:

- Strengthen the rights of natural persons, in particular by creating a right to the portability of personal data and provisions specific to minors;
- Empower data processors (data controllers and subcontractors);
- To lend credibility to regulation through enhanced cooperation between data protection authorities, which will notably be able to adopt common decisions when data processing is transnational and stronger sanctions.

To this end, the GDPR:

- Introduces data protection principles 'from design' and 'by default';
- Provides for a reduction of the reporting formalities to the supervisory authority and a strengthening of the responsibility of processing managers and subcontractors, requiring them to demonstrate at all times and on an ongoing basis compliance with the rules imposed by the GDPR, in particular through the implementation of technical and organisational measures and an obligation to document (principle of responsibility);
- Strengthens the rights of the persons concerned by the processing, in particular by the introduction of additional information relating, for example, to the legal basis of the processing, the legitimate interests pursued by the controller, the right to limit the processing of the data and the portability of the data and where the processing is based on consent, the right to withdraw his consent;
- Requires the maintenance of a register of treatments implemented;
- Strengthens the safety obligations of treatment managers;
- Requires reporting of data breaches to the supervisory authority and to the persons concerned;
- Ordering, for at risk treatments that handle sensitive data, to conduct a comprehensive impact study showing the characteristics of the treatment, the risks and the measures adopted;
- Provides for specific obligations for subcontractors.

The GDPR also offers the Member States of the European Union (the 'Member States') the opportunity to adopt local specificities. France used this option under the law of 20 June 2018, amending law no. 78-17 of 6 January 1978 on information technology, files and freedoms. Therefore, in addition to the GDPR, local data protection laws should be taken into account in the countries in which the Group is established or offers services. For example, the GDPR provides an opportunity for Member States to lower the age of digital majority, provided that this age is not less than 13 years. In France, the legislator has set the digital majority at 15 years, and has provided for specific rules for the processing of data relating to minors. French law also allows group actions in the field of data protection: An association or organisation may be authorised to make a claim on its behalf to the CNIL, a judicial appeal against the Commission nationale de l'informatique et des libertés (CNIL) or against a controller or a subcontractor. The Group is part of a compliance process that is being rolled out within the various Group entities concerned by this regulation and is constantly evolving in accordance with the spirit of the regulations. For example, the Group updated its policy for protecting the personal data of its services and implemented a contact procedure via a dedicated email address. In addition, as of the date of the Universal Registration Document, the actions currently being finalised within the Group concern in particular the data security policy, the updating of the data mapping, the improvement of data security and the insertion of clauses relating to personal data in the various Group contracts.

The GDPR compliance process at Group subsidiary level is harmonised from the parent company, as the main person responsible for collecting, storing and processing all Group data. Depending on the shortcomings, failure to comply with GDPR provisions could result in sanctions of up to 20 million euros or 4% of global annual sales, it being specified that the highest amount will be that taken into account. The Group believes that it can comply with the significant provisions of the GDPR before the end of 2023.

9.1.6_Export related regulations

Because the Group is implementing increasingly sophisticated technologies and developing its international sales that may be used in the defence and security field, which are subject to restrictions in certain countries, it must comply with the applicable export control rules (so called 'dual use' products, countries or persons subject to restrictive measures). European exporting companies are particularly affected by Council Regulation (EC) No 428/2009 of 5 May 2009 'establishing a Community regime for the control of exports, transfers, brokering and transit of dual use goods' (regularly amended since 2009). The Group must pay particular attention to the extraterritorial application of certain regulations, in particular the rules issued by the United States of America that may apply due to the use of technologies or components of American origin even when the manufacturer is not itself American (see Chapter 3. 'Risk factors').

Chapitre 10. Trend information

10.1_Main trends

Main trends since 31 December 2023

On 30 January 2024, Ateame announced its participation in the Mobile World Congress 2024, where it will present its next generation video broadcasting solutions to help operators reduce video delivery costs.

On 20 February 2024, Ateame announced the integration of Apple's latest HLS Interstitials specification into its Server side Advertising Solution (ssai). This evolution of Ateame's NEA solution for targeted advertising ensures a high viewing experience while allowing content and service providers to increase their revenues through broader reach and more effective advertising targeting

On 27 February 2024, Ateame and Verance, a global watermarking platform that provides network functionality on terrestrial television, announced the integration of Verance's Aspect watermarking into Ateame's TITAN transcoder audio channels.

On 14 March 2024, Ateame announced its participation in NAB Show 2024 in Las Vegas, USA. From 13 to 17 April Ateame will present a series of cutting edge solutions that enable content and service providers to reach more while spending less.

On 19 March 2024, Ateame announced that its TITAN encoders now allow new ways to consume video content on Apple's Vision Pro. By operating Ateame's Gen 7 compression engine to support Space Computing via the MV HEVC standard, TITAN encoders can now provide 3D stereoscopic content

Press releases are available at www.ateame.com

10.2_Factors that may affect Ateame's prospects

The general operating context remains difficult in early 2024 due to problems that still affect global supply chains and due to the situation in Ukraine.

Nevertheless, Ateame continues to innovate and invest to continue to win market share.

Chapitre 11. **Profit forecasts or estimates**

11.1_Old publications of forecasts or estimates

The financial targets forecast revenue growth of 10 to 15%, and EBITDA that would be in the range of 5 to 10 million euros for fiscal years 2022 and 2023, alongside the ongoing development of recurring monthly revenues, with a target of 3 million euros by 2024.

11.2_New forecast or estimate

The financial objectives are reiterated (see press release of 21 March 2024) with confidence for the current year:

- EBITDA of 10 million euros in 2024
- Continued development of monthly recurring revenues, with a target of 3 million euros in 2024

11.3_Forecast or estimate statement

None.

Chapitre 12. **Administrative, management, supervisory and general management bodies**

12.1_ General information

12.1.1_ Board of Directors and Company Committees

As of the date of this Universal Registration Document, the Company is incorporated as a société anonyme with a Board of Directors. The Company is managed by a Chairman and Chief Executive Officer.

The Board of Directors of the Company is supervised by an Audit Committee, a CSR Committee, a Remuneration Committee and a Strategy Committee, the composition and operation of which are detailed in section 14.3 " Information on Committees " of this Universal Registration Document.

Article 18 of the Company's bylaws provides for the possibility for the Board of Directors to appoint non voting directors. The composition and operation of the Board of Non Voting Directors are described in section 14.4 " The Board of Non Voting Directors " of this Universal Registration Document.

Name and first name	Mandate/Operational function in the Company	Principal offices and activities held over the past 5 years	Directorships and positions held on the Company's Committees
Michel Artières	Chairman and Chief Executive Officer	Chairman of AteME Inc. Chairman of AteME Canada Chairman of AteME UK Ltd. Manager of SEREITRA	Member and Chairman of the Strategic Committee
GAUDETTO sprl represented by Jacques Galloy	Director	No other directorships or significant activities outside the Company	Member and Chairwoman of the Audit Committee Member of the Appointments and Compensation Committee Member of the Strategic Committee
Benoit Fouchard	Director	Head of the European Automotive Market at Simulation Software Publisher MSC Software Regional Director Western Europe at Peak Scientific SARL	Member of the Appointments and Compensation Committee Member of the Strategic Committee Member of the CSR Committee
Joanna Darlington	Director	Director of EBI (Euro Broadcast Infrastructure) Associate Finsbury Glover Hering	Member of the Audit Committee Member and Chairwoman of the Appointments and Compensation Committee Chairwoman of the CSR Committee
Béatrice Pesquet Popescu	Director	Director of Research and Innovation at Thales SRA (Ground Surveillance Radar)	Member of the Appointments and Compensation Committee Member of the CSR Committee

Vincent Tauzia	Director	Vice President, Partnerships at Netflix Managing Director at Provantus	Member of the Strategic Committee
Laurence Armand Jules	Director		Member of the Audit Committee

The persons mentioned above have, for business address, the Company's registered office at 6 rue Dewoitine - 78140 Vélizy Villacoublay, France.

12.1.1.1_Management of Ate me

Michel Artières, Chairman and Chief Executive Officer since 27 March 2002

Michel Artières is co founder, Chairman and Chief Executive Officer of Ate me.

Previously, at the Directorate General of Armement, Michel Artières led a research team in the field of image processing. In particular, he carried out work on the compression without loss of very high resolution images, and on the restoration of highly noisy images. Michel Artières obtained his engineering degree in Supélec Paris, with a specialisation in signal processing and telecommunications.

Since 23 September 2020, Michel Artières has been remunerated for his duties as Chief Executive Officer under a mandate agreement as indicated in paragraph 14.2 'Information on service contracts' of this Universal Registration Document.

12.1.1.2_Ate me Board of Directors - members on the URD registration date

Gaudeto sprl, independent director since 23 January 2015 represented by its permanent representative Jacques Galloy

Gaudeto sprl is a foreign company whose registered office is located at 46 chemin du Frise (4671) Blegny in Belgium.

Jacques Galloy is founder and Managing Partner of Gaudeto, an investment and consulting firm specialising in media and technology companies. He is also a director of six companies. He has 20 years of experience in corporate management and successful international expansion in the capital and business markets. He served 12 years until 2014 as a member of the board of directors and CFO of EVS, world leader in a technology niche of television, listed company, top 30 in Belgium. He co founded and chaired the Board of Directors of Dcinex for 8 years until 2013

Benoit Fouchard, Director since 23 December 2005

Benoit Fouchard is responsible for business development for Hexagon AB. At Ate me between 2001 and 2015, Benoit was first responsible for sales and - from 2010 - in charge of the company's product and growth strategy. Since leaving Ate me in 2015, Benoit has held positions in technological business development in the automotive, life sciences and health sectors - and now in the AEC industry (Architecture, Engineering and Construction).

Benoit is a graduate of HEC, Paris and CEMS.

Joanna Darlington, independent director since 9 June 2015

Joanna Darlington is an associate of FGS Global, the strategic communications and public affairs consulting firm.

Prior to joining FGS Global, she was Director of Communication at Eutelsat, Europe's leading satellite operator. Previously Joanna was a consultant at KPMG Makinson Cowell and held senior positions at BNP Paribas and ABN AMRO, where she led European equity research.

Joanna is a British citizen and a graduate of Cambridge University.

Ms Béatrice Pesquet Popescu, independent director since 8 June 2022

Béatrice Pesquet Popescu is Director of Research and Innovation at Thales SRA, where she defines, implements and manages innovation and research projects related to the group's four key technologies: Big data, AI, cybersecurity, IoT. She is also an internationally recognised personality in the fields of machine learning, AI and multimedia (video compression, TV3D, networking), statistical signal and image processing, data modelling, convex optimisation and big data.

Laurence Armand Jules, independent director since 28 June 2023

Laurence Armand Jules has over 25 years of experience in the consumer goods and media sectors, holding strategic and financial management positions globally. She led transformation and digitisation initiatives for international companies such as Baumert and LUXE.TV. As founder of Charitic, she modernised fundraising for NGOs. Laurence also played a key role in major sporting events, such as the Rio Football World Cup and the Olympic Games. She is involved in social responsibility initiatives and sits on the boards of Geneva Sports SA and the Global Alliance for Improved Nutrition. A graduate of Sciences Po Paris and INSEAD, she is a strong advocate of inclusion and diversity.

Vincent Tautia, Director since 28 June 2023

Vincent Tautia has over 20 years of experience in leading global teams, focusing on developing high value products and partnerships in high growth environments. His career includes 9 years at Netflix, where he has played a key role in the development and deployment of streaming and payment solutions with more than 200 partners. He also contributed to the evolution of the streaming ecosystem by working on technologies such as HbbTV and RDK. Prior to that, he founded a Machine Learning startup and worked at STMicroelectronics on digital video technologies. Vincent graduated from INSA Lyon in engineering and holds an MBA from INSEAD, as well as 4 international patents.

12.1.1.3_Members resigned from 1 January 2021 to the registration date of the URD

No member of the administrative, management, supervisory and senior management bodies of the Company resigned between January 1, 2022 and the registration date of the URD.

12.1.2_Statements by the Company

To the Company's knowledge:

There are no family ties between the persons mentioned above in section 12.1. 'General information';

No conviction for fraud has been pronounced in the last five (5) years for the persons mentioned above in paragraph 12.1. 'General information';

No bankruptcy, receivership, liquidation or placement of companies under judicial administration concerns the persons mentioned above in paragraph 12.1. 'General information';

No statutory or regulatory authority has issued an official public indictment or sanction against the persons mentioned above in paragraph 12.1. 'General information'; and

No person mentioned above in paragraph 12.1. 'General information,' has not been forfeited, in the last five (5) years, by a court entitled to hold the position of member of an administrative, management or supervisory body of an issuer or to intervene in the management or conduct of the affairs of an issuer.

12.2_Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management

12.2.1_Conflicts of interest

At the time of his/her appointment, each member of the Board of Directors is made aware of his/her responsibilities : he/she is encouraged to observe the rules of ethics relating to the duties arising from his/her term of office, to comply with the legal rules on multiple directorships, to inform the Board of Directors in the event of a conflict of interest occurring after his/her term of office has been obtained, to be diligent at Board meetings, to ensure that he/she has all the necessary information on the agenda for Board meetings before making any decisions and to respect professional secrecy (Recommendation R1 of the MiddleNext Code).

Each member of the Board of Directors strives to avoid any conflict that may exist between his moral and material interests and those of the Company. In cases where he can not avoid finding a conflict of interest, he refrains from participating in the debates as well as any decision on the matters concerned (Recommendation R2 of the MiddleNext Code).

To the best of the Company's knowledge, there are no situations of potential conflicts of interest between the private interests or duties of any member of the Executive Management or any member of the Board of Directors with respect to the Company.

12.2.2_Arrangement or agreement entered into

To the best of the Company's knowledge, there is no agreement or arrangement or any pact entered into with the major shareholders or with customers, suppliers or others under which any of the persons referred to in paragraph 12.1. 'General information' has been appointed as a member of an administrative, management or supervisory body or as a member of the senior management.

12.2.3_Restrictions on the sale of Ate me shares for members of a management or supervisory body or General Management

To the best of the Company's knowledge, there are no restrictions accepted by the persons referred to in paragraph 12.1. 'General information' concerning the sale, for a given period, of the Company's shares they hold.

Chapitre 13. Remuneration and benefits

In accordance with Article L. 22-10-08 of the French Commercial Code, the compensation policy for corporate officers is established by the Board of Directors.

The tables in this chapter have been prepared in the format recommended by AMF position recommendation 2021-02.

13.1 Remuneration paid and benefits in kind granted

13.1.1 2022 and 2023 compensation of the Chairman and Chief Executive Officer and compensation principles 2022

The compensation policy for the Chairman and Chief Executive Officer for 2023 includes the following elements:

1. Fixed annual compensation: The fixed compensation of the Chairman and Chief Executive Officer is determined by the Board of Directors, on the recommendation of the Compensation Committee. This policy is revised each year to make any adjustments. Any changes to the remuneration policy outside this period follow the same procedure. The fixed remuneration is intended to compensate for the responsibilities and duties related to this position in accordance with the law. The amount of this remuneration also takes into account the skills and experience of the beneficiary.
2. Short term variable compensation: Annual variable compensation is subject to performance conditions and may reach a maximum gross amount of euros180,000. It is based on quantifiable criteria that are of paramount importance, as well as on qualitative criteria.

These remuneration principles will also be applied for the 2024 financial year.

13.1.2 Compensation paid to the Chairman and Chief Executive Officer for 2022 and 2023

We remind you that Michel Artières received fixed compensation in respect of his term of office as Chairman and Chief Executive Officer of the Company during the past fiscal year pursuant to a corporate office agreement approved by the Board of Directors of the Company on 23 September 2020 retroactive to 1st July 2020 on the recommendation of the Remuneration Committee.

The Board of Directors therefore unanimously decided to set for the financial year a gross annual compensation of euros175,000 payable monthly over a period of 12 months, i.e. a monthly amount of euros14,583.

Michel Artières may also receive variable compensation of up to euros180,000 broken down as follows :

- 45% based on a gross margin target
- 45% based on an EBIT target;
- 10% based on a CSR target;

As a result, the Board of Directors duly decided on the compensation policy for the Chairman and Chief Executive Officer in accordance with Article L. 225-37-2 of the French Commercial Code and Recommendation No. 13 of the Middlednext Code.

As a director of the Company, compensation in respect of his term of office (formerly known as directors' fees) may be paid to the Chairman of the Board of Directors based on his attendance at the various board meetings held during each financial year.

During the year ended 31 December 2023, no remuneration in respect of his directorship was paid to the Chairman and Chief Executive Officer.

(In euros)	31/12/2023	31/12/2022
Michel Artières - Chairman and Chief Executive Officer - Director		
Compensation due for the year	268,000	268,152
Value of options granted during the year		
Value of free shares granted		
TOTAL	268,000	268,152

(In euros)	31/12/2023		31/12/2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	175,000	175,000	175,000	175,000
Annual variable compensation	93,000	99,229	93,152	66,676
Multi year variable compensation				
Exceptional compensation				
Compensation of the director in respect of his mandate (formerly known as directors' fees)				
Benefits in kind				
TOTAL	268,000	274,229	268,152	241,676

In accordance with the provisions of Article L. 225-37-3 I 6° of the French Commercial Code, it is specified that the compensation of the Chairman and Chief Executive Officer may be compared with the average and median compensation of the Company on a full time basis.

	31/12/2023	31/12/2022
Michel Artières - Chairman and Chief Executive Officer - Director		
Pursuant to Article L. 225-37-3 I 6° of the French Commercial Code, the ratio between the level of compensation of the Chairman and Chief Executive Officer and the average compensation is	3.0	3.3
Pursuant to Article L. 225-37-3 I 6° of the French Commercial Code, the ratio between the level of compensation of the Chairman and Chief Executive Officer and the median compensation is	3.1	3.4

13.1.3 Remuneration paid to directors for 2022 and 2023

The remuneration allocated to directors is part of an overall allocation approved by shareholders in general meetings.

Under the terms of the deliberations of 28 June 2023, the General Meeting authorised the allocation of a sum of euros120000 as directors' fees to be distributed among the directors until the meeting of the Board of Directors called to approve the annual financial statements for the current financial year.

Under the terms of the decisions dated 24 January 2024, the Board of Directors, after consulting the Compensation Committee, decided to allocate the sum of euros92751 in attendance fees.

In accordance with recommendation R10 of the Middledenext Code, the allocation of directors' fees was determined by the Board of Directors based on the directors' attendance at Board of Directors' meetings and, where applicable, the committees' meetings and the time they devote to their duties. More specifically, the conditions for the allocation of directors' fees are as follows: Presence condition and attendance condition (preparation of the meeting, participation in the meeting and drafting of minutes); application of a flat rate by type of meeting (Board, Committees, etc., Chairman or not).

None of the corporate officers listed below and members of the Company's Board of Directors is bound by an employment contract.

Non executive corporate officers (members of the Board of Directors) (In euros)	Amounts granted during the year ended 31/12/2023	Amounts granted during the year ended 31/12/2022
Benoît Fouchard	18,375	19,469
Joanna Darlington	18,813	14,656
Gaudeto sprl represented by Jacques Galloy	21,875	18,156
Béatrice Pesquet Popescu	17,500	9,625
Laurence Armand Jules	7,438	
Vincent Tauzia	8,750	
TOTAL	92,751	61,906

13.1.4_Incentive plan and bonuses

13.1.4.1_History of share subscription or purchase options granted during the year by each corporate officer

None

13.1.4.2_History of free share grants granted during the year by each corporate officer

None

13.1.4.3 Stock options and options exercised by the top 10 employee beneficiaries other than corporate officers

Share subscription or purchase options to the top 10 employee beneficiaries other than corporate officers and options exercised by them	Total number of options granted/shares subscribed or purchased	Weighted average price	1 Plan
Options granted during the year by the Company and any company included in the scope of allocation of options to the ten employees of the Company and of any company included in this scope, whose number of options thus granted is the highest (aggregate information)	38,000	9.90 €	27.06.23
Options held on the Company and the aforementioned companies, exercised during the year, by the ten employees of the Company and these companies, whose number of options thus purchased or subscribed is the highest (aggregate information)	0	NAP	

13.2 Amounts provisioned or recognised by AteME or its subsidiaries for the payment of pensions, retirement or other benefits

For the persons referred to in paragraph 12.1. 'General information,' there are for their benefit:

- No pension commitment or other similar benefits, other than those granted under the mandatory basic and supplementary pension plan,
- No compensation or benefits due or likely to be due as a result of the termination or change of duties,
- No compensation relating to a non competition clause.

Executive Directors	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due on termination or change of duties		Compensation relating to a non compete clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Michel Artières Chairman and Chief Executive Officer Start of term: 27 March 2002 Term of office expires at the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2026		X		X		X		X

Chapitre 14. **Functioning of the administrative and management bodies**

14.1_Management of Ateme

In accordance with the decisions taken by the Company's shareholders on 9 June 2015, Michel Artières was appointed as a director for a term of 6 years, i.e. until the end of the ordinary general meeting called to approve the financial statements for the year ended 31 December 2020, held on 9 June 2021. In its 10th resolution, the Shareholders' Meeting of 9 June 2021 approved the renewal of Michel Artières' term of office as Director for a period of six years, i.e. until the end of the Ordinary Shareholders' Meeting called to approve the financial year ending 31 December 2027.

At its meeting of 27 March 2002, the Board of Directors of the Company appointed Michel Artières as Chief Executive Officer for a renewable term of six years.

Michel Artières is currently Chairman and Chief Executive Officer of the Company.

Name and first name	Mandate/Operational function in the Company	Expiry date and term of office	Directorships and positions held on the Company's Committees	Expiry date and term of office
Michel Artières	Chairman and Chief Executive Officer	Directorship: Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2027 <u>Term of office as Chairman and Chief Executive Officer</u> expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2027	Member of the Strategy Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026
GAUDETO sprl represented by Jacques Galloy (Independent Director)	Director	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2029	Member of the Audit Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2029
			Member of the Appointments and Compensation Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2029
			Members of the Strategy Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2029
Benoît Fouchard	Director	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023	Member of the Appointments and Compensation Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023
			Member of the Strategy Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023

			Member of the CSR Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2023
Joanna Darlington (Independent Director)	Director	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026	Member of the Audit Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026
			Member of the Appointments and Compensation Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026
			Chairwoman of the CSR Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2026
Béatrice Pesquet Popescu	Director	Expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2028	Member of the CSR Committee	Expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2028
			Member of the Appointments and Compensation Committee	Expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2028
Laurence Amand Jules	Director	Expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2029	Member of the Audit Committee	
Vincent Tauzia	Director	Expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2029	Member of the Strategy Committee	

14.2 Information on service contracts

N/A

14.3 Information on committees

The Board of Directors has adopted internal rules (the 'Internal Rules'), the purpose of which is to specify the operating and organisational procedures of the Board of Directors. The last amendment to the Internal Regulations was made on 25 January 2023 and formalised the establishment of a committee in charge of the Group's social and environmental responsibility; the CSR Committee.

The Chairman organises and directs the work of the Board of Directors, ensures that the directors are able to fulfil their duties and, in particular, ensures that they have the information and documents necessary to carry out their duties. It also ensures that representatives of the staff representative bodies are regularly summoned and have the information and documents necessary for the performance of their duties.

The Board of Directors has set up four Committees within it whose role is to assist it in certain specific tasks:

- The Appointments and Remuneration Committee
- The Audit Committee
- The Strategy Committee
- The CSR Committee

14.3.1 Appointments and Remuneration Committee

The Company has had an Appointments and Compensation Committee since 2010. Under the terms of the decisions dated 24 March 2014, the Board of Directors formalised the creation of this Committee and defined its missions, which were again specified by the Board of Directors on 28 March 2017.

Composition

The Appointments and Compensation Committee is made up of at least two (2) members chosen from among the members of the Board of Directors, including non voting directors, excluding members holding senior management positions.

As of the date of this Universal Registration Document, the Appointments and Compensation Committee is composed of the following four (4) members:

- Mrs. Joanna Darlington,
- Benoit Fouchard,
- GAUDETO sprl, represented by Jacques Galloy and
- Béatrice Pesquet Popescu

It is chaired by Joanna Darlington.

Joanna Darlington, Benoît Fouchard, GAUDETO sprl and Béatrice Pesquet Popescu are members of the Appointments and Compensation Committee for their directorships.

The term of office of the members of the Appointments and Remuneration Committee is six years and follows the term of their directorship.

Operation - Missions

The role of the Appointments and Compensation Committee is to make proposals or recommendations to the Board of Directors on the compensation of all types of corporate officers and, where applicable, any members of the Board of Directors representing employees.

In addition, it may make recommendations to the Board of Directors on the total amount and distribution of directors' fees.

The Appointments and Compensation Committee meets at least once a year, and as often as necessary, in particular before the Board of Directors, which reviews the compensation of corporate officers.

It also meets prior to any decision to grant stock options or free shares to corporate officers, Group executives or members of the Board of Directors.

In addition, it meets from time to time when convened by its Chairman, at its own initiative or at the request of the Chairman of the Board of Directors.

In addition, the Appointments and Compensation Committee gives its opinion on (I) the appointment, removal of corporate officers and (II) the recruitment of any employee whose gross annual remuneration exceeds euros150,000.

The Appointments and Remuneration Committee may invite senior management to attend its meetings when dealing with matters relating to the recruitment of any employee whose gross remuneration exceeds euros150,000.

These recommendations cover all the components of the compensation of corporate officers, in any capacity whatsoever, and in particular: The fixed portion (benefits in kind included), the variable portion, any severance payments, supplementary pension and provident fund plans, the allocation of stock options, stock purchase options or bonus shares, whether these elements are paid, granted or borne by the Company, the controlling company or a company it controls. They also concern the balance of the various components of the overall compensation and their conditions of allocation, particularly in terms of performance.

The Remuneration Committee also proposes to the Board of Directors the text of the resolutions to be put to the vote of the shareholders at the annual ordinary general meeting regarding the remuneration of executive corporate officers.

14.3.2_Audit Committee

Pursuant to the decisions dated 23 January 2015, the Board of Directors decided to set up an Audit Committee separate from the Board of Directors.

It met for the first time on 18 March 2015.

Composition

The Audit Committee is made up of at least two (2) members chosen from among the members of the Board of Directors, including at least one (1) independent member with specific expertise in financial, accounting or statutory auditing matters.

As of the date of the Universal Registration Document, the Audit Committee is composed of the following three (3) members:

- GAUDETO sprl, represented by Jacques Galloy,
- Mrs. Joanna Darlington and
- Laurence Armand Jules.

It is chaired by GAUDETO sprl, represented by Jacques Galloy.

GAUDETO sprl, Joanna Darlington and Armand-Jules are members of the Audit Committee for their directorship.

The term of office of the members of the Appointments and Remuneration Committee is six years and follows the term of their directorship.

Operation - Missions

The Audit Committee monitors matters relating to the preparation and control of accounting and financial information and ensures the effectiveness of the risk monitoring and operational internal control system, in order to facilitate the Board's exercise of its control and verification duties in this area.

In accordance with Article L. 823-19 of the French Commercial Code, the Audit Committee performs the following main duties:

- It monitors the process of preparing financial information and, where applicable, internal audit, with regard to the procedures relating to the preparation and processing of accounting and financial information (in particular annual or half yearly parent company and consolidated financial statements), without compromising its independence;
- It monitors the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit with regard to the procedures relating to the preparation and processing of accounting and financial information, without prejudice to its independence;
- It issues a recommendation on the Statutory Auditors proposed for appointment or re appointment by the General Meeting or the body performing a similar function;
- It monitors the Statutory Auditors' performance of their duties and takes into account the findings and conclusions of the High Council of the Statutory Auditors following the audits carried out by this body on the professional activity of the Company's Statutory Auditors;
- It ensures that the Statutory Auditors comply with the conditions of independence provided for by law;
- It approves the provision of services other than the statutory audit of the financial statements, if any, performed by the Company's auditors;
- It reports regularly to the Board of Directors on the performance of its duties. It also reports on the results of the audit engagement, how this engagement has contributed to the integrity of financial information and the role it has played in this process. He shall inform him without delay of any difficulties encountered.

The Audit Committee monitors the statutory audit of the parent company and consolidated financial statements by the Company's auditors.

For the performance of its duties, the Committee must hear the auditors and also the chief financial officers of the Company. These hearings must be able to be held, when the Committee so wishes, without the presence of the Company's senior management.

The Committee may call on external experts, at the Company's expense after informing the Chairman of the Board of Directors and is responsible for reporting to the Board of Directors. The Committee must ensure the competence and independence of the experts it uses.

The review of the financial statements by the Audit Committee must be accompanied by a presentation by the auditors highlighting the essential points of the results of the statutory audit and the accounting options selected. It must also be accompanied by a presentation by the chief financial officer of the Company describing the Group/Company's significant risk exposure and off balance sheet commitments.

The Statutory Auditors must inform the Audit Committee of the nature and importance of the anomalies observed in the financial statements, and in accordance with the provisions of Article L. 823-16 of the French Commercial Code, of the significant weaknesses in internal control with regard to the procedures relating to the preparation and processing of accounting and financial information.

The Audit Committee receives from the Chairman of the Board of Directors or the auditors any event exposing the group/Company to a significant risk.

As part of its duties, the Audit Committee:

- Ensures compliance with the accounting standards adopted for the preparation of the parent company and consolidated financial statements;
- Examines the accounting and financial information and in particular the financial statements by examining the accounting translation of significant events or complex transactions that have had an impact on the parent company and consolidated financial statements;
- Ensures the existence of internal control and risk management systems and their deployment and ensures that any weaknesses identified give rise to corrective actions;
- Reviews changes to the accounting standards applied in the preparation of the financial statements, as well as any possible non compliance with these standards;

- Ensures the quality of procedures to ensure compliance with applicable financial and stock market regulations;
- Examines with the Statutory Auditors the factors likely to undermine their independence and the safeguard measures taken to mitigate these risks;
- Monitors the Statutory Auditors' fee budget to ensure that the proposed budgets are in line with the mission; and
- Ensures that the process for preparing press releases is in place when any accounting or financial information is published.

In accordance with the provisions of Article L.823-16-III of the French Commercial Code, the Statutory Auditors must now submit to the Audit Committee an additional report in accordance with the provisions of Article 11 of Regulation (EU) No. 537/2014 of 16 April 2014, which will include the following information:

- Nature, frequency and extent of communication with the Audit Committee, the management body and the administrative or supervisory body of the controlled entity;
- Audit approach used and comparison with the previous year;
- Scope and timing of the statutory audit;
- Division of tasks between the statutory auditors;
- Quantitative significance threshold applied to carry out the statutory audit of financial statements;
- Assessments relating to events or conditions that could cast serious doubt on the Company's ability to continue as a going concern, specifying whether they constitute significant uncertainties;
- Analysis of the valuation methods applied, including the possible impact of changes in methods;
- Significant deficiencies detected in the internal financial control system or its accounting system; and
- Any other important point for the Audit Committee, for the supervision of the financial reporting process.

At its meeting of the Board of Directors on 25 March 2020, the Board of Directors proposed to the Committee that the Board of Directors set up a procedure to regularly assess whether the agreements relating to ordinary transactions and concluded under normal conditions fulfill these conditions.

Persons directly or indirectly interested in any of these agreements may not participate in its assessment.

14.3.3_Strategy Committee

Pursuant to the decisions dated 23 January 2015, the Board of Directors decided to set up a Strategic Committee.

Composition

The Strategy Committee is made up of at least three (3) members chosen from among the members of the Board of Directors, including non voting directors. The Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer are ex officio members of said Strategy Committee.

As of the date of this report, the Strategy Committee is composed of the following members:

- Michel Artières (Chairman and Chief Executive Officer),
- Benoit Fouchard, and
- GAUDETO sprl, represented by Jacques Galloy.
- Vincent Tauzia

It is chaired by Michel Artières (Chairman and Chief Executive Officer).

Michel Artières, Benoit Fouchard and GAUDETO sprl are members of the Strategy Committee for their directorship.

The term of office of the members of the Appointments and Remuneration Committee is six years and follows the term of their directorship.

Missions - Operation

The Strategy Committee is responsible for analysing the Company's major strategic orientations. It prepares the work of the Board of Directors on major strategic interests such as:

- External growth opportunities,
- Divestment opportunities,
- Areas of development,
- Financial and stock market strategies,
- Reviewing for opinion the document to be submitted to the Works Council on the Company's strategic orientations and their consequences;
- And more generally, any option deemed essential for the future of the Company.

14.3.4_ CSR Committee

Pursuant to the decisions dated 28 September 2022, the Board of Directors decided to set up a CSR Committee.

Composition

The CSR Committee is made up of at least three (3) members chosen from among the members of the Board of Directors, including non voting directors.

As of the date of this report, the CSR Committee is composed of the following members:

- Mrs. Joanna Darlington
- Benoit Fouchard, and
- Mrs Béatrice Pesquet Popescu

It is chaired by Joanna Darlington.

Joanna Darlington, Béatrice Pesquet Popescu and Benoit Fouchard are members of the CSR Committee for their directorship.

The term of office of the members of the Appointments and Remuneration Committee is six years and follows the term of their directorship.

Missions - Operation

In order to enable the Board of Directors of AteME S.A. to perform its duties and in particular to ensure the reliability and clarity of the information provided to shareholders and the market, the CSR Committee, acting under the responsibility of the Board of Directors, monitors issues relating to the preparation and control of information of all kinds relating to the Company's CSR issues.

The CSR Committee acts under the collective and exclusive responsibility of the Board of Directors and has a role of reflection, analysis and preparation of certain deliberations of the Board of Directors and submits its opinions, proposals or recommendations to the Board.

Without prejudice to the powers of the Board of Directors, which it does not replace, the powers of the CSR Committee are described below.

- to assist the Board of Directors in monitoring CSR issues so that the Ateme Group can better anticipate the opportunities, challenges and risks associated with them;
- to assist the Board of Directors in monitoring the Ateme Group's social policy and the non-discrimination and diversity policy.

14.4_Advisory Board

The function of non voting director is provided for in Article 18 of the Company's Articles of Association.

Non voting Directors are appointed by the Ordinary General Meeting, on the proposal of the Board of Directors or directly by the Board of Directors, subject to ratification by the next General Meeting.

As of the date of this Universal Registration Document, the Board of Non Voting Directors consists of the following members:

- Mr Laurent CADIEU.

Laurent CADIEU was appointed as a non-voting member of the Company to bring his experience, expertise and knowledge to Board of Directors' meetings and general meetings.

Laurent CADIEU does not receive any compensation for his duties as non-voting director.

The non-voting directors are appointed for a term of four (4) years ending at the end of the ordinary general meeting of shareholders called to approve the financial statements for the year ending 31 December 2024.

The term of office of non-voting directors is renewable for a further period of four (4) years.

The censor, or the panel of censors, studies the issues that the Board of Directors or its Chairman submits, for its opinion, to its examination in order to provide any useful and necessary information based on its expertise and knowledge.

Non-voting directors attend Board meetings and are responsible for sharing their analysis of the decisions taken. They may speak at meetings of the Board of Directors to set out their observations. They therefore have an advisory vote and have no decision making power. The absence of non-voting directors may not impair the validity of the decisions taken at Board meetings.

They are invited to Board meetings under the same conditions as directors and receive the same information.

Non-voting directors are subject to the internal rules of the Board of Directors, particularly in terms of competence and independence, and to the Directors' Charter, the purpose of which is to enable directors to fully exercise their powers and to ensure the full effectiveness of each director's contribution, in compliance with the rules of independence, ethics and integrity expected of them.

14.5_Declaration of compliance with the corporate governance regime in force in France

In order to comply with the requirements of Article L. 225-37-4 of the French Commercial Code, the Company has designated the Middlednext Code as its reference code. The Company refers to the MiddleNext Corporate Governance Code for Medium and Small Values published on 17 December 2009 and amended in September 2016 (hereinafter the 'Reference Code') as part of the implementation of its governance (Board of Directors' decision of 24 April 2017).

The table below gives an initial review of the Middlednext1 recommendations that the Company has complied with since the listing of its shares on the Euronext Paris regulated market, and of those that it intends to follow in the future.

The Reference Code contains nineteen (19) recommendations that are of particular concern to executive officers and the Board of Directors.

The Reference Code also contains points of vigilance drawn from the guidelines for reasonable governance of French companies, which recall the questions that the Board of Directors must ask to promote the proper functioning of governance.

The Board of Directors considers that its organisation complies with the recommendations of this Reference Code.

In this context, the Board of Directors has set up a self-assessment process, in accordance with the provisions of the eleventh recommendation of the Reference Code.

During each fiscal year, the members of the Board of Directors are invited by the Chairman to complete a questionnaire on the functioning of the Board of Directors and its work. The latest results of these questionnaires show an overall assessment of 5 out of 5.

For the year ended 31 December 2023, in addition to the information contained in this Universal Registration Document, the status of application of the recommendations of the Reference Code is as follows:

Status of implementation of Middlednext Code recommendations - other

Recommendations of the Middlednext Code	Adoption
R1: Ethics of Board members	YES
R2: Conflicts of interest	YES
R3: Composition of the Board - Presence of independent members	YES
R4: Information for Board members	YES
R5: Organisation of Board and Committee meetings	YES
R6: Establishment of Committees	YES
R7: Establishment of internal rules of the Board	YES
R8: Choice of each director	YES
R9: Term of office of Board members	YES
R10: Director's remuneration	YES
R11: Implementation of an assessment of the Board's work	YES
R12: Relations with 'shareholders'	YES
R13: Definition and transparency of the compensation of executive corporate officers	YES
R14: Preparation of Executive succession	YES
R15: Combined employment contract and corporate office	YES
R16: Severance payments	YES
R17: Supplementary pension plan	No
R18: Stock options and free shares	YES
R19: Review of points of vigilance	YES

The Company has not set up any supplementary pension scheme for its executive directors and officers.

The Reference Code may be consulted at the Company's registered office. It is also available at <http://www.middlednext.com>.

R3: Composition of the Board - Presence of independent members

The third Recommendation of the Reference Code recommends that the Board of Directors include at least two (2) independent members. As such, five (5) criteria justify the independence of the members of the Board of Directors with regard to the Reference Code, which is characterized by the absence of a significant financial, contractual or family relationship likely to alter the independence of the judgment:

- Not to have been, during the last five (5) years, and not to be an employee or executive corporate officer of the Company or a company of its group;
- Have been, in the last two (2) years, and not have a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);

- Not to be a reference shareholder of the Company or to hold a significant percentage of voting rights;
- Have a close or close family relationship with a corporate officer or reference shareholder;
- Has not been, in the last six (6) years, an auditor of the Company.

Accordingly, the Board of Directors considers that, in light of these criteria and the criteria set out in the Board of Directors' Internal Regulations (namely 'a Director is considered to be independent when he has no significant financial, contractual or family relationship (except that of a non significant shareholder), with the Company, its group or its management that may alter his independence of judgment'), two of the directors, Mrs. Joanna Darlington and the company GAUDETO srl represented by Mr. Jacques Galloy are independent directors.

The main qualities expected of a director are the company's experience, personal commitment to the work of the Board and the various committees attached to it, an understanding of the economic and financial world, the ability to work together in mutual respect of opinions, the courage to assert a position that may be a minority, a sense of responsibility towards shareholders and other stakeholders and integrity.

14.6_Potential significant impacts on corporate governance

No decision of the administrative, management or general meeting of shareholders has a potential significant impact on corporate governance and no future changes to the composition of the administrative and management bodies and the Committees have been decided by the administrative or management bodies or by the general meeting of shareholders.

14.7_General principles of internal control

14.7.1_Definition and objectives of internal control

The Company has adopted the definition of internal control proposed by the Autorité des Marchés Financiers, according to which internal control is a system implemented by the Company that aims to ensure:

- Compliance with laws and regulations;
- The application of instructions and guidelines set by senior management;
- The proper functioning of the Company's internal processes, particularly those contributing to the safeguarding of its assets;
- The reliability of financial information; and,
- In general, the control of its activities, the efficiency of its operations and the efficient use of its resources.

The internal control system is applied to the entire AteME Group, defined as AteME SA and all fully consolidated companies.

14.7.2_Components of internal control

Following the listing of the Company's shares on the Euronext Paris regulated market, the Company intends to improve its internal control principles and to supplement the existing system by referring to the implementation guide for medium and small securities of the reference framework relating to risk management and internal control systems published by the AMF on 17 November 2016.

Thus, the Company has formalised a set of procedures to secure the various stages of the business from both a financial and legal point of view.

The Finance Department is responsible, under the supervision of General Management, for internal control procedures relating to the preparation and processing of financial information.

All Group companies provide the Company's Finance Department with operational and financial reporting on a monthly basis, which is subject to in depth review by the Finance Department.

The management committee meets every fifteen days to review the business and review the financial and operating indicators of the Company and the Group.

14.7.2.1_Procedures relating to business processes

Ateme has split its organisation into processes:

Implementation process

Ateme has 7 business processes that participate, from the detection of need, in the delivery of our products & services to our customers.

They include:

The **Gate Process (1)**, which tracks the life cycle of products, solutions and services, from analysing market needs to the end of the product's life cycle. This process brings together the marketing, qualification and R & D teams and is at the heart of Ateme's business.

The **Lead to Order (2)**, which tracks customer needs through to order intake. This process combines pre sales activities (system engineering, demonstrations, commercial proposals) and sales activities (prospecting, fairs, customer relationship monitoring), it is the central process of the relationship between customers and Ateme.

The **Procure to Stock (3), Order to Delivery (4)** and **Delivery to Cash (5)** track order intake up to customer delivery by integrating inventory management, procurement, unit preparation, delivery, all managed through our ERP.

Ateme offers all its customers technical support. **technical Support (6)** manages customer issues by providing access to a VAS and **Project Management (7)** works with customers to provide installation services and training sessions.

Support process

Resources Process which brings together the Human Resources, Material Resources Management and Information System Management processes. They contribute to the smooth functioning of other processes by providing the necessary human or material resources.

Steering process: Participates in and contributes to the determination, development of policy and deployment of Ateme's general objectives. This is the decision making process, based on factual information reported during management reviews: Quality policy & objectives, dashboards, customer feedback, audit results

Continuous Improvement Process which monitors the operation of the QMS and enables the implementation of improvement actions

14.7.2.2_Organisation of the accounting and finance department

The accounting and finance function is managed internally by a team of around ten people, including the Chief Financial Officer.

The Company is concerned to preserve a separation between its production and supervision of the financial statements and uses independent experts for the valuation of complex accounting items (pension obligations, valuation of equity warrants and stock options) and/or using subjective assumptions.

The financial statements prepared under French Gaap and IFRS, produced with the assistance of independent accounting firms, are submitted for audit to the Company's Statutory Auditors.

The financial statements, which are produced internally, are submitted for review by the Company's Statutory Auditors and then presented to and discussed with the Audit Committee. This ensures that the Company's practises comply fully with French and international standards (IFRS) and that the financial statements are presented consistently.

14.7.2.3_Budget process and 'monthly reporting'

The Company prepares an annual revenue and expenditure budget which is reviewed on a quarterly basis in the form of a projection taking into account the expenditures made, the adjustments to be made in terms of both revenues and expenses still to be incurred.

These items are reported to the Board of Directors in the form of ad hoc presentations at least once a quarter.

14.7.2.4_Delegation of powers

The Company has established a procedure for delegations of authority and signatures for invoice payments and the signing of purchase orders.

14.7.3_Players in risk management and internal control

The Board of Directors has a leading role in defining and driving the internal control system and then risk management.

Risk management aims to identify and analyse the main risks and risk factors that may affect the company's activities, processes and objectives and to define the means to maintain these risks at an acceptable level, in particular by implementing preventive measures and controls that fall within the scope of the internal control system.

14.7.4_Risk management and internal control limits and areas for improvement

In 2023, the Company will focus on adapting and optimising its risk management system to its information system and improving the monitoring of identified action plans.

Chapitre 15. Employees

Ateme is above all a technology company in the video software industry whose value is mainly based on the ability of its employees to innovate. The ability to attract, retain and motivate talented employees is therefore a focus of development.

15.1_Change in headcounts

The workforce includes individuals with an employment contract who were present in the workforce as of December 31, excluding non salaried interns (whether paid or not), temporary workers and service providers. The tables below summarise the quantitative indicators used to describe employment within the Company and its subsidiaries over the last three financial years:

Evolution of the salaried workforce over the last 3 financial years

Salaried workforce	31/12/2023	31/12/2022	31/12/2021
Ateme SA *	394	316	252
Anevia SA	0	0	79
Ateme USA Inc	51	48	42
Ateme Canada Inc	8	6	5
Ateme Japan KK	0	0	0
Ateme Singapore Pte Ltd	6	8	9
Ateme Australia Pty Ltd	6	5	4
Ateme UK Ltd	10	0	0
Total	475	431	391

(*) includes employees in France and those in wage management or export carry

Some of the Company's employees are seconded abroad to assist customers as closely as possible.

Ateme Japan KK was permanently delisted as at 31/12/2022 and therefore has no headcount.

At 1 January 2022, a single transfer of assets and liabilities (TUP) was made between Anevia SA and Ateme SA. Anevia is delisted from 1 January 2022.

Ateme UK Ltd was registered in November 2022. It did not employ any employees in 2022.

Evolution of the non salaried workforce over the last 3 financial years

Non salaried workforce	31/12/2023	31/12/2022	31/12/2021
Ateme Group	103	128	97

In 2021, the Group's total workforce was 488 employees (391 employees +97 non employees).

In 2022, the Group's total workforce was 559 employees (431 employees +128 non employees).

In 2023, the Group's total workforce was 578 employees (475 employees +103 non employees).

The evolution of the workforce is part of a forward looking management of jobs and skills. The Company endeavours to regularly estimate skills needs based on its strategic directions, at budget preparation meetings and during Executive Committee meetings.

In addition, the company continued its policy of welcoming new entrants by setting up training modules on their arrival to facilitate their taking up a position and their integration into the company and their team.

Changes in the company's projects and activities and the skills and expectations of employees in terms of development or reorientation may cause staff to change team, function or have new responsibilities. Reassignments and internal mobility are managed by the Executive Committee in agreement with intermediate management. They enable employees to broaden their scope of activity and develop new skills. Some managerial positions thus released were filled through internal changes.

The development of Ateme's international activities in Europe, Asia and North America has also been the source of opportunities for its employees, in the form of secondments of varying duration, full expatriation (management of subsidiaries, in particular) or brief technical support and support missions. In all cases, Ateme has implemented the necessary means to ensure that these movements take place in the best conditions of safety and comfort for its employees and their families.

15.2 Shareholdings and stock options

As of 31 December 2023, employees held stock options, warrants or AGMs that could grant them 517,485 shares, representing a 4.53% stake in the capital in the event of full exercise on the basis of fully diluted capital (see paragraph 19.1.4. 'Amount of convertible securities, exchangeable securities or securities with warrants

The equity interest held by the members of the Management and the Board of Directors is set out in paragraph 16.1. 'Changes in the shareholding structure of the Ateme Group.'

15.3 Arrangements for involving employees in the capital

At the Board of Directors' meeting held on 14 March 2023, the Board of Directors used a capital increase resolution reserved for members of a PEE, adopted at the ordinary and extraordinary general meeting of shareholders on 9 June 2021. Of these, the thirtieth resolution authorised the Board of Directors to carry out a share capital increase with cancellation of the shareholders' preferential subscription rights in favour of members of a company savings plan, for a maximum amount of euros 66,427 par value.

The Board approved the principle of a capital increase reserved for Group employees and unanimously decided on the following terms and conditions:

- A maximum issue of 474,478 ordinary shares, representing a maximum amount of euros 66,427.
- The shares were issued as part of the Offer at the unit subscription price equal to the arithmetic average of the closing price of the Ateame SA share on Euronext Paris during the twenty trading days preceding the date of the Chairman's decision, less a discount of 20%.
- The subscription period was open from 10 May 2023 to 27 June 2023.
- Subscription to the Offer was reserved for members of one or more company savings plans (PEE) or equivalent plans deployed within the Group.
- The shares subscribed were subject to a 5 year lock up period.

The Chairman then approved the final terms and conditions on 24 May 2023.

During the subscription period, the Company received subscriptions from foreign employees for a total of 20,176 shares by replicating the company savings plan abroad, as well as the Ateame FCPE for employees attached to Ateame SA for a total of 90,241 shares.

At its meeting on 27 June 2023, the Board of Directors noted the successful execution of this transaction on the basis of the defined conditions, with the subscriptions of foreign employees for a total amount of euros 151,723.52 and the Ateame FCPE for a total amount of euros 678,618.

Chapitre 16. Major shareholders

16.1_Changes in the Group's shareholding structure

As of the date of the Universal Registration Document, the Company is incorporated as a société anonyme (public limited company) with a Board of Directors, the shareholding structure of which is as follows:

Shareholders	% of share capital at 31/12/2023	% of voting rights at 31/12/2023	% of share capital at 31/12/2022	% of voting rights at 31/12/2022	% of share capital at 31/12/2021	% of voting rights at 31/12/2021
Michel Artières	1.78%	3.00%	1.77%	3.02%	1.78%	3.24%
SEREITRA	8.86%	15.08%	8.98%	15.30%	9.03%	16.41%
Total concert Artières	10.64%	18.08%	10.76%	18.32%	10.81%	19.65%
Keren Finance	5.27%	4.48%	5.27%	4.49%	5.30%	4.82%
NJJ Capital (X.Niel)	4.93%	8.39%	5.00%	8.51%	5.02%	4.56%
Otus	12.04%	10.24%	11.53%	9.82%	10.29%	9.35%
Other < 5%	67.12%	58.8%	67.44%	58.85%	68.57%	69.96%
TOTAL	100%	100%	100%	100%	100%	100%

Shareholders	31/12/2023	%	Double voting	Theoretical number of voting rights	% of voting rights
Michel Artières	203,001	1.78%	2	403,002	3.00%
SEREITRA	1,013,478	8.86%	2	2,026,956	15.08%
Total concert Artières	1,216,479	10.64%		2,429,958	18.08%
Keren Finance	602,489	5.27	1	602,489	4.48%
NJJ Capital (X.Niel)	563,762	4.93%	2	1,127,524	8.39%
Otus	1,376,162	12.04%	1	1,376,162	10.24%
Other < 5%	7,673,552	67.12%		7,901,010	58.8%
TOTAL	11,432,444	100.00%	Theoretical total DDV	13,437,143	100.00%

Shareholders	31/12/2022	%	Double voting	Theoretical number of voting rights	% of voting rights
Michel Artières	200,001	1.77%	2	400,002	3.02%
SEREITRA	1,013,478	8.98%	2	2,026,956	15.30%
Total concert Artières	1,213,479	10.76%		2,426,958	18.32%
Keren Finance	595,058	5.27	1	595,058	4.49%
AXA IM	NC	NC			NC
NJJ Capital (X.Niel)	563,762	5.00%	2	1,127,524	8.51%
Otus	1,301,195	11.53%	1	1,301,195	9.82%
Other < 5%	7,607,533	67.44%		7,793,840	58.85%
TOTAL	11,281,027	100.00%	Theoretical total DDV	13,244,575	100.00%

Shareholders	31/12/2021	%	Double voting	Theoretical number of voting rights	% of voting rights
Michel Artières	200,001	1.81%	2	400,002	3.24%
SEREITRA	1,013,478	9.16%	2	2,026,956	16.41%
Total concert Artières	1,213,479	10.97%		2,426,958	19.65%
Keren Finance	595,058	5.30	1	595,058	4.82%
AXA IM	NC	NC			
NJJ Capital (X.Niel)	563,762	5.10%	1	563,762	4.56%
Otus	1,155,310	10.29%	1	1,155,310	9.35%
Other < 5%	7,696,418	68.57%		7,696,418	69.96%
TOTAL	11,224,027	100.00%	Theoretical total DDV	12,350,274	100.00%

On **11 January 2021**, the Board of Directors approved the contribution by the shareholders of Anevia, a public limited company with its registered office at 79 rue Benoît MALON, 94250 Gentilly, registered with the Company Register under number 448,819,680 R.C.S. Créteil, of 689,790 shares of the latter. This contribution, valued at euros 2,622,200, resulted in (I) the payment in cash of a total sum of euros 1,498,400 (i.e. two (2) euros per Anevia share contributed) and (II) a capital increase of a nominal amount of euros 10,488.80, resulting from the issue of 74,920 new ordinary shares with a nominal value of euro 0.14 each, with a contribution premium of a total amount of euros 1,113,311.20, allocated to the contributors as remuneration for their contribution.

On **28 January 2021**, the Board of Directors noted the creation of 3,313 shares as a result of the exercise of stock options.

On **15 July 2021**, the Board of Directors recorded the capital increases resulting from the allocation of 52,500 free shares.

On **26 January 2022**, the Board of Directors recorded the capital increases resulting from the allocation of 52,500 free shares.

On **4 May 2022**, the Board of Directors recorded the capital increases resulting from the definitive allocation of 54,000 free shares.

On **25 January 2023**; the Board of Directors noted the creation of 3,000 shares as a result of the exercise of stock options.

On **9 May 2023**, the Board of Directors recorded the capital increases resulting from the definitive allocation of 41,000 free shares.

On **27 June 2023**, the Board of Directors recorded the capital increases resulting from the employee share issue by issuing 110,417 new shares.

The Articles of Association have been amended accordingly.

16.2_Different voting rights

Each share of the Company confers on its holder a voting right. Articles 13 and 23 of the Company's bylaws do not in any way exclude the principle set out in article L. 225-123, paragraph 3, of the French Commercial Code relating to double voting rights for all fully paid up shares that have been registered in the name of the same shareholder for two years.

According to Article L. 233-7 of the French Commercial Code, the Company must give the identity of shareholders holding more than 5% of the share capital and voting rights over the last three financial years.

These shareholders and their respective holdings are shown in the following table:

Shareholders	At 31/12/2023	At 31/12/2022	At 31/12/2021
	% of voting rights	% of voting rights	% of voting rights
Michel Artières	3.00%	3.02%	3.24%
SEREITRA	15.08%	15.30%	16.41%
Total concert Artières	18.08%	18.32%	19.65%
Otus Capital	10.24%	9.82%	9.35%
Keren Finance	4.48%	4.49%	4.82%
NJJ Capital/X. Niel	8.39%	8.51%	4.56%
TOTAL	41.20%	41.15%	38.38%

16.3_ Control of the Company

As of the date of the Universal Registration Document, the percentages of ownership and voting rights of the Company's shareholders attest that the Company is not directly or indirectly controlled by one or more shareholders.

In addition, no shareholders' agreement has been entered into between the shareholders of the Company.

Thus, the Company is not controlled, directly or indirectly, on a contractual basis.

16.4_ Agreement that may result in a change of control

As of the date of the Universal Registration Document and to the best of the Company's knowledge, there are no agreements whose implementation could, at a later date, result in a change of control.

Chapitre 17. **Related party transaction**

Related parties of the Company include, but are not limited to, shareholders of the Company, its unconsolidated subsidiaries, jointly controlled entities, associates, and entities over which the various senior executives of the Company have at least significant influence.

<p>BL2A 42, rue Jenner 91600 Savigny sur Orge S.A.S. with share capital of €34400 403,136,351 R.C.S. Evry</p>	<p>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</p>
<p>Statutory Auditor Company member Régionale de Paris</p>	<p>Statutory Auditor Company member Régionale de Versailles et du Centre</p>

Statutory Auditors' special report on related party agreements

To the General Meeting of Ate me,

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements that have been disclosed to us or that we may have discovered in the course of our engagement, as well as the reasons justifying the benefit to the Company, without expressing an opinion on their usefulness and appropriateness or identifying any other agreements. It is your responsibility in accordance with Article R. 225-31 of the French Commercial Code to determine whether the agreements are appropriate and should be approved.

It is also our responsibility, where applicable, to provide you with the information required by Article R. 225-31 of the French Commercial Code relating to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to this engagement. These procedures consisted in verifying the consistency of the information provided to us with the underlying documents from which it was derived.

Agreements submitted for approval at the Annual General Meeting

We hereby inform you that we have not been advised of any agreement authorised and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the Annual General Meeting

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been informed that the following agreements, already approved by the Annual General Meeting in previous years, remained in force during the year.

With Michel Artières, Chairman and Chief Executive Officer and Director of your Company

Nature and purpose

At its meeting of 23 September 2020, your Company's Board of Directors authorised the conclusion of a corporate office agreement between your Company and Michel Artières in order to define more precisely some of the conditions under which Michel Artières will serve as Chairman of your Company's Board of Directors and Chief Executive Officer.

the agreement was entered into on July 1, 2020 for the duration of Michel Artières' term of office as Chairman of the Board of Directors and Chief Executive Officer.

Terms and conditions

Michel Artières' compensation, recognised during the year ended 31 December 2023, amounted to euros175,000 for his fixed compensation and euros93,000 for his variable compensation.

Savigny sur Orge and Paris La Défense, 29 April 2024

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hus

Franck Sebag

Chapitre 18. Financial information concerning the assets and liabilities, financial position and results of the issuer

18.1_Historical financial information

18.1.1_Audited historical financial information

Historical financial information of the audited parent company financial statements 2023

Ateme SA statutory financial statements for the year ended December 31, 2023

Balance sheet	Notes	31/12/2023	31/12/2022
		K €	K €
ASSETS			
Intangible assets	2.1	21,154	21,898
Property, plant and equipment	2.1	3,409	3,340
Financial assets	2.1	2,683	2,146
Total non current assets		27,246	27,384
Inventories and work in progress	2.2	7,320	7,166
Trade receivables	2.3	34,312	36,485
Other receivables	2.3	24,073	18,074
Prepaid expenses	4.4.1	1,564	1,890
Cash and cash equivalents		4,237	2,613
Total current assets		71,506	66,227
Accruals - assets		1,799	1,416
Total Assets		100,552	95,028
LIABILITIES			
Equity			
Share capital	2.4	1,601	1,579
Additional paid in capital		27,339	26,629
Other reserves and retained earnings		12,044	11,562
Profit for the year		(3,040)	1,429
Equity		37,944	41,199
Provisions for contingencies and charges	2.5	427	827
Loans and borrowings from credit institutions	2.6	17,108	15,854
Other borrowings, group and associates		15,960	10,047
Advances and down payments received on orders in progress		265	271
Trade payables		16,463	14,350
Tax and social security liabilities and other		6,532	6,017
Deferred income	4.4.2	5,516	5,614
Accruals - liabilities		338	849
Total Liabilities		100,552	95,028

Income statement	Notes	31/12/2023	31/12/2022
		K €	K €
Revenue	3.1	84,287	79,009
Other operating income		4,011	7,388
Total operating income		88,298	86,397
Purchases and change in inventory		16,045	20,846
Other purchases and external charges		36,540	29,793
Taxes other than income taxes		1,535	1,258
Personnel expenses		36,447	33,338
Operating expenses		3,546	3,917
Other operating expenses		1,596	2,135
Total operating expenses		95,708	91,288
Operating income		(7,410)	(4,891)
Financial income	3.2	2,333	2,236
Financial expenses	3.2	(3,714)	(1,744)
Financial result		(1,381)	491
Adjusted earnings before tax		(8,791)	(4,400)
Exceptional income	3.3	1	79
Exceptional expenses	3.3	(157)	(72)
Exceptional items		(157)	7
Research Tax Credit		5,908	5,822
Employee profit sharing			
Income taxes			
Net income for the year		(3,040)	1,429

1. Accounting Principles and Highlights of the Year

1.1 Accounting policies

The general accounting policies have been applied in accordance with the General Chart of Accounts (C. Com. R.123-80 and PCG Art. 831-1 § 1), in compliance with the principle of prudence, in accordance with the general rules for the preparation and presentation of the annual accounts, and according to the following basic assumptions:

Going concern,

Consistency of accounting policies from year to year,

Independence of financial years, in accordance with the general rules for the preparation and presentation of the annual financial statements.

The basic method used to measure items recorded in the accounts is the historical cost method.

Accounting options:

Ateme applies the following methods:

- Research and Development costs are expensed
- Capital increase costs are charged against share premiums

Retirement indemnities are not recognised in Ateme's statutory financial statements but are subject to an assessment, the assumptions of which are detailed in note 4.7.2

Change in revenue recognition method on dynamic licence contracts:

Since 1 January 2019, the company has been offering dynamic licence offers to its customers, this multi year offer allows the customer to benefit from unlimited licences including versions of the product roadmap during the contract term. The contractual analysis of these contracts leads to the identification of two performance obligations:

- One under the licence initially sold that immediately provides profits to the customer, revenue is recognised as soon as the licence is granted. An analysis of the amount to be recognised is performed on a contract by contract basis to identify the value to be allocated to the initial licence;
- This revenue is recognised on a straight line basis over the term of the contract (in line with the pace of version increases).

In the absence of visibility on a possible future ANC regulation, the method used historically in the annual accounts was to recognize revenue on invoicing that reflected a transfer of ownership.

Given the growing proportion of contracts with dynamic licenses, and the demonstration of a significant portion of non ancillary services via IFRS 15, a harmonization with the method of revenue recognition in the annual financial statements with that applied in the consolidated financial statements prepared under IFRS was questioned.

According to the texts (PCG Art. 121-5; ANC Accounting Standards Compendium, IR commentary 2 under Art. 122-2 of the PCG), a change in method leading to better information is possible in the following situation:

'- the company harmonises the accounting methods used in its individual financial statements and the accounting methods used in its consolidated financial statements (the reduction of differences between the principles used in the group financial statements and in the individual financial statements leading to better information); this harmonization can be done at any time'

A voluntary change in accounting policy was therefore made in 2023.

The harmonisation of the two methods led the Company to account prospectively for a €-946k entry in retained earnings as well as additional revenue of + €813k for the year, i.e. an effect of the change in method of €-133k on equity at 31 December 2023.

1.2 Operating continuity

The going concern assumption for the next 12 months from 31 December 2022 has been adopted by the Board of Directors based on the available cash position and the revised revenue and gross margin growth assumptions.

1.3 Significant events of the year

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 programme 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.

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 supplies FOXTEL's global content acquisition for the Australian television market.

On 7 September 2023 , Ateame announced the launch of its STREAM 7 encoding engine. At the heart of the new generation of TITAN video processing solutions, Gen 7 goes beyond conventional video compression, offering unparalleled performance and efficiency that promote the user experience for as many people as possible thanks to a state of the art encoding core.

On 14 September 2023, Ateame and Accedo partnered with Amazon Web Services to offer next generation experiences live, in sports stadiums and complexes. The solution, deployed on AWS Wavelength, combines Ateame's 5G Media Streaming solution with Accedo Xtend to offer a revolutionary immersive experience in stadiums through 5G.

On 21 September 2023 , Ateame announced the demonstration of 5G Broadcast with the U.S. Federal Communications Commission (FCC), along with WWOO LD and chip designer Qualcomm. Ateame's 5G Broadcast solution includes live encoding as well as efficient packaging and multiplexing. Ateame has already implemented a 5G broadcasting programme in several markets, including India, Brazil and Europe

On 26 September 2023, Ateame announced that it was behind the very high quality immersive video and audio experiences broadcast in 17 languages by Viacom18 Media Pvt. Ltd. at the Indian Premier League (IPL) 2023.

Throughout the tournament, cricket fans enjoyed an exceptional and immersive UHD TV experience for the first time in India.

On 14 November 2023, Ateame the compliance of its TITAN video transcoder range with Japanese video standards defined by the Association of Radio and Business Industries (ARIB). This makes Ateame's TITAN transcoders suitable for Japanese broadcasters seeking to offer superior experience quality and more efficient and sustainable video services on any platform.

On 21 November 2023 Volia, a leading provider of pay TV and cable broadband services in Ukraine, chose Ateame to provide a disaster recovery solution for its packaging and CDN platform. Volia uses Ateame's NEA packaging and CDN solutions to launch a disaster recovery centre. Together, Ateame and Volia will continue to provide high quality streaming information and entertainment programmes with the most robust connection for Ukrainian customers, even under the most difficult circumstances.

On 28 November 2023, Ateame announced that it has contributed to NT, a leading telecommunications operator in Thailand, at numerous sporting events across Asia and beyond over the past two years. Thanks to Ateame's KYRION contribution encoders, NT significantly improved video quality with low latency, enhancing viewer experience in Thailand.

On 14 December 2023, Ateame announced that Chinese television station Hubei TV has chosen Ateame's TITAN encoding and transcoding solutions for its Central Economy Resource Pool Project.

Press releases are available at www.ateame.com

2. Notes on balance sheet items

2.1 Fixed assets

2.1.1 Intangible Assets

Intangible assets consist of software and licences. They are valued at their acquisition cost or production cost.

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Gross value at start of exercise	TUP Anevia	Acquisition or creation	Disposals	Reclassification	Gross value at year end
Commercial Fund	14,622					14,622
Telco technology confusion Mali	7,830					7,830
Other intangible assets	1,879		128			2,007
Total Intangible Assets	24,331	0	128	0	0	24,459

DEPRECIATION (Amounts in K €)	Accumulated amort beginning year	TUP Anevia	Charge year	Amort . related to outings	Accumulated amort year end	Net Value year end
Commercial Fund						14,622
Telco technology confusion Mali	712		712		1,424	6,406
Other intangible assets	1,721		159		1,881	126
Total amort. On Intangible Assets	2,433	0	871	0	3,305	21,154

Software is amortised on a straight line basis over a two year period. Other intangible assets (licenses, etc.) are amortised on a straight line basis over twelve months.

All R & D expenditure is recognised as an expense.

as mentioned above, Anevia SA and AteME SA carried out a single transfer of assets and liabilities on January 1, 2022, generating a merger loss of €22,452k, of which €7,830k was allocated to Telco technology amortised over a 11 year period.

Anevia is delisted from January 1, 2022.

These intangible assets are tested for impairment if there is an indication that they may be impaired and at least at the end of each financial year for the commercial fund. The need to recognise an impairment loss is assessed by comparing the carrying amount of the assets with their recoverable amount. Recoverable amount is defined as the higher of fair value net of disposal costs and value in use. Based on this principle, no impairment was recognised at 31 December 2023.

2.1.2 Property, Plant And Equipment

Property, plant and equipment are measured at acquisition cost (purchase price and incidental costs) or production cost. Depreciation for impairment is calculated according to the expected life.

Property, plant and equipment are depreciated on a straight line basis over the following periods:

Furniture	10 years
Fixtures and fittings	9 years
Tools/Instrumentation	6 years
Office equipment	4 years
Hardware	3 years

Property, plant and equipment and depreciation

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Gross value at beginning exercise	Acquisition or creation	Disposals	Reclassification	Gross value exercise
Instal. Techn. MAT. & Tools	677	1			679
Fixtures and fittings	1,594	110			1,704
Transport equipment	7				7
MAT. Office, It & Furniture	11,396	1,274			12,669
Property, plant and equipment in progress	0				273
Total Property, plant and equipment	13,674	1,385	0	0	15,332

DEPRECIATION (Amounts in K €)	Accumulated amort Beginning exercise	Charge for the year	Amort. Related to outflows	Reclassification	Accumulated amort at year end	Net value at year end
Instal. Techn. MAT. & Tools	416	79			495	183
Fixtures and fittings	791	186			978	726
Transport equipment	7	0			7	0
MAT. Office, It & Furniture	9,120	1,323			10,444	2,226
Property, plant and equipment in progress	0				0	273
Total amort. On property, plant and equipment	10,334	1,589	0	0	11,923	3,409

2.1.3 Financial Assets

Financial assets consist of equity investments, loans and other.

Investments in subsidiaries and affiliates are recognised at their acquisition or contribution price on their entry date. Their recoverable amount is assessed at the end of each financial year. The latter is determined according to the share of net equity. In the event that the recoverable amount is less than the carrying amount, an impairment shall be recognised.

Equity investments represented a total of €298k before provision, broken down as follows:

Equity interests in Ateme Canada Inc	€0.65
Equity investments in Ateme Inc (USA)	€263,974.75
Equity interests in Ateme Singapore	€33,602.72
Investments in Ateme Australia	€61.65
Equity investments in Ateme UK	€112.73

The loans granted in the amount of €580k relate to employer contributions to the construction effort.

Other Financial Assets for a total of €805k correspond to various guarantees:

• Deposits and guarantees	€325k
• Retention monies in connection with the pre financing of the CIR	€1,266k
• Retention of collateral for Bpifrance loans	€150k
• Other long term receivables	€64k

2.2 Inventories and work in progress

Inventories are valued using the weighted average cost method.

Inventories are carried at their purchase cost or net realisable value, whichever is lower.

In the latter case, the impairment loss is recorded in the income statement.

Composition of inventories

Raw material inventories mainly consist of electronic components used in the manufacture of Kyrion products.

Work in progress is identified individually by project codes that are linked to each customer order in progress. They consist of study costs (engineering hours) and material costs.

Inventories of goods mainly consist of finished products (encoders, decoders, transcoders and third party equipment) and electronic components.

The provision for inventory impairment relates to components or goods that are subject to internal loan, testing or repair. Components or goods whose technological advances are beginning to render inventories obsolete or showing little or no movements during the year are scrapped.

INVENTORIES	31/12/2023	31/12/2022
(Amounts in K €)		
Raw material inventories	173	299
Provision for inventories components	-43	(9)
Total raw materials	130	291
Inventories of goods	5,922	6,300
Provision for card inventory	-266	(153)
Goods	5,656	6,147
Work in progress Goods		
Work in progress	1,534	728
	0	
Total Stock	7,320	7,166

2.3 Receivables

2.3.1 Customers invoices to be established

The total amount of invoices to be issued at 31 December 2023 was €6053k.

2.3.2 Provisions for impairment of trade receivables

The provision for impairment of trade receivables is established on a case by case basis based on the estimated risk of non recovery. It is supplemented by a provision based on statistical analysis.

The provision for impairment of trade receivables amounted to €527k, compared with €712k at 31 December 2022.

2.3.3 Other receivables

Valuation and monitoring of the Research Tax Credit (CIR) and the Innovation Tax Credit (CII)

The IRC concerns research projects for algorithms, software and designs for video encoding technologies to advance the state of art.

The CII concerns projects that enable the design of prototypes with superior technical performance, functionalities, ergonomics or eco design compared to products marketed by its competitors at the start date of the work.

Monitoring is ensured by individualised project codes on which engineers point their working time. Hours are valued on the basis of the individual salaries charged.

The CIR receivables break down as follows:

Cir Ateме 2023 for	€5,908k
Cir Ateме 2022 for	€5,822k
Cir Ateме 2021 for	€3,852k
Cir Ateме 2020 for	€3,082k
Cir Anevia (as part of the 2021 tax consolidation) for	<u>€1,452k</u>
	TOTAL €20,116K

There are no CII reported for fiscal year 2023.

Other Receivables

Details of other receivables and their due dates are disclosed in note 4.1.

2.3.4 Provisions for impairment of other receivables

Other receivables are subject to a provision of €1362k to cover advances and loans granted to subsidiaries according to their repayment capacity at the balance sheet date (see 4.5).

2.4 Equity

2.4.1 Share Capital

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 Stock Options ('SO') granted to certain Group individuals.

COMPOSITION OF THE SHARE CAPITAL	31/12/2023	31/12/2022
Share capital	1,600,542	1,579,344
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

In 2023, 41,000 free shares were vested and 110,417 new shares were issued as part of a capital increase reserved for employees.

Statement of changes in equity

Statement of changes in equity 2023 (K €)

Equity at beginning of year	41,199
Increase in share capital	21
Increase in share premiums	710
Change in accounting policy *	(946)
Profit or loss for the year	(3,040)
Shareholders' equity at the end of the	37,944

* A change in accounting policy led the Company to account prospectively for a €-946k entry in retained earnings as well as additional revenue of + €813k for the year, representing an effect of the change in method of €-133k on equity at 31 December 2023.

See 1.1 Accounting policies

Shareholders' equity amounts to €37944k.

2.5 Provision for risks and charges

Provisions for risks and charges are recognised when there is an obligation towards a third party and it is probable or certain that this obligation will lead to an outflow of resources to the third party without at least equivalent consideration expected from the third party.

Litigation and liabilities

The Company may be involved in legal, administrative or regulatory proceedings in the ordinary course of business. A provision is recorded by the Company when there is a sufficient probability that such litigation will result in costs to be borne by the Company.

Labour disputes

The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the Company, based on requests, legal obligations and lawyers' positions.

Provisions (Amounts in K €)	31/12/2023				Amount at year end
	Amount at beginning of year	Additions	Reversals with objects	Reversals without objects	
Provisions for litigation	30	0	30	0	0
Provisions for foreign exchange losses	785	427	785	0	427
Provisions for charges	11	0	0	0	0
Total provisions for risks and charges	827	427	827	0	427

2.6 Borrowings

Debts are recorded at their nominal redemption value. They are not discounted.

The research tax credit is subject to pre financing, the counterpart of which constitutes a financial debt. Expenses and interest are recorded as deferred charges and spread over the term of the financing.

Other liabilities

Details of other payables and their maturity are disclosed in note 4.2.

2.7 Foreign currency receivables and payables

Receivables and payables denominated in foreign currencies are translated at the exchange rate prevailing on the balance sheet date, with a corresponding translation adjustment account in the balance sheet.

Provisions are recorded for unrealised foreign exchange losses.

At 31 December 2023, unrealised foreign exchange gains and losses amounted to €427k and resulted in the recognition of a provision for foreign exchange losses of the same amount.

Unrealised foreign exchange gains amounted to €338k.

Currency rate for one euro	Closing rate	Average Rate
AUD Australian Dollar	1.6220	1.6236
CAD Canadian dollar	1.4652	1.4595
GBP Pound Sterling	0.8675	0.8642
SGD Singapore dollar	1.4598	1.4607
USD US dollar	1.1038	1.0803

3. Notes to the Income Statement

3.1 Breakdown of sales

BREAKDOWN OF REVENUES	France	Export	Total
(Amount in K €)			
Production sold	5,078	79,210	84,287
NET SALES	5,078	79,210	84,287

The Company's income arises from the sale of professional video compression solutions, maintenance contracts and services.

Software revenue recognition (**static licence**) occurs when the licence key for the Professional Video Compression Solution is transmitted electronically.

In the case of software with a **dynamic licence** (entitling users to version clips throughout the term of the contract) revenue recognition is spread over the term of the contract (see note on Change in revenue recognition method on dynamic licence contracts)

Merchandise sales are recognised on the basis of incoterms, which are generally 'Ex Works' and occasionally 'Delivered Duty Paid' for certain customers. In the latter case, revenue is recognised when the goods are received by the customer.

Revenue from maintenance contracts is recognised on a straight line basis over the term of the contract.

3.2 Financial income and expenses

The financial result amounted to € (1,381) thousand. It mainly consists of changes in financial provisions (hedging of subsidiaries' current account advances) exchange differences on foreign currency bank accounts and financial expenses relating to borrowings.

3.3 Exceptional income and expenses

Non recurring income and expenses include transactions that are not related to the company's day to day operations. Exceptional items amounted to € (157) thousand.

4. Other Information

4.1 Maturity of receivables

Schedule OF RECEIVABLES (Amounts in K €)	Gross Amount	-1 year	+1 year
Loans and advances to subsidiaries and affiliates	0	0	0
Other loans (1% housing)	580	0	580
Financial assets	1,805	352	1,453
Trade receivables	34,839	34,604	235
Personnel	8	8	0
Social organisations	17	17	0
Is - Research tax credit	20,116	3,082	17,034
VAT	1,865	1,865	0
Grants receivable	504	504	0
Group	2,273	2,273	0
Miscellaneous debtors	628	628	0
Total other receivables, advances and down payments	25,411	8,377	17,034
Prepaid expenses	1,564	1,564	0
TOTAL	64,199	44,897	19,302

4.2 Maturity of debts

4.2.1 Detailed list of borrowings and debt (K €)

BORROWINGS AND FINANCIAL LIABILITIES

(Amounts in € k)

	Name of institution	Due at 31/12/23			Total payable
		Up to 1 year	1 to 5 years	Over 5 years	
Up to 1 year originally					
	Banking institutions	151	0	26	177
	Accrued interest payable	0	0	0	0
	A	151	0	26	177

	Name of institution	Due at 31/12/23			Total payable
		Up to 1 year	1 to 5 years	More than 5 years	
1 year original					
	Recoverable advances on Subsidiaries	0	573	0	573
	BPI France loan (€1,000k)	200	150	0	350
	BPI France loan (€1,000k)	200	250	0	450
	BPI France loan (€1,000k)	200	350	0	550
	BPI France loan (€4,000k)	1,000	500	0	1,500
	BPI loan (€500k) + (€1,100k) ANEVIA	110	0	0	110
	BPI loan (€900k) ANEVIA	45	0	0	45
	BPI loan (€500k) ANEVIA	100	50	0	150
	PGE CIC loan (€1,000k)	248	628	0	877
	Banque PALATINE loan (€1,000k)	154	0	0	154
	Banque PALATINE loan (€850k)	155	695	0	850
	HSBC loan of 22/12/2021	476	1,524	0	2,000
	SG loan of 24/08/2023	0	1,667	3,333	5,000
	SG loan of 09/06/2017	103	2	0	105
	SG loan of 01/10/2018	7	0	0	7
	SG (PGE) loan of 14/04/2020	802	1,073	0	1,874
	SG (Equipéa) loan of 11/12/2020	571	1,765	0	2,337
	B	4,371	9,226	3,333	16,930

Total borrowings	A + B	4,522	9,226	3,360	17,107
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In November 2022 the Hsbc PGE of €2M was the subject of an amendment to activate the amortisation option (repayment within 5 years with 1 year deferred).

The Company took out two new borrowings during the year:

- Participatory loan relaunch with Société Général: On 28 August 2023, the Company received a loan to finance development and investment projects in the amount of 5 million euros for a period of 8 years including a 4 year deferral at an average effective rate of 5.72%. The first repayment is scheduled from 24 September 2027.
- Palatine loan: On 20 November 2023, the Company received a loan to finance the equipment of the Rennes premises in the amount of €850k for a term of 5 years at an effective average rate of 4.541%.

4.2.2 List of other debts (K €)

Other LIABILITIES (Amounts in K €)		Up to 1 year	1 to 5 years	Over 5 years	Total payable
Trade payables	C	16,439	0	0	16,439
Personnel and related accounts		3,044	0	0	3,044
Social security and other social organisations		3,305	0	0	3,305
Income taxes		0	0	0	0
Value Added Tax		0	0	0	0
Other taxes		197	0	0	197
Debts on property, plant and equipment and related accounts		24	0	0	24
Group and associates (tax consolidation)		1,060	0	0	1,060
Other borrowings		0	14,900	0	14,900
Other liabilities		20	0	0	20
Total Tax, social and other liabilities	D	7,649	9,519	0	22,549
Deferred income	E	5,614	0	0	5,516
Total other payables	C + D + E	29,702	9,519	0	44,504

Other borrowings and financial debts relate to the mobilisation of CIR's receivables.

4.3 Off balance sheet financial commitments

Commitments given:

- Commitment concerning real estate rents

The amount of lease payments recognised at the end of 2023 and the commitments up to the next firm commitment period are analysed as follows:

Property leases	Expenses at 31/12/2023	Not more than 1 year	1 to 5 years	More than 5 years
Operating leases - Minimum future lease payments	640	175	1,629	1,097
TOTAL K €	640	175	1,629	1,097

- Finance lease commitments

None

- Pledge of goodwill
 - October 2015: Pledge of business funds of AteME SA of €600k to HSBC. This pledge was subject to a counter guarantee by Bpifrance in the amount of 50%.
 - July 2017: Pledge of business assets of AteME SA of €805k to Société Générale. This pledge was subject to a counter guarantee by Bpifrance in the amount of 50%.
 - July 2017: Pledge of business funds of AteME SA of €600k to HSBC. This pledge was subject to a counter guarantee by Bpifrance in the amount of 40%.
 - November 2017: Pledge of business funds of AteME SA of €600k to HSBC. This pledge was subject to a counter guarantee by Bpifrance in the amount of 40%.
 - September 2019: Pledge of business assets of AteME SA for €1,150k to Banque Palatine. This pledge was subject to a counter guarantee by Bpifrance in the amount of 40%.
- Signature commitment entered into by Societe Generale

Société Générale has taken out a financial guarantee in the amount of €80k in favour of Société Internationales Immobiliens Institut GMBH for the rental of offices located in Vélizy- Villacoublay.

Société Générale has taken out a financial guarantee in the amount of €38k in favour of SCI Novalis for the rental of offices located in Rennes.

4.4 Details of accruals

4.4.1 Prepaid and deferred expenses

Prepaid expenses amounted to €1,564k at 31 December 2023.

Deferred charges amount to €1,372k and correspond to the spread of financial expenses relating to the financing (mobilisation of receivables) of the CIR.

4.4.2 Deferred income

Income recognised at 31 December 2023 amounted to €5517k relating to maintenance contracts and the sale of dynamic licenses.

4.5 Subsidiaries

Ateme Canada Inc

Marketing subsidiary created in 2004. It is 100% owned by Ateme SA. Ateme Canada Inca signed a service agreement in January 2013 with Ateme SA. As such, Ateme Canada Inc receives monthly expense based compensation plus a fixed margin of 5%.

In addition, Ateme SA and Ateme Canada Inc signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Canada Inc if necessary.

Ateme Inc (USA)

Marketing subsidiary based in the United States, created on 2 November 2007. It is 100% owned by Ateme SA. Ateme Inc signed a service agreement in January 2010 with Ateme SA. As such, Ateme Inc receives compensation based on monthly expenses plus a fixed margin of 5%.

In addition, Ateme SA and Ateme Inc signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Inc if necessary.

Ateme Singapore Pte Ltd

Singapore based marketing subsidiary, established in March 2015. It is 100% owned by Ateme SA. Ateme Singapore signed a service agreement in March 2015 with Ateme SA. As such, Ateme Singapore receives remuneration based on monthly expenses plus a fixed margin of 5%.

In addition, Ateme SA and Ateme Singapore have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Singapore if necessary.

Ateme Australia Pty Ltd

Marketing subsidiary based in Australia, established in November 2018. It is 100% owned by Ateme SA. Ateme SA and Ateme Australia have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Australia in case of need.

The current account advances granted to subsidiaries to cover the deficit are provisioned at 100% in Ateme SA (financial provisions).

Ateme UK

Marketing subsidiary based in the United Kingdom, created in November 2022. It is 100% owned by Ateme SA. Ateme UK has signed a service agreement with Ateme SA. As such, Ateme UK receives remuneration based on monthly expenses plus a fixed margin of 5%.

In addition, Ateme SA and Ateme UK have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme UK in case of need.

Table of subsidiaries and investments in K €

Financial information in K € Subsidiaries and affiliates	Share capital	Reserves and retained earnings before appropriation of earnings	Share of capital held (in%)	Carrying amounts of securities held		Loans and advances granted by the company and not yet repaid	Guarantees and endorsements given by the company	Net sales for the last financial year	Results (profit or loss for the last financial year ended)	Dividends received by the company during the year
				Gross	Net					
Ateme Canada Inc 615 bd René-Lévesque Ouest Montreal, Quebec, CANADA	0	-32	100%	0	0	0	0	1,402	61	0
Ateme Inc 750 W. Hampden Ave., Suite 290 Englewood, CO 80110, USA	320	730	100%	264	264	0	0	32,627	86	0
Ateme Singapore Ldt Pte 152 Beach Road Singapore 189721	34	534	100%	34	34	0	0	2,983	87	0
Ateme Australia Ldt Pty Suite 402, Level4, 44 Miller Street NTH Sydney NSW 2060, Australia	0	-1,038	100%	0	0	1,362	0	941	-1,013	0
Ateme UK Wilberforce House, Station Road LONDON, NW4 4QE, UK	0	0	100%	0	0	910	0	1,848	68	0

4.6 Tax losses carried forward

Ateme SA's tax loss carried forwards amounted to € 68.2 million at the end of this financial year. These deficits can be carried forward indefinitely under current tax legislation.

Tax consolidation

Ateme SA benefited from the tax consolidation regime in 2021 following the integration of Anevia SA. The tax consolidation agreement provides that the tax expense or, where applicable, the tax saving (tax losses carried forward, etc.) resulting from this regime is the responsibility of the parent company of the integration group.

At 1 January 2022, a single transfer of assets and liabilities (TUP) was made between Anevia SA and Ateme SA. Anevia is delisted from 1 January 2022.

4.7 Headcount

4.7.1 Average number of Ateme SA employees in 2023: 327 people.

4.7.2 Calculation of retirement benefit

The amount of the off balance sheet commitment in respect of IDRs was €1,978k at 31 December 2023, compared with €1,259k at 31 December 2022.

The commitment is assessed in accordance with ANC recommendation 2013-02 (method 1).

This commitment concerns only employees covered by French law. The main actuarial assumptions used in the valuation of retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	31/12/2023		31/12/2022	
	Managers	Non executives	Managers	Non executives
Retirement age	Voluntary departure (60-67 years)			
Collective agreements	SYNTEC			
Discount rate	3.20%		3.75%	
Mortality table	INSEE 2022		INSEE 2018	
Salary increase rate	3.00%		3.00%	
Turnover rate	Strong		Ateme (see detail below)	
Social security contributions rate	47%	43%	47%	43%

The turnover rate was determined based on a study carried out by INSEE on inflows and outflows by age group in correlation with the average turnover level of the Company.

The rates used can be summarised as follows:

- 20 to 30 years: Declining rate from 18.30% to 10.90%
- 30 to 40 years: Declining rate from 10.90% to 6.30%
- 40 to 50 years: Declining rate from 6.30% to 4.20%
- 50 to 60 years: Declining rate from 4.20% to 1%
- 60 to 67 years: Declining rate from 1% to 0%

4.8 Managers and Directors

Compensation paid to members of the Board of Directors breaks down as follows (in K €):

Compensation of corporate officers	31/12/2023
Fixed compensation	175
Annual variable compensation	99
Exceptional compensation	0
Directors' fees	93
TOTAL	367

No advance or credit has been allocated to the corporate officers, no pension commitment has been contracted for their benefit.

4.9 Related party disclosures

Since 1 July 2020, Michel Artières has been Chief Executive Officer under a corporate office agreement.

5. Financial risk management and assessment

Ateme may be exposed to different types of financial risks: Market risk, credit risk and liquidity risk. Where appropriate, Ateme uses simple and proportionate means to minimise the potentially adverse effects of these

risks on financial performance. Ateме's policy is not to subscribe financial instruments for speculative purposes. Ateме does not use derivative financial instruments.

Interest rate risk

Ateме has no significant exposure to interest rate risk, as:

- Marketable securities consist of short term money market funds,
- Cash and cash equivalents include term accounts,
- No floating rate debt was subscribed.

Credit risk

Credit risk is associated with deposits (bank accounts) with banks and financial institutions. Ateме uses leading financial institutions for its cash investments and therefore does not bear any significant credit risk on its cash position.

It has policies in place to ensure that its customers have an appropriate credit risk history.

Currency risk

The main risks related to the foreign exchange impact of sales and purchases in foreign currencies mainly concern sales of products and expenditures in US dollars as well as the financing of subsidiaries in their local currency.

The Company has not, at its stage of development, made any hedging arrangements to protect its business from exchange rate fluctuations. On the other hand, the Company cannot rule out that a significant increase in its business would lead to greater exposure to currency risk. The Company will then consider using an appropriate policy to hedge these risks.

Equity risk

The Company does not hold any equity interests or marketable securities on a regulated market.

Subsequent events

On 30 January 2024, Ateме announced its participation in the Mobile World Congress 2024, where it will present its next generation video broadcasting solutions to help operators reduce video delivery costs.

On 20 February 2024, Ateме announced the integration of Apple's latest HLS Interstitials specification into its Server side Advertising Solution (ssai). This evolution of Ateме's NEA solution for targeted advertising ensures a high viewing experience while allowing content and service providers to increase their revenues through broader reach and more effective advertising targeting

On 27 February 2024, Ateме and Verance, a global watermarking platform that provides network functionality on terrestrial television, announced the integration of Verance's Aspect watermarking into Ateме's TITAN transcoder audio channels.

On 14 March 2024, Ateме announced its participation in NAB Show 2024 in Las Vegas, USA. From 13 to 17 April Ateме will present a series of cutting edge solutions that enable content and service providers to reach more while spending less.

On 19 March 2024, Ateме announced that its TITAN encoders now allow new ways to consume video content on Apple's Vision Pro. By operating Ateме's Gen 7 compression engine to support Space Computing via the MV HEVC standard, TITAN encoders can now provide 3D stereoscopic content

On 4 April 2024, Ateме announced its participation in two interventions at the 2024 NAB in Las Vegas alongside speakers from Apple, Disney and Dolby Laboratories. Our engineers presented Ateме technologies applied to Apple's immersive Visio Pro experience.

On 9 April 2024, Ateame announced that it received the 2024 Google Cloud Partner Award in the Industrial Solution - Technology: Media & Entertainment category

18.1.2_Audit of historical financial information 2023

BL2A

42, rue Jenner
91600 Savigny sur Orge
S.A.S. with share capital of €344400
403,136,351 R.C.S. Evry

Statutory Auditor
Company member
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

Statutory Auditor
Company member
Régionale de Versailles et du Centre

Statutory Auditors' report on the financial statements

To the General Meeting of Ateме,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Ateме for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the results of operations for the year then ended and of the financial position and assets of the Company at the end of the year, in accordance with French accounting rules and principles.

The opinion expressed-above is consistent with the contents of our report to the Audit Committee.

Basis of opinion

■ **Audit standards**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the 'Statutory Auditors' Responsibilities for the Audit of the Financial Statements' section of our report.

■ **Independence**

we conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie) for the period from 1 January 2023 to the date of our report, and in particular we did not provide any non audit services prohibited by Article 5 (1) of Regulation (Eu) No 537/2014.

Observation

Without qualifying our opinion-above, we draw your attention to Note 1.1 Accounting policies to the financial statements which describes the effects on the 2023 financial statements of the change in revenue recognition method on dynamic licence agreements.

Justification of our assessments - Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance in our audit of the annual financial statements for the year, as well as our responses to those risks.

These assessments were made as part of our audit of the financial statements taken as a whole and in forming our opinion expressed-above. We do not express an opinion on individual items of these financial statements.

■ Measurement of intangible assets

Identified risk	Our response
<p>your Company and its subsidiary Anevia transferred all of its assets and liabilities to your Company on January 1, 2022, generating a merger loss of €22452,, as mentioned in Note 1.3 'Significant events of the year' to the financial statements. This mali was allocated K €7830 to Telco technology amortised over a period of eleven years, the balance, amounting to K €14622, is presented in commercial funds.</p> <p>As mentioned in note 2.1.1 'Intangible assets' to the annual financial statements, these intangible assets are tested for impairment if there is an indication of impairment and at least once a year at the end of each financial year for the unamortised asset. The need to recognise an impairment loss is assessed by comparing the carrying amount of the assets with their recoverable amount. Recoverable amount is defined as the higher of fair value net of disposal costs and value in use. The determination of value in use is sensitive to the discount rate, estimates of future cash flows, as well as the long term growth rates used.</p> <p>Given their significance in the financial statements and their sensitivity to estimates, we considered the measurement of intangible assets to be a key audit matter.</p>	<p>Our work consisted mainly in examining the justification provided by management in accordance with the valuation method used and the figures used. In particular, we have:</p> <ul style="list-style-type: none"> ▶ Reviewed the process implemented by management to estimate the recoverable amount of intangible assets, and the documentation of management's choices regarding the items to be considered; ▶ Assessed the consistency of the key assumptions used to determine the discounted cash flows and the long term growth rates of these flows: We assessed the consistency of the assumptions with regard to the historical performance and operating budgets approved by management for the coming financial year, including growth forecasts for subsequent years; ▶ Assessed the appropriateness of the financial information provided in the notes to the annual financial statements.

■ Impairment of inventories

Identified risk	Our response
<p>The gross value of your company's inventories amounted to K €7629 at 31 December 2023 and is written down by K €308. These inventories consist mainly of goods.</p> <p>As disclosed in note 2.2 'Inventories and work in progress' to the annual financial statements, the provision for impairment of inventories relates to components or goods that are subject to internal loan, testing or repair.</p> <p>Components or goods for which technological advances are beginning to render inventories obsolete or those with little or no movement during the year are scrapped.</p> <p>We considered that the write down of inventories was a key audit matter due to the relative importance of inventories in your company's accounts and due to management's necessary judgement in identifying the inventories to be written down.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment; ▶ Attend year end physical inventories; ▶ Compare, on a test basis, the cost of the main items in inventory with the net selling price during the year; ▶ Analyse the data and assumptions used by management to identify inventories to be impaired; ▶ Perform a retrospective analysis of inventory run off based on inventory movements made during the year.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts.

■ Information given in the management report and in the other documents addressed to shareholders on the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to payment terms referred to in Article D. 441-6 of the French Commercial Code.

■ Information on corporate governance

We attest that the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-09 of the French Commercial Code is provided in the section of the Board of Directors' management report on corporate governance.

Concerning the information given in accordance with the requirements of Article L. 22-10-09 of the French Commercial Code (Code de commerce) relating to compensation and benefits paid or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled by it that is included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

■ Other information

In accordance with French law, we have verified that the required information concerning the acquisition of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

■ Presentation format of the annual financial statements for inclusion in the annual financial report

We have also verified, in accordance with the professional standard on the procedures of the statutory auditor relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, compliance with this format defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer.

Based on our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report respects, in all material respects, the single European electronic information format.

It is not our responsibility to verify that the annual financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we performed our work.

■ **Appointment of the Statutory Auditors**

We were appointed auditors of Ateame by your Annual General Meeting of 30 June 1997 for BL2A and 11 April 2014 for ERNST & YOUNG Audit.

As of 31 December 2023, BL2A was in the twenty seventh year of its uninterrupted engagement (including ten years since the company's shares were admitted to trading on a regulated market) and ERNST & YOUNG Audit in the tenth year.

Responsibilities of management and those charged with corporate governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, -whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations .

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors relating to the audit of the annual financial statements

■ **Audit objective and approach**

Our responsibility is to prepare a report on the financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make on the basis thereof.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit. In addition:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not-detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- ▶ Assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- ▶ Assesses the appropriateness of management's application of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its report. However, it should be noted that subsequent circumstances or events may cast significant doubt on the Group's going concern. If he concludes that a material uncertainty exists, he draws the attention of the readers of his report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, he formulates a certification with reservations or a refusal to certify;
- ▶ Evaluates the overall presentation of the financial statements and assesses whether the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

■ **Report to the Audit Committee**

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the conclusions resulting from our audit. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that we consider to have been of most significance in the audit of the annual financial statements for the year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (Eu) No. 537/2014 confirming our independence within the meaning of the French regulations as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics (Code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Savigny sur Orge and Paris La Défense, 29 April 2024

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hus

Franck Sebag

18.1.3_Change in accounting reference date

None.

18.1.4_Accounting standards

For the consolidated financial statements, the financial information shall be prepared in accordance with International Financial Reporting Standards as adopted in the Union in accordance with Regulation (EC) No 1606/2002.

18.1.5_Change in accounting standards

None.

18.1.6_National accounting standards

Please refer to section 18.01.01. 'Audited historical financial information.'

18.1.7_Consolidated financial statements

Statement of Financial Position	Notes	31/12/2023 K €	31/12/2022 K €
ASSETS			
Goodwill	10	12,886	12,886
Intangible assets	11	8,192	8,381
Property, plant and equipment	12	3,931	3,770
Rights of use	13	4,403	2,972
Other non current financial assets	15	1,276	1,176
Deferred tax assets	8	2,081	1,554
Total non current assets		32,769	30,740
Inventories	16	8,100	10,005
Trade receivables	17.1	36,357	37,409
Other current receivables	17.2	25,191	19,476
Cash and cash equivalents	18	5,629	3,904
Total current assets		75,276	70,795
Total Assets		108,045	101,534
LIABILITIES			
Share capital	20	1,601	1,579
Additional paid in capital	20	27,293	26,584
Translation reserve	20	429	440
Other comprehensive income	20	(291)	88
Reserves - Group share	20	13,004	12,295
Net income - Group share	20	(3,995)	(46)
Equity, Group share		38,041	40,940
Non current liabilities			
Employee benefit obligations	23	1,978	1,259
Provisions for charges	24	-	41
Non current financial debt	22	23,390	18,858
Non current lease liabilities	22.2	3,887	2,315
Deferred tax liabilities	8	11	11
Non current liabilities		29,264	22,483
Current liabilities			
Current financial debt	22	6,043	5,111
Current lease liabilities	22.2	678	667
Trade payables and related accounts	25.1	15,823	16,322
Tax and social security liabilities	25.2	8,524	6,574
Other current liabilities	25.3	9,672	9,438
Current liabilities		40,740	38,112
Total Liabilities		108,045	101,534

Income statement	Notes	31/12/2023 12 months K €	31/12/2022 12 months K €
Revenue	3	100,032	90,553
Cost of sales	4.1	(40,172)	(36,121)
Gross margin		59,860	54,432
Research and development expenses	4.2	(24,397)	(20,850)
Marketing and selling expenses	4.3	(31,449)	(27,827)
General and administrative expenses	4.4	(6,417)	(5,914)
Recurring operating income		(2,404)	(158)
Other recurring operating income and expenses	4.5	-	-
Operating income		(2,404)	(158)
Financial expenses	7	(1,002)	(447)
Financial income	7	21	4
Foreign exchange gains and losses	7	(522)	211
Profit before tax		(3,907)	(391)
Income tax expense/income	8	(89)	345
Net income		(3,995)	(46)
<i>Group share</i>		<i>(3,995)</i>	<i>(46)</i>
<i>Non controlling interests</i>		<i>-</i>	<i>-</i>
Basic earnings per share (€/share)	9	(0.35)	0.00
Diluted earnings per share (€/share)	9	(0.35)	0.00

IFRS	31/12/2023	31/12/2022
Consolidated Statement of Comprehensive Income	K €	K €
Profit for the year	(3,995)	(46)
Actuarial gains and losses	(505)	140
Tax effect related to these items	126	35
Items not recyclable to income	(379)	176
Consolidation translation differences	(11)	148
Items recyclable to income	(11)	148
Comprehensive Income	(4,385)	278
<i>Group share</i>	<i>(4,385)</i>	<i>278</i>
<i>Non controlling interests</i>	<i>-</i>	<i>-</i>

Change in equity

Change in consolidated equity	Share capital Number of shares	Share capital K €	Additional paid in capital K €	Reserves and result K €	conversion difference s K €	Actuarial gains and losses K €	Equity, Group share K €	non controlling interests K €	Equity K €
At 31 December 2021	11,224,028	1,571	26,554	11,261	291	(88)	39,590	-	39,590
Net income 2022				(46)			(46)		(46)
Other comprehensive income					148	176	324		324
Comprehensive income							278		278
Vesting of bonus shares	54,000	8	(8)				-		-
Exercise of stock options	1,500		38				38		38
Cancellation of treasury shares resulting from the liquidity contract				(40)			(40)		(40)
Share based payments				1,073			1,073		1,073
At 31 December 2022	11,279,528	1,579	26,584	12,248	440	88	40,939		40,939
Net income 2023				(3,995)			(3,995)		(3,995)
Other comprehensive income					(11)	(378)	(389)		(389)
Comprehensive income							(4,385)		(4,385)
Definitive allocation of free shares	41,000	6	(6)				-		-
Capital increase reserved for employees	110,417	15	815				830		830
Cancellation of treasury shares resulting from the liquidity contract				(20)			(20)		(20)
Share based payments				776			776		776
Capital increase costs			(99)				(99)		(99)
At 31 December 2023	11,432,444	1,600	27,293	9,009	429	(291)	38,042		38,042

Consolidated cash flow statement	Notes	31/12/2023 K €	31/12/2022 K €
Net income		(3,995)	(46)
Elimination of amortisation of intangible assets	11	653	767
Elimination of technology depreciation	11	712	712
Elimination of depreciation of property, plant and equipment	12	1,895	1,681
Elimination of IFRS amortisation 16	13	858	779
Additions to provisions		214	175
Reversal of provisions		(41)	-
Share based payment expense	21	776	1,073
Net finance costs	7	969	413
Loss on disposal of fixed assets		(13)	(6)
Other		(34)	1
Deferred tax expense	8	(419)	(4)
Operating cash flow before net finance costs and taxes		1,574	5,544
(-) Change in operating working capital	26	(947)	(10,974)
Cash flow from operating activities		627	(5,430)
Acquisition of intangible assets	11	(128)	(112)
Capitalisation of development costs	11	(1,048)	(871)
Acquisition of property, plant and equipment	12	(2,068)	(2,230)
Change in other non current financial assets	15	(133)	(257)
Vitec receivable		-	399
Cash flows from investing activities		(3,376)	(3,076)
Exercise of stock options	21	-	38
Capital increase reserved for employees	20	830	-
Allocation of capital increase costs		(99)	-
Receipt of advances and conditional grants	22.3	337	91
Collection of new borrowings	22	15,234	5,406
Gross interest paid	7	(494)	(413)
Repayments of conditional loans and advances	22	(9,722)	(4,549)
Repayments of lease liabilities (IFRS 16)	22.2	(684)	(782)
Cash flows from financing activities		5,401	(209)
Impact of changes in foreign exchange rates		(37)	129
Increase (Decrease in cash)		2,616	(8,586)
Opening net cash and cash equivalents		2,862	11,447
Net cash and cash equivalents at end of period	18	5,478	2,862
Increase (Decrease in cash)		2,616	(8,586)
		31/12/2023	31/12/2022
Cash and cash equivalents	18	5,629	3,904
Bank overdrafts		(151)	(1,042)
Net cash and cash equivalents at end of period		5,478	2,862

Detailed analysis of changes in working capital requirements (in K €)	31/12/2023	31/12/2022
Inventories (net of inventory write downs)	1,944	(3,551)
Trade receivables (net of impairment of trade receivables)	1,319	(5,426)
Other receivables	(5,693)	(6,939)
Trade payables and related accounts	(561)	2,348
Tax and social security liabilities	1,908	860
Other current liabilities	136	1,734
Total changes	(947)	(10,974)

Notes to the Financial Statements

(Unless otherwise stated, the amounts mentioned in these notes are in K €)

Note 1: Presentation of business and major events

The following information constitutes the Notes to the IFRS consolidated annual financial statements that form an integral part of the financial statements presented for the years ended 31 December 2023 and 2022.

1.1 Information about the Company and its business

Created in June 1991 in France for a period of 99 years, AteME (a French public limited company) is responsible for 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,
- Broadcasting " File " and broadcasting " Live ": a solution for transcoding content for broadcasting on all types of screens to monetise content.

Registered Office Address: 6 rue Dewoitine, 78140 Vélizy Villacoublay, France

Number of the Trade and Companies Register: 382,231,991 RCS de VERSAILLES.

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

1.2 Significant events of 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.

On 17 January 2023, Skytel, the Mongolian telecommunications service provider, extended the existing AteME 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 AteME solution for encoding and packaging, reducing latency for its premium OTT channels beyond its original expectation. AteME thus exceeds expectations for low latency video for Cyta (Cyprus).

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

On 9 February 2023, AteME 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, AteME 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. AteME 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 programme 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.

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.

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 7 September 2023, Ateame announced the launch of its STREAM 7 encoding engine. At the heart of the new generation of TITAN video processing solutions, Gen 7 goes beyond conventional video compression, offering unparalleled performance and efficiency that promote the user experience for as many people as possible thanks to a state of the art encoding core.

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

On 21 September 2023, Ateame notified that it had initiated the first FCC approved transmission of a 5G Broadcast signal on a licenced broadcasting facility, as part of a 5G Broadcast concept demonstration at the Federal Communications Commission.

On 26 September 2023, Ateame states that its TITAN encoders fed Viacom18's UHD experience into 17 different languages for the 2023 Indian Premier League.

On 14 November 2023, Ateame announced the compliance of its TITAN video transcoder range with Japanese video standards defined by the Association of Radio and Business Industries (ARIB). This makes Ateame's TITAN transcoders suitable for Japanese broadcasters seeking to offer superior experience quality and more efficient and sustainable video services on any platform.

On 21 November 2023, Ateame offers a robust disaster recovery solution for the DVR Cloud and CDN platform in war torn Ukraine.

On 28 November 2023, Ateame announced that NT, a leading telecommunications operator in Thailand, has been contributing to numerous sporting events across Asia and beyond over the past two years.

On 14 December 2023, Ateame announced that its TITAN encoding and transcoding solutions have been selected by Chinese television station Hubei TV for its Central Economy Resource Pool Project.

Press releases are available at www.ateame.com

1.3 Subsequent events

On 30 January 2024, Ateame announced its participation in the Mobile World Congress 2024, where it will present its next generation video broadcasting solutions to help operators reduce video delivery costs.

On 20 February 2024, Ateame announced the integration of Apple's latest HLS Interstitials specification into its Server side Advertising Solution (ssai). This evolution of Ateame's NEA solution for targeted advertising

ensures a high viewing experience while allowing content and service providers to increase their revenues through broader reach and more effective advertising targeting

On 27 February 2024, Ateame and Verance, a global watermarking platform that provides network functionality on terrestrial television, announced the integration of Verance's Aspect watermarking into Ateame's TITAN transcoder audio channels.

On 14 March 2024, Ateame announced its participation in NAB Show 2024 in Las Vegas, USA. From 13 to 17 April Ateame will present a series of cutting edge solutions that enable content and service providers to reach more while spending less.

On 19 March 2024, Ateame announced that its TITAN encoders now allow new ways to consume video content on Apple's Vision Pro. By using Ateame's Gen 7 compression engine to support Space Computing via the MV HEVC standard, TITAN encoders can now provide 3D stereoscopic content.

On 4 April 2024, Ateame announced its participation in two interventions at the 2024 NAB in Las Vegas alongside speakers from Apple, Disney and Dolby Laboratories. Our engineers presented Ateame technologies applied to Apple's immersive Visio Pro experience.

On 9 April 2024, Ateame announced that it received the 2024 Google Cloud Partner Award in the Industrial Solution - Technology: Media & Entertainment category

Press releases are available at www.ateame.com

Note 2: Accounting principles, rules and methods

The financial statements are presented in K € unless otherwise stated.

2.1 Accounting principles

Declaration of compliance

Ateme has prepared its consolidated financial statements approved by the Board of Directors on 5 April 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 Interpretations Committee (IFRIC).

The accounting principles, methods and options adopted by the Company are described below. In some cases, IFRS leaves the choice between applying a benchmark treatment or other permitted treatment.

Principle of preparation of financial statements

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

Going concern

The going concern assumption for the next 12 months from 31 December 2023 has been adopted by the Board of Directors based on the available cash position and the revised revenue and gross margin growth assumptions.

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 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.

Consolidation principles

Fully consolidated companies

The consolidated financial statements include, on a full consolidation basis, the financial statements of subsidiaries over which the Group holds, directly or indirectly, exclusive control. The Group considers that it has exclusive control over an entity when it has the ability to govern the operating and financial policies of that entity in order to obtain economic benefits. Full consolidation allows all assets, liabilities and income statement items of the Companies concerned to be taken into account, after elimination of internal transactions and results, with the portion of income and equity resold to the Group Companies (Group Share) distinguished from that relating to the interests of other shareholders (Non controlling interests). All significant transactions between the Consolidated Companies as well as the internal results of the consolidated entity (including dividends) are eliminated.

Main group companies at 31 December 2023

Subsidiaries

Subsidiaries are all entities for which the Company has the power to govern financial and operating policies. This power is generally accompanied by the holding 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 to be exercised.

Intra group transactions and balances are eliminated. The financial statements of the subsidiary are prepared over the same reference period as those of the Parent Company, based on homogeneous accounting policies.

At 31 December 2023, five companies were fully consolidated. The companies directly owned are as follows:

Companies	Countries	Group control in%	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

No acquisition during the period to be recognised.

2.2 Recent events and changes to previously published financial statements

None

2.3 Use of judgements and estimates

In preparing the financial statements in accordance with IFRSs, estimates, judgements and assumptions have been made by the Group's management; they may have affected the amounts reported in respect of assets and liabilities, contingent liabilities at the date of preparation of the financial statements, and the amounts reported in respect of income and expenses for the year.

These estimates are based on the going concern assumption and are based on information available at the time of preparation. They are measured on an ongoing basis on the basis of past experience and various other factors considered reasonable that form the basis of the assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual results could differ materially from these estimates depending on different assumptions or conditions.

The main significant estimates or judgements made by the Company's management relate in particular to the following:

The main significant estimates or judgements made by the Company's management relate in particular to the following:

- Allocation of stock options or equity warrants to employees and executives
 - The determination of the fair value of share based payments is based on the Black & Scholes option pricing model which takes into account assumptions about complex and subjective variables. These variables include in particular the value of the Company's securities, the expected volatility of the share price over the life of the instrument as well as the current and future behaviour of the holders of these instruments. There is a high inherent risk of subjectivity arising from the use of an option pricing model in determining the fair value of share based payments in accordance with IFRS 2.
 - The valuation assumptions used are presented in Note 21.
- Revenue recognition
 - Some perpetual licence agreements include a maintenance component contingent on the definitive transfer of ownership. In this context, the Group may need to take comparable data into account when determining the revenue to be recognised on each contract.
 - The accounting principles are presented in Note 3.
- Capitalised development costs
 - The Group devotes significant efforts to research and development. In this context, the Group must make judgements and interpretations in determining the development costs to be capitalised as soon as all of the six criteria defined by IAS 38 are met.
 - The accounting principles and amount of capitalised costs are disclosed in note 11.
- Impairment of inventories
 - The Group determines a provision for impairment of inventories based on an analysis of the probable net realisable value of its inventories, which is based on historical and forecast data. In this context, the Group may have to take into account assumptions (particularly in terms of technological changes in the various card versions and the risk of obsolescence of said products).
 - The accounting policies and the amount of provisions are presented in note 16, respectively.
- Provision for pension obligations
 - The Group uses assumptions related to turnover, discount rate and salary increases based on historical data. In this context, the Group may have to take into account assumptions.
 - The accounting principles and the amount of provisions are presented in Note 24.

- Impairment of trade receivables
 - The Group determines a provision for customer impairment based on historical losses recognised on certain categories of customers. In this context, the Group may have to take into account assumptions (particularly in terms of customer risk).
 - The accounting policies and the amount of provisions are presented in note 17.1, respectively.
- Debt on lease obligations
 - The determination of the lease terms and renewal options used to determine the value of debts and rights of use in accordance with IFRS 16 'Leases.' The accounting principles are presented in note 7 and 13 and in the section on accounting principles.
- Allocation of the acquisition price of assets and liabilities at fair value (see Note 10)
- Impairment tests on assets (see Note 14)

2.4 Presentation functional currency

The Group's financial statements are prepared in euros, the presentation and functional currency of Ateame SA.

2.5 Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency by applying the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated into the functional currency using the exchange rate at that date.

Foreign exchange gains and losses resulting from the translation of monetary items correspond to the difference between the amortised cost denominated in the functional currency at the beginning of the period, adjusted for the impact of the effective interest rate and payments over the period, and the amortised cost denominated in the foreign currency translated at the exchange rate at the balance sheet date.

Non monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into the functional currency using the exchange rate of the date on which the fair value was determined. Exchange differences resulting from these conversions are recognised in profit or loss, except for differences resulting from the translation of available for sale equity instruments, a financial liability designated as a hedge of a net investment in a foreign operation, or instruments qualified as cash flow hedges, which are recognised directly in equity.

Translation of financial statements of foreign subsidiaries

The euro, used as the presentation currency, is the currency in which most of the cash flows are generated within the Group. The company's functional currency is the euro and the functional currencies of its subsidiaries are as follows:

- Ateame SA Inc. : US dollar
- Ateame Canada Inc. : Canadian dollar
- Ateame Singapore: Singapore dollar
- Ateame Australia: Australian dollar
- Ateame UK: Sterling Pounds

The financial statements of Group entities whose functional currencies are different from the euro are translated into euros as follows:

- Assets and liabilities are translated at the closing rate on 31 December 2023;
- Income and expenses for each income statement are translated at the average exchange rate for the period or year which is considered to reflect the rates prevailing on the effective date of the transactions.

Translation differences resulting from the application of these different rates are included in a specific item in equity, 'Translation differences.'

Currency rate for one euro	Closing rate	Average Rate
AUD Australian Dollar	1.6220	1.6236
CAD Canadian dollar	1.4652	1.4595
GBP Pound Sterling	0.8675	0.8642
SGD Singapore dollar	1.4598	1.4607
USD US dollar	1.1038	1.0803

2.6 Current and non current distinction

The Group applies a balance sheet presentation distinguishing between current and non current portions of assets and liabilities.

The distinction between current and non current items was made according to the following rules:

- Assets and liabilities constituting working capital that are part of the normal business cycle are classified as 'current';
- Assets and liabilities, excluding the normal operating cycle, are presented in 'current' on the one hand and 'non current' on the other, depending on whether their maturity is more or less than one year or following the application of specific cases referred to in IAS 1.

2.7 Recoverable amount of non current assets

Amortised assets are tested for impairment whenever there is an internal or external indication that an asset may have lost value.

At 31 December 2023 and 2022, there were no internal or external indications of impairment (see Note 15).

2.8 Receivables and payables denominated in foreign currencies

Payables and receivables denominated in foreign currencies are recognised at the exchange rate on the initial transaction. At the end of the reporting period, the corresponding headings in assets and liabilities are measured at the closing rate.

2.9 Segment information

The Group operates in a single segment: The 'marketing of professional video compression solutions.'

The reported assets and business are located in France. Revenue by geographical area is described in note 3.

Research and development costs, most of the administrative costs are incurred in France. At this stage, these costs are not allocated to the geographical areas in which these products are marketed.

Thus, the Company's performance is currently analysed at the level of the identified segment. The Company monitors two performance indicators:

- Revenue
- Restated EBITDA (see Note 5)

2.10 Other comprehensive income

Items of income and expenses for the period recognised directly in equity are presented, where applicable, under the heading 'Other comprehensive income.'

Note 3: Revenue

The Group's revenue arises from the sale of professional video compression solutions, maintenance contracts and service contracts.

Multiple element service contracts

The Group enters into multiple element service contracts, which may correspond to a combination of different services or deliveries of goods. Revenue is recognised separately for each item when it is separately identifiable and the customer can benefit from it separately.

When these activities transfer to the customer control of a separate service or property from which the customer can benefit independently of the recurring services, they are treated separately and revenue is recognised without waiting for the recurring services phase. These contracts mainly concern the 'contribution' activity, which includes the delivery of a hardware incorporating the license, which makes the whole inseparable and a maintenance contract over a period of 12 to 24 months. The maintenance contract can be sold independently of the hardware.

When a contract contains several performance obligations, the price is allocated to each of them on the basis of its individual selling price. This selling price is determined on the basis of the 'catalogue' price. The 'catalogue price' corresponds to the observable price when the entity sells this service separately in similar projects. These contracts mainly concern the 'distribution' activity which includes, in particular, the delivery of a right of use to a TITAN license, dissociable from hardware, a maintenance contract (which is optional and independent of license sales), in some cases, a delivery of hardware on which the license will be installed and in some cases, a service provision for the parameterization of the solution.

The licence attached to these contracts consists of a basic encoding feature and multiple options to be chosen by the customer, making the licence price very variable from one contract to another.

Revenue recognition at a given date over time or continuously

Revenue is recognised when the Group transfers control over the goods or services sold to the customer, either on a given date over time or continuously.

For recurring services, revenue is recognised on an ongoing basis as the customer immediately benefits from the services as soon as they are performed by the Group. When the Group has a right to charge the customer that corresponds directly to the performance obligation achieved to date, revenue is recognised for this amount.

Intellectual property licences

These perpetual licences (with no time limit) transfer to the customer:

- Or a right to use the intellectual property as it exists at the precise time the licence is granted (**static license**), These licenses only benefit from corrective updates
- Or a right of access to intellectual property as it exists throughout the licence term (**dynamic license**). These licences benefit from the upgrades provided by the Group.

Since January 1, 2019, the Company has been offering dynamic licence offers to its customers. This multi year offer allows customers to benefit from unlimited licences including versions of the product roadmap during the contract term. The contractual analysis of these contracts leads to the identification of two performance obligations:

- One under the licence initially sold that immediately provides profits to the customer, revenue is recognised as soon as the licence is granted. An analysis of the amount to be recognised is performed on a contract by contract basis to identify the value to be allocated to the initial licence;
- This revenue is recognised on a straight line basis over the term of the contract (in line with the pace of version increases).

The group does not have any contracts falling within the scope of the definition of the order book under IFRS15. 120-122.

Net assets and liabilities of customer contracts

The timing of revenue recognition may differ from the timing of billing to group customers.

Trade receivables presented in the consolidated statement of financial position represent an unconditional right to the consideration (basically collection), i.e. the services or goods promised to the customer have been provided.

Contract liabilities represent the amounts for which the customer made a payment to AteME before obtaining the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and collected in respect of goods or services that remain to be provided for maintenance services, for example (deferred income).

Customer contract assets and liabilities are presented as current assets and current liabilities respectively as they are part of the Group's normal course of operations.

The Group has not implemented a commercial policy giving rise to variable counterparties.

The Group's revenue mainly comprises the marketing of products (decoders, encoders, etc.), solutions for the acquisition, processing and transmission of information, as well as maintenance and service contracts.

Revenue by geographical area for the last 2 years ended 31 December 2023 and 2022 was as follows:

Revenues BY GEOGRAPHICAL AREA (Amounts in K €)	31/12/2023	31/12/2022
Europe, Middle East and Africa (*)	35,275	31,983
USA Canada	40,067	33,960
Latin America	11,797	9,257
Asia Pacific	12,894	15,352
Total	100,032	90,552

(*) Including revenues issued in France (€5021k in 2023 versus €6773k in 2022)

The Group's largest customer, its five largest customers and its ten largest customers accounted for 12%, 24% and 34% of its consolidated sales respectively for the 2023 financial year; 9%, 20% and 28% of its consolidated sales for the 2022 financial year.

The Group has a fairly balanced distribution of revenue among its main customers and therefore believes that to date there is only a limited risk of dependence on its customers.

The Group's revenue recognition rate was as follows:

Category of sales (Amounts in K €)	IFR recognition method 15	31/12/2023	31/12/2022
Static licenses, equipment	Immediately	71,607	67,532
Dynamic licences	Gradually	6,414	3,740
Maintenance	Gradually	22,011	19,280
Total		100,032	90,552

Customer contract liabilities (deferred income on advances) changed over the period as follows:

Change in customer contract liabilities (Amount in K €)	31/12/2023	31/12/2022
Opening balance	9,039	7,245
Amount recognised in sales over the period	(5,887)	(5,596)
Amount to be recognised over the next periods	6,409	7,328
Other	(600)	-
Translation adjustment	(91)	62
Closing balance	8,947	9,039

Note 4: Details of expenses and income by function

The Company presents its income statement by purpose.

Impairment of trade receivables and inventories

Impairment of trade receivables is presented in 'Cost of sales.'

Impairment of inventories is recorded in the 'cost of sales' category.

Operating leases

Payments made for these operating leases, net of any incentive measures, are expensed in the income statement on a straight line basis over the term of the contract.

Subsidies

Subsidies received are recorded as soon as the corresponding receivable becomes certain, taking into account the conditions laid down for granting the subsidy.

Operating subsidies are recorded as current income, taking into account, where applicable, the pace of the corresponding expenditure.

Research tax credit

Research tax credits are granted to companies by the French State to encourage them to carry out technical and scientific research. Companies that justify expenses that meet the required criteria receive a tax credit that can be used for the payment of the corporation tax due in respect of the year in which the expenses are incurred and the following three years or, where applicable, be reimbursed for its excess share.

The research tax credit is presented in the statement of comprehensive income as a grant at the level of research and development expenses based on the origin of the expenditure.

The portion of the research tax credit relating to capitalised development costs is recorded as a deduction from assets.

The Company has benefited from the research tax credit since 1996.

4.1 Cost of Sales

SALES COSTS (Amounts in K €)	31/12/2023	31/12/2022
Direct sales expenses	(27,152)	(25,770)
Personnel expenses	(11,363)	(8,686)
Indirect sales expenses	(1,658)	(1,665)
Cost of sales	(40,172)	(36,121)

Indirect production expenses include a share of overheads, production costs, impairment of merchandise inventories and impairment of receivables.

4.2 Research and Development expenses

Subsidies amounting to €757k, recorded in the income statement, mainly correspond to operating subsidies, the main characteristics of which are as follows:

- The grant for the **nested** Project from MINEFI in the amount of €326k. Income recognised in the income statement amounted to €54k over the period.
- The €1626k grant for the **SimpleRAN** Project. Income recognised in the income statement amounted to €336k
- Grants **3EMS-2, MERCI, SMART CD** and **HyperOpenX** totalling €1181k. Income recognised in the income statement amounted to €368k

Research AND DEVELOPMENT (Amounts in K €)	31/12/2023	31/12/2022
Personnel expenses	(25,931)	(22,865)
Other	(235)	(299)
Share of general expenses	(1,506)	(1,176)
Amortisation of capitalised R & D expenses	(491)	(504)
Technology amortisation	(712)	(712)
Depreciation, amortisation and provisions	(1,748)	(1,433)
Taxes and training	(69)	(189)
Purchases not stored	(670)	(618)
Travel, Missions and Reception	(434)	(272)
Share based payments	(314)	(288)
Capitalisation of R & D expenses net of outflows	1,048	871
Research and Development expenses	(31,062)	(27,485)
Research tax credit and innovation tax credit	5,908	5,822
Subsidies	757	813
Research and Development expenses	(24,397)	(20,850)

4.3 Marketing & Sales Expenses

Marketing AND SALES COSTS (Amounts in K €)	31/12/2023	31/12/2022
Personnel expenses	(23,232)	(20,710)
Travel expenses	(2,376)	(1,742)
Other	(430)	(524)
Trade shows	(1,669)	(1,198)
Depreciation, amortisation and provisions	(583)	(646)
Taxes and training	(126)	(345)
Share of general expenses	(2,752)	(2,149)
Share based payments	(281)	(512)
Marketing and sales expenses	(31 449)	(27,827)

4.4 General and administrative expenses

General AND ADMINISTRATIVE COSTS (Amounts in K €)	31/12/2023	31/12/2022
Personnel expenses	(3,721)	(3,486)
Fees	(1,879)	(1,714)
Travel expenses	(120)	(104)
Depreciation, amortisation and provisions	(146)	(161)
Share of general expenses	(312)	(243)
Taxes and training	(146)	(39)
Other	(49)	(59)
Share based payments	(45)	(107)
General and administrative expenses	(6,417)	(5,914)

4.5 Other operating income and expenses

None

Note 5: Restated EBITDA

The term 'recurring operating income' is defined as the difference between total operating income and 'Other operating income' and 'Other operating expenses.'

Restated 'EBITDA,' earnings before interest, taxes, depreciation, and amortization, refers to the Group's recurring operating income before it is excluded, depreciation, amortisation and impairment of fixed assets and share based payment expenses. It highlights the profit generated by the activity regardless of the conditions of its financing, tax constraints and the renewal of the operating tool. Non recurring expenses (unusual, abnormal and infrequent items) are excluded

Restated Ebitda (Amounts in K €)	31/12/2023	31/12/2022
Recurring operating income	(2 404)	(158)
(-) DPA on intangible assets and property, plant and equipment	(2,548)	(2,448)
(-) DPA on acquired technologies	(712)	(712)
(-) DPA on rights of use	(858)	(779)
(-) Allowance/reversal of provisions	(173)	(175)
(-) IFRS share based payment 2	(776)	(1,073)
Restated EBITDA	2,664	5,028

Note 6: Group workforce

The workforce at the end of each financial year of the group during the last two financial years is as follows:

Headcount at 31 December	Financial year 2023	Financial year 2022
Cost of sales	119	106
Research and development	286	276
Marketing and sales	133	133
General expenses	40	38
Total workforce at 31 December	578	553
Of which Service Providers	103	107

Note 7: Financial income and expenses, net

The financial result includes all:

- Expenses related to the financing of the Company: Interest paid and unwinding of discounting of repayable advances and financial liabilities (see note 23).
- Interest income.

Any foreign exchange gains or losses are also recognised in the financial result.

Financial INCOME AND EXPENSES (Amounts in K €)	31/12/2023	31/12/2022
Amortised cost of borrowing	(948)	(413)
Other financial expenses	(54)	(35)
Financial income	21	4
Foreign exchange (losses) and gains	(522)	211
Total financial income and expenses	(1,503)	(233)

Other financial expenses consist mainly of discounts granted.

Financial expenses mainly consist of the unwinding of the discount on repayable advances and interest on finance leases.

Foreign exchange gains and losses were mainly due to the translation of bank accounts in dollars and trade receivables and payables in foreign currencies.

Note 8: Income taxes

Current and prior year tax assets and liabilities are measured at the amount expected to be recovered or paid from the tax authorities.

The tax rates and tax regulations used to determine these amounts are those that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised, using the balance sheet and liability method, for all temporary differences existing at the balance sheet date between the tax base of assets and liabilities and their carrying amount in the balance sheet, as well as on tax loss carryforwards.

Deferred tax assets are recognised in respect of tax losses carried forward, when it is probable that the Company will have future taxable profits against which these unused tax losses can be offset. Determining the amount of deferred tax assets that can be recognised requires management to make estimates both over the period of consumption of tax loss carryforwards, and over the level of future taxable profits, with regard to tax management strategies

The tax rate applicable to the Company is the rate in force in France at 31 December 2023, i.e. 25%. At 31 December 2023, temporary taxation was taken into account. A deferred tax is recognised in the amount of the forecast taxable income estimated on a prudent basis over a short period (3 years). The group has activated part of its tax losses for an amount representing a deferred tax amount of €1336k. This assessment will be reviewed at each balance sheet date based on future results. Ateme's tax loss carryforwards amounted to €70067k.

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

INCOME TAX EXPENSE (Amounts in K €)	31/12/2023	31/12/2022
Current taxes	(508)	342
Deferred taxes	419	3
Income tax expense	(89)	345

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

Deferred taxes (Amounts in K €)	
Statement of financial position as at 31 December 2022	1,544
Deferred tax (expense)/income	420
Change in deferred tax relating to actuarial gains and losses IAS 19	126
Impact of exchange rates	(19)
Statement of financial position as at 31 December 2023	2,071

Nature of deferred taxes

Type OF DEFERRED IMPOTS (Amounts in K €)	31/12/2023	31/12/2022
Temporary differences	2,486	1,466
Tax loss carryforwards	1,336	1,334
Total items with deferred tax assets	3,823	2,801
Temporary differences	1,752	1,257
Total items with deferred tax liabilities	1,752	1,257
Total net of deferred taxes	2,071	1,544

Active temporary differences related to IFRS 16 amounted to €1090k and passive temporary differences related to IFRS 16 amounted to €1050k at 31 December 2023.

Reconciliation between theoretical and actual tax

Proof OF TAX (Amounts in K €)	31/12/2023	31/12/2022
Net income	(3,995)	(46)
Consolidated tax	89	345
Profit before tax	(3,902)	(391)
Current tax rate in France	25%	25%
Theoretical tax at current tax rate in France	976	98
Permanent differences and other differences	(129)	(253)
Share based payment	194	268
Effect of unrecognised tax losses	(2,607)	(1,224)
Research tax credit	1,477	1,456
Group tax expense/income	(89)	345

Note 9: Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Earnings per share is determined by adjusting the profit attributable to ordinary equity holders and the weighted average number of ordinary shares in issue for the effects of all dilutive potential ordinary shares.

BASIC EARNINGS PER SHARE	31/12/2023	31/12/2022
Profit for the year (in K €)	(3,995)	(46)
Weighted average number of shares outstanding for basic earnings *	11,409,900	11,263,069
Basic earnings per share (€/share)	(0.35)	0.00
Weighted average number of shares outstanding	11,409,900	11,263,069
Weighted average stock options outstanding	249,323	283,485
Weighted average free shares outstanding	87,922	151,599
Capital increase prorated over the period	(53,847)	-
Weighted average BSA outstanding	110,990	116,500
Weighted average number of shares for diluted earnings	11,804,288	11,814,653
Diluted earnings per share (€/share)	(0.35)	0.00

* Net of treasury shares issued under the liquidity contract

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

Note 10: Business combinations and goodwill

Business combinations are accounted for using the acquisition method as defined in IFRS 3. Under this method, the acquiree's identifiable assets acquired and liabilities assumed are recognised at their acquisition date fair values.

Goodwill arising on the business combination is measured as the excess of the total amount of consideration transferred, the amount of any non controlling interest and, where applicable, the fair value of the previously held interest over the net balance of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. This goodwill is measured in the functional currency of the acquired entity and is recognised as an asset in the statement of financial position.

The Group may choose, on a transaction by transaction basis, at the acquisition date, to measure non controlling interests either at fair value ('full goodwill' method) or at the proportionate share of the fair value of the identifiable net assets of the acquiree ('partial goodwill' method).

In accordance with IFRS, goodwill is not amortized, but is tested for impairment annually and whenever there is an indication that it may be impaired (see Notes 11 and 14).

When the business combination is carried out on advantageous terms, negative goodwill ('badwill') is identified. The corresponding gain is recognised in profit or loss on the acquisition date. Acquisition related costs are recognised in profit or loss in the periods in which the costs are incurred and the services received.

In accordance with IFRS 3, the Group has a measurement period to finalise the accounting for business combinations, which ends as soon as the latest necessary information is obtained and no later than one year after the acquisition date.

In accounting for acquisitions of joint ventures, the Group applies the acquisition method as defined by IFRS 3 'Business Combinations.'

Determination of goodwill:

Goodwill is measured as the excess of the total:

- the consideration transferred;
- the amount of any non controlling interest in the acquiree; and
- in a business combination achieved in stages, the fair value of the acquirer's previously held interest in the acquiree;

Compared to the accounting balance net of the amounts of identifiable assets acquired and liabilities assumed. The amount of goodwill recognised upon the takeover cannot be adjusted after the end of the measurement period. Goodwill relating to investments in associates and joint ventures is recorded under 'Investments in associates' respectively.

Valuation of goodwill

Goodwill is not amortised but is tested for impairment once a year or more frequently if there is any indication that it may be impaired. Goodwill is tested at the level of Cash Generating Units (CGUs), which are homogeneous groups that jointly generate cash flows that are largely independent of the cash flows generated by the other CGUs.

The methods used to perform these impairment tests are presented in Note 15 'Impairment tests.'

In 2020, AteME acquired 100% of Anevia, resulting in the recognition of goodwill of €13186k. The disposal of the Enterprise business in 2021 resulted in the disposal of a share of goodwill of €300k, so that the goodwill recognised in connection with the acquisition of Anevia amounted to €12886k at 31 December 2021. It remains the same as at 31 December 2022 and 2023.

Note 11: Intangible assets

Intangible assets consist mainly of licences, software development and development costs.

Research and development expenses

Research costs are systematically expensed.

Under IAS 38, development costs are recognised as intangible assets only if all of the following criteria are met:

- a) Technical feasibility required for the completion of the development project,
- b) Intention of the Company to complete the project,
- c) Its ability to use this intangible asset,
- d) Demonstration of the probability of future economic benefits attached to the asset,
- e) Availability of technical, financial and other resources to complete the project and
- f) Reliable measurement of development expenditure.

Capitalised costs are those directly attributable to the production of the asset, which include:

- The costs of services used or consumed to generate the intangible asset;
- Salaries and expenses of staff engaged to generate the asset.

Expenditure is only capitalised from the date on which the conditions for activating the intangible asset are met. Expenditure ceases to be recognised as an asset when the intangible asset is ready for use and marketed.

Development costs recognised as assets are amortised on a straight line basis from 1 to 4 years, according to their useful lives.

The depreciation charge for capitalised development costs is presented in the category 'Research and development expenses.'

Software

Costs related to the acquisition of software licences are recognised as an asset on the basis of the costs incurred in acquiring and commissioning the relevant software.

Other intangible assets

In accordance with IAS 38, intangible assets acquired are recognised as assets at acquisition cost.

Amortisation period and expense

When they have a finite useful life, depreciation is calculated on a straight line basis in order to break down the cost over their estimated useful lives, i.e.:

Items	Amortisation period
Development costs	1 to 4 years
Licences and software development	1 to 5 years
Developed technologies	9 to 10 years

The amortisation charge for intangible assets related to software licences and developments is recognised in profit or loss and allocated according to their use in the categories: Costs of sales, marketing and selling expenses, research and development expenses and general and administrative expenses.

The amortisation expense of intangible assets relating to capitalised development costs and technology is recognised in profit or loss under the category of research and development costs.

Gross VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Software	Technologies	Development costs	Work in progress	Total	Of which 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 costs	-	-	-	1,048	1,048	1,048
Acquisition	128	-	-	-	128	128
Effect of exchange rates	(1)	-	-	-	(1)	-
Statement of financial position as at 31 December 2023	2,025	7,830	6,431	2,081	18,367	1,175
DEPRECIATION						
Statement of financial position as at 31 December 2022	1,730	1,542	5,537	-	8,809	-
Increase	162	712	491	-	1,365	-
Statement of financial position as at 31 December 2023	1,892	2,254	6,027	-	10,174	-
CARRYING AMOUNTS						
At 31 December 2022	168	6,288	894	1,033	8,381	
At 31 December 2023	133	5,576	404	2,081	8,192	

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. Accordingly, no impairment losses were recognised in accordance with IAS 36.

Depreciation and amortisation amounted to €1365k at 31 December 2023, compared with €1479k at 31 December 2022.

Note 12: Property, plant and equipment

Property, plant and equipment are valued at acquisition cost (purchase price and incidental costs) or production cost by the company.

The assets are depreciated according to the actual useful life of the asset.

The depreciation periods and methods used are mainly as follows:

Technical installations, equipment and tools	6 years - Straight line
General installations, fixtures and fittings	9 years - Straight line
Transport equipment	5 years - Straight line
Office equipment	4 years - Straight line
Computer equipment	3 years - Straight line
Furniture	10 years - Straight line

The depreciation charge for property, plant and equipment is recognised in the income statement and allocated according to their use in the following categories: Costs of sales, marketing and selling expenses, research and development expenses, and general and administrative expenses.

Property, plant and equipment consists mainly of It equipment.

No impairment losses were recognised in accordance with IAS 36 in accordance with the rules described in the notes to the consolidated financial statements for the year ended 31 December 2023.

Gross VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Installations and fixtures	Office equipment, computer equipment, 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	111	1,684	-	273	2,068	2,068
Effect of exchange rates	2	(48)	-	-	(46)	-
Statement of financial position as at 31 December 2023	2,767	14,207	7	273	17,252	2,068
DEPRECIATION						
Statement of financial position as at 31 December 2022	1,443	10,011	7	-	11,461	-
Increase	301	1,593	-	-	1,895	-
Effect of exchange rates	-	(35)	-	-	(35)	-
Statement of financial position as at 31 December 2023	1,744	11,569	7	-	13,321	-
CARRYING AMOUNTS						
At 31 December 2022	1,211	2,560	-	-	3,770	
At 31 December 2023	1,023	2,638	-	273	3,931	

Depreciation and amortisation amounted to €1,895k at 31 December 2023, compared with €1,681k at 31 December 2022.

Note 13: Rights of use**General accounting rules on the accounting for leases under IFRS 16:**

Leases are leases (or contracts that contain a lease) that confer the right to control the use of a specified property for a period of time at a consideration.

Leases that meet this definition are accounted for in accordance with the methods defined below, except in the cases of exemptions provided for by the standard (duration of contracts less than 12 months, and/or low value underlying assets), and except in contracts not restated due to their insignificant impact.

In practice, the analysis led to the restatement only of property leases, and office equipment. For contracts not restated as leases, rents are maintained as operating expenses. For contracts that fall within the scope of IFRS 16, the accounting rules are presented below.

At the inception date of the contract, the Group recognises a right of use asset and a financial liability for a rental obligation. Assets and liabilities are presented on a separate line of the balance sheet.

The rental obligation is measured at the present value of the lease payments not yet paid, over the term of the contract.

The present value is determined using the marginal borrowing rate calculated for each country, depending on the duration of the contract.

The term of a lease is the enforceable period, which is the non cancellable period, plus any option to extend the contract that the group has reasonable certainty to exercise, and any option to terminate the contract that the group has reasonable certainty not to exercise.

In practice, the terms used for the main leases in France correspond to an enforceable period of 9 years (commercial leases 3/6/9): Non cancellable period of 3 years and certainty of exercising the extension options after 3 years and 6 years.

There are no early termination clauses in the various leases, and there are no clauses that could cause lessors to pay the Group more than insignificant compensation, in the event of non renewal of the lease at the end of the non cancellable period.

Lease payments correspond to fixed payments, variable payments that depend on an index or rate, and the exercise prices of the call options that the lessee has reasonable certainty to exercise. In practice, there are no call options and there are no more than insignificant penalties if the lease is terminated at the lessor's initiative.

The right of use asset is measured using the cost model as follows: Cost is less accumulated depreciation and impairment losses, and adjusted to take into account, where appropriate, revaluations of the rental obligation.

No impairment loss or revaluation of the rental obligation has been recognised in the years presented. In the absence of a call option, the assets related to the right of use are depreciated over the term of the contract as defined above.

Lease related arrangements are amortised over the term of the lease, unless there is a pool of presumptions showing that the underlying asset will be used over a period exceeding the term of the contract.

The following table details the application of IFRS 16 and the recognition of rights of use as 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
Acquisitions	-	-	2,757	2,757
Departures and Wines of Contracts	(15)	-	(1,417)	(1,432)
Effect of exchange rates	-	-	(27)	(27)
Statement of financial position as at 31 December 2023	-	41	6,772	6,814
DEPRECIATION				
Statement of financial position as at 31 December 2022	13	11	2,518	2,542
Increase	2	10	846	858
Decrease following departures/terminations of contracts	(15)	-	(957)	(972)
Effect of exchange rates	-	-	(18)	(18)
Statement of financial position as at 31 December 2023	-	22	2,389	2,410
CARRYING AMOUNTS				
At 31 December 2022	2	30	2,940	2,972
At 31 December 2023	-	20	4,383	4,403

The increase in the gross value of commercial leases corresponds to the entry of a new lease in France and Singapore.

Depreciation and amortisation amounted to €858k at 31 December 2023, compared with €779k at 31 December 2022. The outflows are due to the early termination of a commercial lease.

The table below shows the rental expense before the application of IFRS 16:

Reconstitution of rent charges (in K €)	31/12/2023	31/12/2022
Lease expenses restated in IFRS 16	779	780
Rental expenses not restated in IFRS 16	2,809	424
Total Rental expenses	3,589	1,204

The increase in the amount relating to lease expenses not restated in IFRS 16 in 2023 was mainly due to software costs in SAAS that are not within the scope of IFRS 16

Note 14: Impairment

In accordance with IAS 36 'Impairment of Assets,' an entity shall perform an impairment test of its property, plant and equipment and intangible assets when it identifies an indication of impairment of any of them. In addition, an entity shall also, even if there is no indication of impairment:

- annually test an intangible asset with an indefinite useful life or in the process of production;
- perform an annual impairment test on goodwill acquired in a business combination.

Thus, changes in the general economic and financial context, the deterioration of local economic environments, as well as changes in performance are in particular external impairment indicators that are analysed by the Group to determine whether to carry out impairment tests at a more frequent frequency.

If the recoverable amount determined is less than the net carrying amount of the asset or group of assets, an impairment loss is recognised.

Impairment of non current assets is reversible, except for goodwill.

Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Cash Generating Units (CGUs) or groups of Cash Generating Units that benefit from the combination effects. Goodwill is not amortised but is tested for impairment at each balance sheet date or when there is an indication of impairment. Any impairment recognised is irreversible.

To determine the CGUs, the Group has adopted a segmentation based on the operational organisation of the business lines, the steering and reporting system and segment information, i.e. a single CGU.

Determination of recoverable amount

The need to recognise an impairment loss is assessed by comparing the CGU's carrying amount with its recoverable amount.

Recoverable amount is defined as the higher of fair value net of disposal costs and value in use.

Fair value less costs of disposal is determined on the basis of the information available to achieve the best estimate of the selling value net of the costs necessary to make the sale, on an arm's length basis between knowledgeable, willing parties.

Value in use is determined based on:

- Flows related to an explicit five year forecast period, the first year of this period based on the budget and subsequent periods corresponding to the business plan presented to Ate me shareholders;
- A normative flow representative of flows after this five year period, to which is applied a perpetual growth rate reflecting the expected real growth rate of the economy in the long term.

The cash flow forecasts for the explicit period take into account the projected growth rate of the CGU. Cash flows are discounted at weighted average cost of capital:

If the carrying amount of the CGU, consisting of intangible assets (including goodwill), property, plant and equipment and working capital requirements (WCR), exceeds its recoverable amount, the assets of the CGU are written down to their recoverable amount.

The impairment loss is allocated first to goodwill and recorded in the income statement under 'Other non recurring operating income and expenses.'

The recognition of an impairment loss allocated to goodwill is definitive.

The determination of value in use is sensitive to the discount rate, future cash flow estimates, as well as the long term growth rate used.

The Ate me Group has a single CGU.

The Company performed an impairment test on all of these assets as at 31 December 2023. Impairment tests are performed on the basis of a 5 year projection of net cash flows from operating activities (operating cash flows, cash flows from working capital and investments). This projection is determined using the Company's budget data taking into account past experience and future prospects. Beyond this horizon, the Group calculates a terminal value of the CGU corresponding to the discounting of net cash flows from the business to infinity.

The assumptions used to construct future cash flows as at 31 December 2023 are as follows:

- 5 year projections of post tax cash flows, based on the business plan over the explicit period from the 2024 budget and forecasts extending until 2028 excluding external growth transactions, as well as the determination of normative cash flows, impacting the terminal value taking into account the following assumptions:
- Beyond these 5 years, the terminal value of cash flows is obtained by applying to the normative cash flow at the end of the explicit period a long term growth rate. This long term growth rate is estimated at 2%. The terminal value represents approximately 91% of the enterprise value used at 31 December 2023.
- Cash flows are discounted using a weighted average cost of capital (WACC) after tax and including a risk premium. At 31 December 2023, this rate stood at 13%.

For information purposes, the following sensitivity tests would not lead to impairment:

- A 2 point increase in the discount rate;
- The scenario of a 10 pts decline in recurring operating income on the terminal value,
- A perpetuity growth rate scenario of 1%.

Note 15: Other non current financial assets

The Company's financial assets are classified into two categories according to their nature and intention to hold:

- Financial assets at fair value through profit or loss,
- Loans and receivables.

All financial assets are initially recognised at cost which corresponds to the fair value of the price paid plus acquisition costs.

Financial assets at fair value through profit or loss

This category represents assets held for trading, ie assets acquired by the company with the objective of selling them in the short term. They are measured at fair value and changes in fair value are recognised in profit or loss. Some assets may also be voluntarily classified in this category.

Loans and receivables

This category includes other loans and receivables as well as trade receivables.

Non current financial assets include advances and guarantee deposits given to third parties as well as time deposits that are not treated as cash equivalents. Advances and guarantee deposits are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are now classified as 'Financial assets at amortised cost.'

Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when loans and receivables are derecognised or impaired in accordance with IFRS 9

Other FINANCIAL ASSETS (Amounts in K €)	31/12/2023	31/12/2022
Loans	580	457
Guarantee deposits	482	422
Liquidity contract - Balance	64	96
Retention of Bpi France guarantee	150	201
Total other non current financial assets	1,276	1,176

Guarantee deposits mainly relate to deposits paid under commercial leases signed.

Note 16: Inventories

Inventories are valued using the weighted average cost method.

Inventories are stated at their purchase cost or net realisable value, if lower.

In the latter case, the impairment loss is recorded in the income statement.

Composition of inventories

Raw material inventories mainly consist of electronic components used in the manufacture of Kyrion products.

Work in progress is identified individually by project codes that are linked to each customer order in progress. They consist of study costs (engineering hours) and material costs.

Inventories of goods mainly consist of finished products (encoders, decoders, transcoders and third party equipment) and electronic components.

The provision for inventory impairment relates to components or goods that are subject to internal loan, testing or repair. Components or goods whose technological advances are beginning to make inventories obsolete or showing little or no movements during the year are scrapped

Inventories (Amounts in K €)	31/12/2023	31/12/2022
Raw material inventories	173	299
Work in progress Goods and Services	1,649	915
Inventories of goods	6,606	9,221
Total gross inventories	8,429	10,435
Impairment of raw material inventories	(43)	(9)
Impairment of goods inventories	(286)	(421)
Total impairment of inventories	(329)	(430)
Net total inventories	8,100	10,005

As at 31 December 2022, the Group had elected to increase these server inventories in anticipation of potential delayed deliveries from its suppliers as a result of the COVID Crisis and the shortage of electronic components. The situation returned to normal at the end of 2023.

Note 17: Receivables

Receivables are valued at their nominal value. Where appropriate, they are written down on a case by case basis by way of a provision to take into account the difficulties of recovery to which they may give rise.

The Group has opted for the simplified method to measure impairment relating to its trade receivables.

Credit risk related to financial receivables and loans was measured in accordance with the requirements of the full model in IFRS 9. No significant increase in credit risk was identified in both periods presented.

Other receivables include the nominal value of the research tax credit that is recorded as an asset in the acquisition year corresponding to the year in which qualifying expenditure giving rise to the tax credit was incurred

17.1 Trade receivables

Trade RECEIVABLES (Amounts in K €)	31/12/2023	31/12/2022
Trade receivables	36,942	38,464
Impairment of trade receivables	(586)	(1,055)
Net total trade receivables	36,357	37,409

The Company's products are sold to television channels and video broadcasters on demand. The risk of default was assessed as low.

The provision for impairment of customers is established on a case by case basis according to the estimated risk of non recovery and the statistical portion determined in accordance with IFRS 9.

Allocation of trade receivables by maturity (Amounts in K €)	31/12/2023	31/12/2022
Portion not yet due	32,442	19,658
Less than 90 days past due	794	8,563
Aged between 90 days and six months	30	3,815
Six months to twelve months	1,909	2,756
Due beyond twelve months	1,767	3,671
Total trade receivables	36,943	38,464

Allocation of impairment of trade receivables by maturity (Amounts in K €)	31/12/2023	31/12/2022
Portion not yet due	-	-
Less than 90 days past due	-	-
Aged between 90 days and six months	-	-
Six months to twelve months	(279)	(227)
Due beyond twelve months	(307)	(828)
Total impairment of trade receivables	(586)	(1,055)

17.2 Other current receivables

Other CURRENT RECEIVABLES (Amounts in K €)	31/12/2023	31/12/2022
Research tax credit (1)	20,501	14,629
Value added tax (2)	2,454	2,434
Prepaid expenses (3)	1,210	1,868
Trade receivables	164	182
Other	863	363
Total other current receivables	25,191	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 relating to 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 has been pre financed (see Note 22.1)

It is presented as a grant under the 'Research and development expenses' category.

(2) **VAT receivables** relate mainly to deductible VAT as well as the VAT refund claimed.

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

Note 18: Marketable securities and cash

Cash, Cash Equivalents and Financial Instruments

Cash recognised in the balance sheet includes cash at banks and cash on hand.

Cash equivalents are held for trading, readily convertible into a known amount of cash and are subject to an insignificant risk of change in value. They are measured at fair value and changes in value are recorded in financial result. They include term accounts corresponding to this impairment.

Bank overdrafts are included in current borrowings. In the cash flow statement, they are included in cash and cash equivalents.

Fair value of financial instruments

The fair value of trade receivables and trade payables is equated with their balance sheet value, given the very short payment terms of these receivables. The same applies to other receivables and other current liabilities.

The Company has distinguished three categories of financial instruments according to the consequences of their characteristics on their valuation method and uses this classification to expose some of the information required by IFRS 7:

- Level 1 category: Financial instruments quoted in an active market;
- Level 2 category: Financial instruments measured using valuation techniques based on observable inputs;
- Level 3 category: Financial instruments whose valuation uses valuation techniques based in whole or in part on unobservable parameters; an unobservable parameter is defined as a parameter whose value results from assumptions or correlations that are not based on prices of observable transactions in the markets, on the same instrument at the valuation date, or on observable market data available on the same date.

The only instruments recognised at fair value through profit or loss held by the Company are cash equivalents classified as Level 1.

Cash and cash equivalents break down as follows:

CASH AND CASH EQUIVALENTS (Amounts in K €)	31/12/2023	31/12/2022
Bank accounts	5,612	3,904
VMP	17	-
Total cash and cash equivalents	5,629	3,904

Note 19: Financial assets and liabilities and effects on profit or loss

Assets and liabilities of the Company are measured as follows for each year:

(Amounts in K €)	31/12/2023		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	1,276	1,276	-	1,276
Trade receivables	36,357	36,357	-	36,357
Other current receivables	164	164	-	164
Cash and cash equivalents	5,629	5,629	5,629	-
Total items under an asset item	43,426	43,426	5,629	37,796
Non current financial debt	23,390	23,390	-	23,390
Current financial debt	6,043	6,043	-	6,043
Non current lease liabilities	3,887	3,887	-	3,887
Current lease liabilities	678	678	-	678
Trade payables	15,823	15,823	-	15,823
Other current liabilities	725	725	-	725
Total items under a liability item	50,546	50,546	-	50,546

(Amounts in K €)	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 items under an asset item	42,716	42,716	3,904	38,767
Non current financial debt	18,858	18,858	-	18,858
Current financial debt	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 items under a liability item	43,672	43,672	-	43,672

The only instruments recognised at fair value through profit or loss held by the Company are cash equivalents classified as Level 1.

(Amounts in K €)	Impact on income statement at December 31, 2023		Impact on income statement at 31 December 2022	
	Interest	Change in fair value	Interest	Change in fair value
Liabilities				
Liabilities measured at amortised cost: Bank borrowings	(969)	-	(413)	-
Liabilities measured at amortised cost: Advances	(11)	-	(9)	-

Note 20: Share capital

Classification in equity depends on the specific analysis of the characteristics of each instrument issued. Ordinary shares and preference shares are classified as equity instruments.

Incidental costs directly attributable to the issue of shares or share options are recognised as a deduction from equity

Issued capital

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.

COMPOSITION OF THE SHARE CAPITAL	31/12/2023	31/12/2022
Share capital (in K €)	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 2023 financial year, 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 2023 financial year, 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.

Capital management

The Company's policy is to maintain a solid capital base, in order to safeguard the confidence of investors, creditors and support the future development of the business.

Dividend distribution

The Company has not made any dividend distributions for the years ended 31 December 2022 and 31 December 2023.

Note 21: Share subscription warrants, stock options, share subscription warrants for business creators' shares and free shares

Since its creation, the Company has implemented several equity settled compensation plans in the form of 'stock options' ('SO') or 'warrants for the subscription of business creators' shares' ('BSPCE') granted to employees, executives and members of the Board of Directors.

In accordance with IFRS 2, the cost of equity settled transactions is recognised as an expense in the period in which the rights to benefit from the equity instruments vest, with a corresponding increase in equity.

The Company has applied IFRS 2 to all equity instruments granted, since the Company's inception, to employees of the Company, the Group or members of the Board of Directors.

The fair value of BSPCE and stock options granted to employees is determined using the Black Scholes option pricing model.

All the assumptions used to value the plans are described below.

Stock options ('SO')

The table below summarises the data relating to the stock option plans issued and the assumptions used for the valuation in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of options expired	Number of warrants exercised	Number of options outstanding	Maximum number of shares to be issued
Board meeting of 5 November 2018	So ₂₀₁₇₋₁	69,000	18,000	5,000	46,000	46,000
Board meeting of 5 November 2018	BSA ₂₀₁₈₋₁	28,000	10,000	2,000	16,000	16,000
Board meeting of 18 July 2019	So ₂₀₁₇₋₂	82,000	25,500	11,500	45,000	45,000
Board meeting of 18 July 2019	BSA ₂₀₁₈₋₂	45,000	15,000	5,000	25,000	25,000
Board meeting of 6 May 2020	So ₂₀₁₇₋₃	87,000	21,000	7,515	58,485	58,485
Board 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	15,000	-	25,500	25,500
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	18,000	-	39,500	39,500
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 31 December 2023		564,000	130,000	31,015	402,985	402,985

Assumptions used - calculation of fair value in accordance with IFRS 2						
Type	Subscription price per share in €	Exercise period	Volatility	Risk free rate	Total valuation IFRS2 (Black & Scholes) at grant date	
So ₂₀₁₇₋₁	€10.80	8 years	41.60%	0.00%	€290k	
BSA ₂₀₁₈₋₁	€10.80	8 years	41.60%	0.00%	€118k	
So ₂₀₁₇₋₂	€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%	€449k	
BSA ₂₀₁₉₋₁	€12.60	8 years	42.78%	0.00%	€185k	
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	

Exercise rights vest for 1/4 of the stock options granted to the holder at the end of a period of 12 months and then for 6.25% of the stock options granted 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.

Free shares

The table below summarises the data relating to the stock option plans issued and the assumptions used for the valuation in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of options expired	Number of definitely granted AGMs	Number of AGMs outstanding	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 31 December 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 vest after 24 months after the grant subject to presence conditions.

Valuation of stock options and bonus shares

The fair value of the options was determined using the Black & Scholes valuation model. The valuation methods used to estimate the fair value of the options are set out below:

- The share price used is equal to the investors' subscription price or by reference to internal valuations;

- The risk free rate is determined based on the average life of the instruments;
- Volatility was determined on the basis of a sample of Listed Companies operating in the same business sector, at the date of subscription of the instruments and over a period equivalent to the life of the option.
- For bonus share plans, the fair value of the benefit granted based on the share price at the grant date adjusted for all specific conditions that may have an impact on the fair value (example: Dividends). As stated above, no dividend was taken into account during the valuation.

Breakdown of the expense recognised in accordance with IFRS 2 for the two reference periods

Date	Type	31/12/2022					31/12/2023				
		Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2022	Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2023
Board meeting of 5 November 2018	BSA ₂₀₁₇₋₁	46,000	€289k	€252k	€16k	€269k	46,000	€286k	€269k	-	€269k
Board meeting of 5 November 2018	BSA ₂₀₁₈₋₁	20,000	€116k	€109k	€7k	€116k	16,000	€116k	€116k	-	€116k
Board meeting of 18 July 2019	So ₂₀₁₇₋₂	63,000	€360k	€273k	€37k	€310k	45,000	€310k	€310k	-	€310k
Board meeting of 18 July 2019	BSA ₂₀₁₈₋₂	35,000	€198k	€156k	€26k	€182k	25,000	€198k	€182k	€16k	€198k
Board meeting of 6 May 2020	So ₂₀₁₇₋₃	79,485	€405k	€254k	€68k	€322k	58,485	€389k	€322k	€11k	€332k
Board meeting of 6 May 2020	BSA ₂₀₁₉₋₁	33,000	€168k	€105k	€31k	€136k	33,000	€186k	€136k	€22k	€158k
Board meeting of 5 May 2021	So ₂₀₂₀₋₁	39,500	€262k	€69k	€85k	€155k	25,500	€203k	€155k	€10k	€164k
Board meeting of 5 May 2021	BSA ₂₀₂₀₋₁	7,500	€68k	€18k	€23k	€41k	6,000	€68k	€41k	€13k	€54k
Board meeting of 23 March 2022	So ₂₀₂₀₋₂	56,000	€264k	-	€89k	€89k	39,500	€213k	€89k	€54k	€143k
Board meeting of 23 March 2022	BSA ₂₀₂₀₋₂	21,000	€96k	-	€34k	€34k	21,000	€79k	€34k	€20k	€54k
Board meeting of 27 June 2023	BSA ₂₀₂₀₋₃	-	-	-	-	-	19,500	€83k	-	€19k	€19k
Board meeting of 27 June 2023	So ₂₀₂₀₋₃	-	-	-	-	-	68,000	€290k	-	€66k	€66k
Total - SO - BSA		399,985	€2229k	€1236k	€416k	€1652k	402,985	€2421k	€1652k	€231k	€1883k

Date	Type	31/12/2022					31/12/2023				
		Number of options outstanding	Probabilised cost of the plan	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2022	Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2023
Board meeting of 6 May 2020	AGM ₂₀₁₉₋₁	-	€679k	€562k	€93k	€654k	-	€654k	€654k	-	€654k
Board meeting of 5 May 2021	AGM ₂₀₁₉₋₂	39,500	€679k	€223k	€281k	€505k	-	€601k	€505k	€97k	€609k
Board meeting of 5 May 2021	AGM ₂₀₂₀₋₁	2,500	€39k	€13k	€20k	€32k	-	€39k	€32k	€7k	€39k
Board meeting of 23 March 2022	AGM ₂₀₂₀₋₃	63,500	€761k	-	€263k	€263k	60,000	€641k	€263k	€306k	€570k
Board meeting of 27 June 2023	AGM ₂₀₂₀₋₄	-	-	-	-	-	54,500	€531k	-	€136k	€136k
Total AGM		105,500	€2158k	€798k	€657k	€1455k	114,500	€2467k	€1455k	€546k	€2000k

Note 22: Borrowings

Financial liabilities are classified into a single category: Financial liabilities carried at amortised cost.

Financial liabilities carried at amortised cost

Borrowings and other financial liabilities, such as conditional advances, are carried at amortised cost calculated using the effective interest rate. The portion due within one year of borrowings is presented under 'Current borrowings.'

Conditional advances

The Group benefits from a number of government grants, in the form of grants or conditional advances. Details of this aid are provided in Note 22.3.

They have been accounted for in accordance with IAS 20. In the case of financial advances, granted at interest rates below the market rate, these advances are measured in accordance with IFRS 9 at amortised cost:

- The interest rate benefit is determined using a discount rate corresponding to a market rate at the grant date. The amount resulting from the interest rate benefit obtained upon the grant of non interest bearing repayable advances is regarded as a subsidy recorded as income in the statement of comprehensive income.
- The finance cost of repayable advances calculated at the market rate is subsequently recorded as finance costs.

Grants are presented at category level:

- 'Research and development' for aid for innovation and the financing of research activities,
- 'Marketing and Sales' for those relating to the exploration of new geographical areas.

These advances are recorded under 'Non current financial debts' and 'Current financial debts' according to their maturity. In the event of a declared failure, the debt waiver granted is recorded as a subsidy.

Leases

Assets financed by finance leases within the meaning of IFRS 16, which in substance transfer the risks and rewards of ownership to AteME, are recognised as assets on the balance sheet. The corresponding debt is recorded as a liability under 'Financial debt on lease obligations' (note 22.2).

Current AND NON CURRENT FINANCIAL DEBT (Amount in K €)	31/12/2023	31/12/2022
Debt relating to lease obligations (IFRS 16)	3,887	2,315
Repayable advances	470	334
Pre financing CIR	10,858	8,131
Loans from credit institutions	12,061	10,393
Non current financial debt	27,276	21,172
Pre financing CIR	1,473	-
Debt relating to lease obligations (IFRS 16)	678	667
Repayable advances	167	320
Borrowings from credit institutions	4,253	3,748
Bank overdrafts	151	1,042
Current financial debt	6,721	5,778
Total borrowings	33,997	26,951
<i>O/w -1 year portion</i>	<i>6,721</i>	<i>5,778</i>
<i>Of which 1 to 5 years</i>	<i>23,943</i>	<i>21,172</i>
<i>Of which due in more than 5 years</i>	<i>3,333</i>	<i>-</i>

EVOLUTION OF FINANCIAL DEBT (Amount in K €)		Loans from credit institutions	Repayable advances	Rental liabilities (IFRS 16)	Total	Bank overdrafts
At 31 December 2022		22,273	655	2,982	25,910	1,042
Change in cash	Collection	15,234	337	-	15,571	-
	Disbursement	(9,402)	(320)	(684)	(10,407)	(874)
	Cash flow	5,832	17	(684)	5,165	(874)
Non cash change	Exchange rate effects	-	-	(10)	(10)	-
	IFRS increase 16	-	-	2,777	2,777	-
	Other	-	-	(500)	(500)	-
	Amortised cost	541	(34)	-	507	(18)
Total non cash		541	(34)	2,267	2,773	(18)
At 31 December 2023		28,646	638	4,564	33,847	151

Breakdown of financial debt by maturity

The maturities of borrowings break down as follows during the years presented:

Current AND NON CURRENT FINANCIAL DEBT (amount in K €)	31/12/2023			
	Gross Amount	Current portion	1 to 5 years	Over 5
Debt relating to lease obligations (IFRS 16)	4,564	678	3,887	-
Repayable advances	637	167	470	-
Pre financing CIR	12,331	1,473	10,858	-
Borrowings from credit institutions	16,314	4,253	8,728	3,333
Bank overdrafts	151	151	-	-
Total borrowings	33,997	6,721	23,943	3,333

Current AND NON CURRENT FINANCIAL DEBT (amount in K €)	31/12/2022			
	Gross Amount	Current portion	1 to 5 years	Over 5
Debt relating to lease obligations (IFRS 16)	2,982	667	2,315	-
Repayable advances	655	321	334	-
CIR financing	8,131	-	8,131	-
Borrowings from credit institutions	14,141	3,748	10,393	-
Bank overdrafts	1,042	1,042	-	-
Total borrowings	26,951	5,778	21,172	-

22.1 Due from credit institutions

Evolution OF BORROWINGS FROM CREDIT INSTITUTIONS (Amount in K €)	Borrowings from credit institutions	Pre financing of the CIR
At 31 December 2022	14,141	8,131
(+) Proceeds	9,104	6,131
(-) Repayments	(7,043)	(2,360)
(-) Amortised cost	113	428
At 31 December 2023	16,314	12,331

Principal borrowings subscribed in the last two years

- **CIC**

On 30 June 2021, the Group benefited from a loan agreement guaranteed by the State with CIC bank for €1000k:

- Duration: 60 months;
- Rate: 0.70%;
- Repayment: Monthly with a delay of 12 months.

The loan is 90% guaranteed by the State. This loan was extended for 5 years from June 2022.

- **HSBC**

On 22 December 2021, AteME benefited from a loan agreement guaranteed by the State with HSBC for €2000k:

- Duration: 12 months initially then reduced to 71 months (with an initial amortisation deferral of 12 months) of which 62 remaining months fixed
- Rate: 0% for the first 12 months then 3.2%;
- Repayment: Monthly with a delay of 12 months.

The loan is 90% guaranteed by the State. This loan was extended for 5 years from June 2022.

- **Pre financing of the CIR**

Since 2020, the Company has financed its annual CIR for a total of €13.7M in repayment value. The debt relating to the pre financing of the CIR is recorded as a loan net of the retention of guarantees and the CIR receivable is reconstituted as an asset. 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 for the years 2020 to 2022. As of 2023, the average effective rate was 8% for an additional amount of € 2.5 million borrowed as of 31 December 2023.

Participatory loan re launched with Societe Generale On 28 August 2023, the Company received a loan to finance development and investment projects in the amount of 5 million euros for a period of 8 years, including a 4 year deferral at an average effective rate of 5.72%. The first repayment is scheduled from 24 September 2027.

Loan Palatine On 20 November 2023, the Company received a loan to finance the equipment of the Rennes premises in the amount of €850k for a term of 5 years at an average effective rate of 4.541%.

Available credit lines

The Company has the following available credit lines:

- Cash facility lines with its banking partners in the amount of €2M, used for €1M at 31 December 2023.

22.2 Financial debt on lease obligations

Evolution OF DEBT RELATING TO LOCATIVE BONDS (Amount in K €)	Total
At 31 December 2022	2,982
(+) Increase	2,777
(-) Reimbursement	(684)
(-) Reduction in contract term/termination	(500)
(+/-) Exchange differences	(10)
At 31 December 2023	4,564

22.3 Redeemable advances

The table below shows the change in repayable advances:

Evolution OF REDEPTIVE BENEFITS AND SUBVENTIONS (Amounts in K €)	Total
At 31 December 2022	655
(+) Proceeds	337
(-) Repayments	(320)
Subsidies	(45)
Financial expenses	11
At 31 December 2023	637

Repayable advances

The long term portion of advances received is recorded under 'Non current financial debt'; while the short term portion is recorded under 'Current financial debt.'

Under IFRS, the fact that the repayable advance does not bear the payment of an annual interest amounts to considering that the Company has benefited from a zero rate loan, is more favourable than market conditions. The difference between the amount of the advance at historical cost and that of the advance discounted at a market rate is considered a subsidy received from the State.

Innovation loan EIF (European Investment Fund)

The Company obtained an EIF innovation loan from Bpifrance in the amount of €1000k for the financing of intangible expenses related to the industrial and commercial launch of an innovation. This loan is repayable in 28 quarterly instalments, the first 8 quarters of which are deferred from repayments at a fixed rate of 3.52%. The loan amount was collected in November 2015.

- This loan was secured by 30% of the principal amount received under the PPI fund
- This loan was covered by a guarantee received from the Innov Fin facility of the European Investment Fund for 50% of the principal.

The balance of the debt was fully repaid as at 31 December 2023.

Zero Innovation Rate Loan ('PTZI') Bpifrance

A zero interest loan for innovation was obtained by Anevia from BPI France Financement in June 2015 for €1100k. The capital is to be repaid in 20 quarterly maturities of €55k with a deferred amortisation period of 3 years. The first repayment took place on 30 June 2018 and the last on 31 March 2024. The repayment value of debt at 31 December 2023 was €110k, compared with €330k in 2022.

The fair value of this advance was determined based on the average credit rate recorded by the Company based on borrowings contracted from 2014 to 2017. The rate used is 5.33%.

Aid for the 'IA4SEC' project

The Company obtained from Bpifrance, on 14 November 2019, assistance on the 'IA4SEC' project in the amount of €709,049, which consists of a grant for €472,699 and a recoverable advance for €236,350.

The fair value of this advance was determined based on the interest rate of Bpifrance's international growth loan, i.e. 1.24% per annum (TEG).

The advance will be received in 4 tranches over 4 years according to the following schedule:

- €66,667 after signing the contract;
- €78,276 from 31/08/2020;
- €44,138 from 31/08/2021;
- €47,269 from 14/03/2022.

The repayment of this debt will begin from 31 March 2024, starting with the first euro in revenue unless the programme fails.

Refundable advance agreement AMI project 'HyperOpenX'

The Company obtained from Bpifrance, on 24 February 2023, assistance on the Cloud Acceleration Strategy project in the amount of €561,600, which consists of a grant for €421,200 and a recoverable advance for €140,400.

The fair value of this advance was determined on the basis of the average credit rate recognised by the Company based on borrowings contracted from 2014 to 2023 (excluding PGE). The rate used is 6%.

The advance will be received in 4 tranches over 4 years depending on the key stages.

The repayment of this debt will begin from 31 March 2026, starting with the first euro in revenue unless the programme fails.

Repayable advance 'MERCY' collaborative project contract

On 31 May 2023, the Company obtained from Bpifrance assistance for the completion of the MERCY collaborative project in the amount of €372,160, which consists of a grant for €223,296 and a recoverable advance for €148,864.

The fair value of this advance was determined on the basis of the average credit rate recognised by the Company based on borrowings contracted from 2014 to 2023 (excluding PGE). The rate used is 6%.

The advance will be received in 4 tranches over 3 years depending on the key stages.

The repayment of this debt will begin from 30 June 2027, starting with the first euro in revenue unless the programme fails.

Repayable advance 'SIMPLERAN C' collaborative project contract

The Company obtained from Bpifrance, on 2 March 2023, assistance for the realisation of the SIMPLERAN C collaborative project in the amount of €2,399,040, which consists of a grant for €1,626,549 and a recoverable advance for €772,491.

The fair value of this advance was determined on the basis of the average credit rate recognised by the Company based on borrowings contracted from 2014 to 2023 (excluding PGE). The rate used is 6%.

The advance will be received in 4 tranches over 5 years depending on the key stages.

The repayment of this debt will begin from 30 June 2029, starting with the first euro in revenue unless the programme fails.

Repayable advance 'SMARTCD' collaborative project contract

The Company obtained from Bpifrance, on 17 February 2023, assistance for the realisation of the SMARTCD collaborative project in the amount of €715,593, which consists of a grant for €429,356 and a recoverable advance for €286,237.

The fair value of this advance was determined on the basis of the average credit rate recognised by the Company based on borrowings contracted from 2014 to 2023 (excluding PGE). The rate used is 6%.

The advance will be received in 4 tranches over 3 years depending on the key stages.

The repayment of this debt will begin from 31 December 2027, starting with the first euro in revenue unless the programme fails.

Note 23: Employee benefit obligations

The Company's French employees benefit from the pension benefits provided for by law in France:

- Obtaining a retirement benefit, paid by the Company, upon retirement (defined benefit plan);
- Payment of retirement pensions by Social Security bodies, which are financed by contributions from companies and employees (defined contribution plan).

Pension plans, similar indemnities and other employee benefits that are analysed as defined benefit plans (plan in which the Company undertakes to guarantee a defined amount or level of benefit) are recognised in the balance sheet on the basis of an actuarial valuation of the obligations at the balance sheet date, less the fair value of the related plan assets dedicated to them.

This assessment is based on the use of the projected unit credit method, taking into account staff turnover and mortality probabilities. Any actuarial gains and losses are recognised in equity under 'Other comprehensive income.'

The Company's payments for defined contribution plans are expensed in the income statement in the period to which they relate.

The Group's US employees are members of a 401 k defined contribution plan.

By a decision of 20 April 2021, the IFRIC Committee considers that, since, on the one hand, no rights are vested in the event of departure before retirement age and, on the other hand, the rights are capped after a certain number of years of service, the pension expense must be recognised over the years conferring rights on employees at the time of departure.

The collective agreement does not meet these criteria and the change in valuation is not applicable

Employee benefit obligations consist of the provision for end of career benefits, assessed on the basis of the provisions set out in the applicable collective agreement, namely the SYNTEC collective agreement.

This commitment concerns only employees covered by French law. The main actuarial assumptions used in the valuation of retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	31/12/2023		31/12/2022	
	Managers	Non executives	Managers	Non executives
Retirement age	Voluntary departure (60-67 years)			
Collective agreements	SYNTEC			
Discount rate	3.20%		3.75%	
Mortality table	INSEE 2022		INSEE 2018	
Salary increase rate	3.00%		3.00%	
Turnover rate	Strong		Ateme (see detail below)	
Social security contributions rate	47%	43%	47%	43%

The turnover rate was determined based on a study carried out by INSEE on inflows and outflows by age group in correlation with the Company's high turnover level.

The rates used can be summarised as follows:

- 20 to 30 years: Declining rate from 18.30% to 10.90%
- 30 to 40 years: Declining rate from 10.90% to 6.30%
- 40 to 50 years: Declining rate from 6.30% to 4.20%
- 50 to 54 years: Declining rate from 4.20% to 2.80%
- From 55 years, the rate is 0%

The change in the provision for pension obligations is as follows:

Amounts in K €	Pension commitment
At 31 December 2022	1,259
Past service costs	169
Finance costs	45
Actuarial gains and losses	504
At 31 December 2023	1,978

Note 24: Provisions

Provisions correspond to commitments arising from litigation and other risks, the timing and amount of which are uncertain, that the Company may face in the course of its activities.

A provision is recognised when the Company has an obligation to a third party as a result of a past event that it is probable will result in an outflow of resources to the third party, without at least equivalent consideration expected from the third party, and future cash outflows can be estimated reliably. The amount recognised as a provision is the estimate of the expenditure required to settle the obligation, discounted if necessary at the balance sheet date.

Provisions (amount in K €)	31/12/2023				
	Amount at beginning of period	Additions	Reversals	Reversals without objects	Amount at end of period
Provisions for charges	11	-	(11)	-	-
Provisions for litigation	30	-	(30)	-	-
Total provisions for risks and charges	41	-	(41)	-	-

Provisions (amount in K €)	31/12/2022				
	Amount at beginning of period	Additions	Reversals	Reversals without objects	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 ordinary course of business. A provision is recorded by the Company when there is a sufficient probability that such litigation will result in costs to be borne by the Company.

Labour disputes

The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the Company, based on requests, legal obligations and lawyers' positions.

Note 25: Trade and other current liabilities

25.1. Trade payables

For trade payables, no discounting has been made as the amounts did not represent more than one year of age at the end of each financial year in question.

Accounts RECEIVABLES (Amounts in K €)	31/12/2023	31/12/2022
Trade payables	13,401	13,587
Invoices not received	2,422	2,735
Total trade payables and related accounts	15,823	16,322

25.2 Tax and social security liabilities

Tax and social security liabilities break down as follows:

Tax AND SOCIAL LIABILITIES (Amounts in € k)	31/12/2023	31/12/2022
Personnel and related accounts	4,332	3,215
Social security and other social organisations	3,474	2,851
Other taxes and similar payments	717	508
Total tax and social security liabilities	8,524	6,574

25.3 Other current liabilities

Other CURRENT LIABILITIES (Amounts in € k)	31/12/2023	31/12/2022
Advances and advances from customers - RRR	308	279
Debts on fixed assets	24	24
Deferred income (1)	8,947	9,039
Corporate income tax	313	51
Other liabilities	9	10
Directors' fees payable	71	36
Total other current liabilities	9,672	9,438

BCPs are related to customer contract liabilities and are detailed in note 3.

Note 26: Analysis of changes in WCR

ANALYSIS OF CHANGES IN WCR (Amount in K €)	31/12/2023 A	31/12/2022 B	Change 31/12/2023 C = A - B	Exchange difference D	Change in WCR E = C + D
Inventories (net of inventory write downs)	8,100	10,005	(1,905)	(39)	(1,944)
Trade receivables (Net of impairment of trade receivables)	36,357	37,409	(1,052)	(267)	(1,319)
Other current receivables	25,191	19,476	5,715	(22)	5,693
Trade payables and related accounts	(15,823)	(16,322)	499	62	561
Tax and social security liabilities	(8,524)	(6,574)	(1,950)	42	(1,908)
Other current liabilities	(9,672)	(9,438)	(234)	98	(136)
	35,629	34,557	1,073	(126)	947

Note 27: Related parties

27.1 Related party transactions

None

27.2 Executive compensation

No post employment benefits are granted to members of the Board of Directors.

Compensation paid to members of the Board of Directors and senior executives breaks down as follows (in K €):

Compensation of corporate officers	31/12/2023	31/12/2022
Fixed compensation	175	175
Annual variable compensation	93	176
Exceptional compensation	0	-
Directors' fees	93	62
Share based payments (1)	-	-
TOTAL	361	413

(1) Value of the shares at the time of their allocation as used in the application of IFRS 2 before spreading the expense over the vesting period

The terms and conditions for allocating variable portions are based on performance criteria.

The methods used to measure the benefit relating to share based payments are set out in note 21.

Note 28: Off balance sheet commitments

28.1 Lease agreement

The amounts of rent outstanding under the various types of contracts are detailed below by maturity:

Rental expense commitment Amounts in K €	Not more than 1 year	1 to 5 years	More than 5 years
Commercial leases	794	2,710	1,593
Finance leases	32	100	-
Total	826	2,810	1,593

28.2 Obligation under other contracts

Having outsourced several important functions (production), the Company is required to enter into subcontracting contracts with various third parties, in France and abroad, as part of its day to day operations, which include various obligations customary in these circumstances.

The contracts or specifications also set the conditions for the validation of manufacturing processes, control procedures, processing of non compliant products and intellectual property rights.

There are no reciprocal commitments between the Company and its subcontractors in terms of quantity or production capacity.

28.3 Other financial commitments

Documentary credits and discounts

The Company may set up documentary credits or discounts in certain markets.
There were no documentary loans outstanding at 31 December 2023.

Pledge of goodwill

- October 2015: Pledge of business funds of AteME SA of €600k to HSBC. This pledge was subject to a counter guarantee by Bpifrance in the amount of 50%.
- July 2017: Pledge of business assets of AteME SA of €805k to Société Générale. This pledge was subject to a counter guarantee by Bpifrance in the amount of 50%.
- July 2017: Pledge of business funds of AteME SA of €600k to HSBC. This pledge was subject to a counter guarantee by Bpifrance in the amount of 40%.
- November 2017: Pledge of business funds of AteME SA of €600k to HSBC. This pledge was subject to a counter guarantee by Bpifrance in the amount of 40%.
- September 2019: Pledge of business assets of AteME SA for €1150k to Banque Palatine. This pledge was subject to a counter guarantee by Bpifrance in the amount of 40%.

Signature commitment entered into by Societe Generale

Société Générale has taken out a financial guarantee in the amount of €80k in favour of Société Internationales Immobilières Institut GMBH for the rental of offices located in Vélizy- Villacoublay.

Société Générale has taken out a financial guarantee in the amount of €38k in favour of SCI Novalis for the rental of offices located in Rennes.

Société Générale has taken out a financial guarantee in the amount of €38k in favour of SCI Novalis for the rental of offices located in Rennes.

Loan Guaranteed by the State

- On 14 April 2020, the Group received a loan of 4 million euros
- On 30 June 2021, the Group took out a second loan of 1 million euros, benefiting from the State Guarantee for 90% of the amount borrowed from CIC Paris 9 bank. The loan will be repaid over a period of 60 months including a 12 month deferral.
- In May 2021, Ateame obtained from HSBC Continental Europe a third loan of 2 million euros for a period of 12 months to finance its operating cycle. In November 2022 the Company to request the amortisation option to request repayment within 5 years from January 2024.

All of its loans benefit from the State Guarantee for 90% in favour of the issuing banks.

Note 29: Financial risk management and assessment

Ateme may be exposed to different types of financial risks: Market risk, credit risk and liquidity risk. Where appropriate, Ateme uses simple and proportionate means to minimise the potentially adverse effects of these risks on financial performance. Ateme's policy is not to subscribe financial instruments for speculative purposes. Ateme does not use derivative financial instruments.

Interest rate risk

Ateme has no significant exposure to interest rate risk, as:

- Marketable securities consist of short term money market funds,
- Cash and cash equivalents include term accounts,
- No floating rate debt was subscribed.

Credit risk

Credit risk is associated with deposits (bank accounts) with banks and financial institutions. Ateme uses leading financial institutions for its cash investments and therefore does not bear any significant credit risk on its cash position.

It has policies in place to ensure that its customers have an appropriate credit risk history.

Currency risk

The main risks related to the foreign exchange impact of sales and purchases in foreign currencies mainly concern sales of products and expenditures in US dollars as well as the financing of subsidiaries in their local currency.

The Company has not, at its stage of development, made any hedging arrangements to protect its business from exchange rate fluctuations. On the other hand, the Company cannot rule out that a significant increase in its business would lead to greater exposure to currency risk. The Company will then consider using an appropriate policy to hedge these risks.

Equity risk

The Company does not hold any equity interests or marketable securities on a regulated market.

Note 30: Statutory Auditors' fees

STATUTORY AUDITORS' FEES (Amounts in K €)	Financial year 2023				Financial year 2022			
	Ernst & Young		BL2A		Ernst & Young		BL2A	
	Amount excluding tax	%	Amount excluding tax	%	Amount excluding tax	%	Amount excluding tax	%
Certification of the individual and consolidated financial statements	149	90%	78	94%	127	84%	69	87%
Non audit services *	16	10%	5	6%	25	16%	10	13%
Total fees	165	100	83	100	152	100	79	100%

* Fees for services other than the certification of accounts relate to fees for the completion of certificates and the review of the new ERP (Ateme Inc) and ISA 315

18.2_Date of latest financial information

The latest annual financial information is dated 31 December 2023 and is set out in this Universal Registration Document.

18.3_Interim and other financial information

In its press release of 25 April 2024, Ateame announced consolidated revenue of €17,729k for the 1st quarter of 2024, down 35% from the 1st quarter of 2023.

18.4_Audit of historical annual financial information

18.4.1_Statutory Auditors' report on the consolidated financial statements

BL2A
 42, rue Jenner
 91600 Savigny sur Orge
 S.A.S. with share capital of €34400
 403,136,351 R.C.S. Evry

Statutory Auditor
 Company member
 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

Statutory Auditor
 Company member
 Régionale de Versailles et du Centre

Statutory Auditors' report on the consolidated financial statements

To the General Meeting of Ateме,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Ateме for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year then ended and of the financial position and assets and liabilities of the entities included in the consolidation at the end of the year, in accordance with IFRS as adopted by the European Union.

The opinion expressed-above is consistent with the contents of our report to the Audit Committee.

Basis of opinion

■ Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the 'Statutory Auditors' responsibilities for the audit of the consolidated financial statements' section of our report.

■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from 1 January 2023 to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (Eu) No 537/2014.

Justification of our assessments - Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year, as well as our responses to those risks.

These assessments were made as part of our audit of the consolidated financial statements as a whole and in forming our opinion expressed-above. We do not express an opinion on individual items of these consolidated financial statements.

■ Revenue recognition

Identified risk	Our response
<p>An analysis is performed for multi element customer contracts in order to recognise revenue separately for each of the items when they are separately identifiable and the customer can benefit from them separately. When a contract contains several performance obligations, the price is allocated to each of them on the basis of its selling price. This selling price is determined on the basis of the 'catalogue' price.</p> <p>Revenue is recognised when your group transfers control of the goods or services sold to the customer, either on a given date over time or continuously as specified in Note 3 'Revenue' to the consolidated financial statements. In particular, for licenses, revenue is recognised when the performance obligation promised to the contract is satisfied (static license) or as it is satisfied (dynamic license).</p> <p>The terms of commercial contracts between your group and its customers include terms for the transfer of ownership and the performance of services, the analysis of which is therefore decisive for the proper recognition of revenue. The accounting standards for recording this type of contract require some judgement in the interpretation to be given to the contracts.</p>	<p>We familiarised ourselves with the procedures and, where applicable, the specific information systems contributing to the formation of consolidated revenue.</p> <p>We examined the compliance of the revenue recognition rules with IFRS 15 on new key contracts signed in 2023.</p> <p>We familiarised ourselves with the internal control procedures implemented to recognise revenue.</p> <p>Based on a selection of contracts based on quantitative criteria (amount of revenue to be recognised) and qualitative criteria (complex contracts with several services), we performed the following procedures:</p> <ul style="list-style-type: none"> ▶ We analysed the contractual clauses and reconciled the financial data with the invoices issued; ▶ For a sample of contracts, we assessed whether the revenue allocated to each service corresponded to the fair value of consideration received or receivable in respect of goods sold in the ordinary course of your company's business; ▶ We checked that each service was subsequently accounted for in accordance with the applicable accounting rules and methods; ▶ We also examined the relevance of this note to the consolidated financial statements.

An error in the analysis of the obligations of this type of contract and their realization may lead to an erroneous recognition of revenue. Accordingly, we considered revenue recognition in accordance with IFRS 15 to be a key audit matter.

■ Measurement of goodwill

Identified risk	Our response
<p>At 31 December 2023, goodwill amounted to €12.9 in net value, or 11.8% of consolidated assets.</p> <p>As disclosed in Note 11 'Business combinations and goodwill' to the consolidated financial statements, <i>goodwill</i> is not amortized, but is tested for impairment once a year or more frequently if there are indications of impairment. These <i>goodwill</i> are tested at the level of cash generating units (CGUs), which are homogeneous groups that jointly generate cash flows that are largely independent of the cash flows generated by the other CGUs.</p> <p>As indicated in Note 15 'Impairment' to the consolidated financial statements, the need to recognise an impairment loss is assessed by comparing the carrying amount of the CGU with its recoverable amount. Recoverable amount is defined as the higher of fair value net of disposal costs and value in use. The determination of value in use is sensitive to the discount rate, future cash flow estimates, as well as the long term growth rate used.</p> <p>As a change in these assumptions may affect the recoverable amount of goodwill, and given their significance in the consolidated financial statements, we considered the measurement of goodwill to be a key audit matter.</p>	<p>Having reviewed and assessed the process developed by management to estimate the recoverable amount of goodwill, we obtained the CGU's impairment test from management. Based on this information, with the help of our evaluation experts integrated into the audit team, we carried out our work with particular attention to the following:</p> <ul style="list-style-type: none"> ▶ Regarding the key assumptions used to determine cash flows and long term growth rates: We assessed the consistency of the assumptions with respect to the historical performance of your group and the operating budgets established by management for the coming financial year, including forecasts for the following five years; ▶ Discount rates: We compared the rates used with market benchmarks; ▶ Regarding the sensitivity analyses performed by management: We analysed the calculations made to identify whether a change in the assumptions would lead to the recognition of a significant impairment of goodwill.

■ Impairment of inventories

Identified risk	Our response
<p>The gross value of your company's inventories amounted to €8.4 at 31 December 2023 and was written down by €0.3. They mainly consist of goods.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment;

As disclosed in note 16 'Inventories' to the consolidated financial statements, the provision for impairment of inventories relates to components or goods that are subject to internal loan, testing or repair.

Components or goods for which technological advances are beginning to render inventories obsolete or those with little or no movement during the year are scrapped.

We considered that the write down of inventories was a key audit matter due to the relative importance of inventories in your company's accounts and due to management's necessary judgement in identifying the inventories to be written down.

- ▶ Attend year end physical inventories;
- ▶ Compare, on a test basis, the cost of the main items in inventory with the net selling price during the year;
- ▶ Analyse the data and assumptions used by management to identify inventories to be impaired;
- ▶ Perform a retrospective analysis of inventory run off based on inventory movements made during the year.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations of the information relating to the Group given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications or information required by law and regulations

■ Presentation format of the consolidated financial statements for inclusion in the annual financial report

We have also verified, in accordance with the professional standard on the procedures of the statutory auditor relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, compliance with this format defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer. As regards consolidated financial statements, our procedures include verifying that the marking of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic information format.

Due to the technical limitations inherent in the macro markup of the consolidated financial statements according to the single European electronic information format, it is possible that the content of certain tags in the notes to the financial statements may not be reproduced in the same way as the consolidated financial statements attached to this report.

In addition, it is not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we performed our work.

■ **Appointment of the Statutory Auditors**

We were appointed auditors of Ateame by your Annual General Meeting of 30 June 1997 for BL2A and 11 April 2014 for ERNST & YOUNG Audit.

As of 31 December 2023, BL2A was in the twenty seventh year of its uninterrupted engagement (including ten years since the company's shares were admitted to trading on a regulated market) and ERNST & YOUNG Audit in the tenth year.

Responsibilities of management and those charged with corporate governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, -whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

■ Audit objective and approach

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make on the basis thereof.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout this audit. In addition:

- ▶ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not-detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;

- ▶ Assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- ▶ Assesses the appropriateness of management's application of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its report. However, it should be noted that subsequent circumstances or events may cast significant doubt on the Group's going concern. If it concludes that a material uncertainty exists, it draws the attention of the readers of its report to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a certification with reservations or a refusal to certify;
- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying-transactions and events in a manner that achieves fair presentation;
- ▶ Concerning the financial reporting of the entities or entities included in the scope of consolidation, it obtains sufficient and appropriate information to express an opinion on the consolidated financial statements. It is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.



■ Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the conclusions resulting from our audit. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our opinion, were of most significance in the audit of the consolidated financial statements for the year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (Eu) No. 537/2014 confirming our independence within the meaning of the French rules as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Savigny sur Orge and Paris La Défense, 29 April 2024

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hus

Franck Sebag

18.4.2_Other information contained in the Universal Registration Document audited by the Statutory Auditors

None.

18.4.3_Financial information in the Universal Registration Document that is not extracted from the audited financial statements of the issuer

None.

18.5_Proforma financial information

None

18.6_Other information

18.6.1_Dividend policy

Given the Company's stage of development, there are no plans to initiate a short term dividend payment policy. Since its inception, the Company has not distributed any dividend.

18.6.2_Five year financial summary

NATURE OF INDICATIONS	Financial year 2023	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019
I. Share capital at year end					
Share Capital (in euros)	1,600,542	1,579,344	1,571,364	1,548,480	1,465,039
Number of existing ordinary shares	11,432,444	11,281,027	11,224,027	11,060,569	10,464,563
Number of preferred (non voting) shares outstanding					
Maximum number of future shares to be created					
- By conversion of bonds					
- By exercise of subscription rights					
II. Operations and results for the year					
Net sales in '000 euro	84,287	79,009	63,983	51,620	58,294
Profit before tax, employee profit sharing, depreciation, amortisation and provisions (in '000 euro)	-8,791	-4,400	4,125	-2,254	5,539
Income tax (in '000 euro)	-5,908	-5,822	-3,852	-3,082	-2,142
Employee profit sharing due for the year in ('000 euro)	0	0	0	0	8
Earnings after tax, employee profit sharing, depreciation, amortisation and provisions (in '000 euro)	-3,040	1,429	6,453	-1,355	5,999
Profit distributed					
III. Earnings per share					
Earnings after tax, employee profit sharing but before depreciation, amortisation and provisions (in euro)	-0.124	0.254	0.711	0.075	0.734
Earnings after tax, employee profit sharing, depreciation, amortisation and provisions (in euro)	-0.266	0.127	0.575	-0.123	0.573
Dividend per share					
IV. Personnel					
Average number of employees during the year	327	277	205	166	141
Total payroll for the year (in '000 euro)	25,849	23,798	15,248	11,463	10,113
Amount paid in respect of employee benefits for the year (social security, social welfare) (in '000 euro)	10,598	9,540	6,119	4,633	4,322

18.6.3_Allocation of the result of Ateme SA

We ask you to approve the annual financial statements (balance sheet, income statements and notes) for the year ended 31 December 2023 as presented, resulting in a net loss of €3040k, which we propose to allocate in full to retained earnings, which would have the effect of increasing its amount to a credit balance of €8858k.

18.6.4_Sumptuary expenses and expenses not deductible for tax purposes

In accordance with the provisions of Article 223 quater of the French General Tax Code, we inform you that no expense or expense referred to in Article 39-4 of said Code was incurred for the past financial year.

In accordance with the provisions of Article 223 quater of the French General Tax Code, we inform you that no expense or expense referred to in Article 39-4 of said Code was incurred for the past financial year.

18.6.5_Information on payment deadlines

In accordance with the provisions of the Ministerial Order of 20 March 2017 pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code (Code de commerce), we hereby present you with the information relating to the payment terms of trade and bills due at the closing date of the last financial year in terms of number and amount:

	Invoices received but not paid at the end of the reporting period					
	Due in € k					
	0 day (Indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and +)
(A) Late payment bands						
Number of invoices concerned	526					1,175
Amount of invoices concerned including tax	8,058	2,423	904	512	863	4,702
Percentage of total amount of purchases for the year H.T	15%	5%	2%	1%	2%	9%
(B) Invoices excluded from (A) relating to disputed or unrecognised debts and receivables						
Number of invoices excluded	N/A					
Total amount of invoices excluded including tax						
(C) Reference payment terms used (contractual or legal period - Article L. 441-6 or L. 443-1 of the French Commercial Code						
Payment terms used to calculate late payments	Contractual deadlines					

	Invoices issued but not settled at the balance sheet date					
	Whose term expired in K €					
	0 day (Indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and +)
(A) Late payment bands						
Number of invoices concerned	577					1,073
Amount of invoices concerned including tax	16,560	2,400	1,572	844	6,647	11,463
Percentage of revenue for the year including tax	20%	3%	2%	1%	8%	14%
(B) Invoices excluded from (A) relating to disputed or unrecognised debts and receivables						
Number of invoices excluded	N/A					
Total amount of invoices excluded including tax						
(C) Reference payment terms used (contractual or legal period - Article L. 441-6 or L. 443-1 of the French Commercial Code						
Payment terms used to calculate late payments	Statutory deadlines					

18.7_Legal and arbitration proceedings

The Group may be involved in legal, administrative or regulatory proceedings in the ordinary course of business. The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the group, based on the requests, legal obligations and opinions issued by the Group's lawyers.

The Group is involved in a lawsuit of unfair competition and parasitism against a small structure operating in the same market. In fact, the company initiated a legal action before the Rennes Commercial Court in 2019 in order to put an end to acts of parasitism and unfair competition against it. The procedures in this case are still in progress, with the intervention of technical experts, and the exchanges of conclusions falling within the competence of the Trial Chambers on the merits are still under study. In its pleadings, the company asked the court to grant it up to approximately 2.5 million euros for all the claims raised. This litigation is accompanied by a tribunal d'hommal litigation component that is usually managed by the legal department and its counsel and for which the company has not issued a provision to the extent that it is in demand in each of these proceedings.

Other than the above, as of the date of registration of this Universal Registration Document, there are no other governmental, judicial or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or threatened, likely to have or have had in the last 12 months significant effects on the financial position or profitability of the Company and/or the Group.

18.8_Significant changes in the financial or trading position

International crises

In view of the geopolitical events of recent years, Ateame has only limited exposure to the current geopolitical situation involving Russia and Ukraine.

However, the Company's activities could be impacted by the direct or indirect consequences of international crises that cannot be fully quantified with precision at the date of publication of this universal registration document.

The Company could be exposed in several ways:

- Supply problems, particularly on metals (titanium, etc.) or electronics;
- Higher production costs of products in connection with the surge in raw materials and energy.

Chapitre 19. **Additional information**

19.1. Share capital

19.1.1_Amount of subscribed capital

On the date of filing of this Universal Registration Document, the share capital is set at €1,600,542.16. It is divided into 11,432,444 fully subscribed and paid ordinary shares with a nominal amount of €0.14. There are no unpaid issued shares.

Share capital at the end of the last two financial years:

COMPOSITION OF THE SHARE CAPITAL	31/12/2023	31/12/2022
Share capital in €	1,600,542.16	1,579,343.78
Number of shares	11,432,444	11,281,027
(Of which ordinary shares)	11,432,444	11,281,027
Nominal value (in euros)	€0.14	€0.14

19.1.2_Shares not representing capital

There are no shares that do not represent capital.

19.1.3_Treasury stock and share buyback programme

On 14 October 2019, the Company announced that it had signed a liquidity contract with asset management company Kepler Cheuvreux. This agreement complies with the Code of Ethics of the French Financial Markets Association (AMAFI) of 8 March 2011, approved by the Amf on 21 March 2011.

The next annual general meeting called to approve the financial statements for the year ended 31 December 2023, which will take place on 12 June 2024, will decide on the renewal of the share buyback programme.

At 31 December 2023, the Company held 21,045 AteME shares acquired at an average price of €7.84 and valued at that date for a total amount of €148156.

At 31 December 2022, the Company held 16,459 AteME shares acquired at an average price of €10.42 and valued at that date for a total amount of €171.5k.

Information relating to the purchase or sale by the company of its own shares

A summary of the shares purchased and sold since the implementation of the liquidity contract with Kepler Cheuvreux:

Under the liquidity contract entrusted by AteME to Kepler Cheuvreux, on 31 December 2023, the following resources were recorded in the liquidity account:

- 21,045 shares
- 13,438.89 € in cash

In accordance with the provisions of Article L. 225-211 of the French Commercial Code, we hereby report to you on the Company's share buyback transactions pursuant to the provisions of Article L. 225-209 of the French Commercial Code:

- Shares purchased or sold by the Company under the liquidity agreement (Kepler Cheuvreux):
 - 31,740 shares were purchased at an average price of €8.84
 - 27,154 shares were sold at an average price of €9.09
- No shares were purchased or sold by the Company outside the liquidity contract

Course animation

At year end, the 21,045 shares held under the share buyback programme were allocated to the following objectives:

Objectives	Securities	Nominal value (€)	Carrying amount (€)	% of share capital
Liquidity contract	21,045	7.84	148,156	0.18%
Hedging of stock option plans				
Subsequent delivery for exchange or payment as part of an external growth transaction				
Hedging of debt securities giving access to the share capital				
Cancellation of shares:				
Total	21,045	7.84	148,156	0.18%

19.1.4_Change in share price

Between 1 April 2023 and 9 April 2024, the change in the share price was as follows



Source: Euronext

19.1.5_Calculation elements and results of the adjustment of share conversion bases

None

19.1.6_Approval of the additional reports of the Board of Directors and the Statutory Auditor

None

19.1.7_Stock options

In accordance with the provisions of Article L. 225-184 of the French Commercial Code (Code de commerce), we have prepared a special report in order to report to you on the issues of share subscription or purchase options under the provisions of Articles L. 225-177 to L. 225-186 of the French Commercial Code.

19.1.8_Free shares

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, we have prepared a special report in order to report to you on the free allocation of shares under the provisions of Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code.

19.1.9_Restrictions imposed by the Board of Directors on the exercise of options or the sale of free shares granted to executives

In accordance with the provisions of Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, we hereby inform you that no stock options or bonus shares have been granted to executive corporate officers.

19.1.10_Employee shareholding threshold

We inform you that at the end of the financial year, the employees of our Company and its related companies do not hold any interest in the share capital of the Company within the meaning of Article L. 225-102 of the French Commercial Code.

Chapitre 20. **Material contracts**

As of the date of the Universal Registration Document and during the last two financial years, the Company has not entered into any significant contracts other than those entered into in the ordinary course of its business.

Chapitre 21. Documents available

During the period of validity of this Universal Registration Document, the documents listed below may be consulted in physical form at Ateме's registered office:

- The latest version of Ateме's Memorandum and Articles of Association;
- All reports, letters and other documents, assessments and statements prepared by an expert at Ateме's request, part of which is included or referred to in the Universal Registration Document.

The Company has set up an 'Investors' section on its website: www.ateme.com, where regulated information can also be consulted.

In addition to these regular means of information, the Company would not fail to strengthen its communication policy during any significant transaction, or any change in its environment or policy.

Person responsible for financial information: Fabrice Sana, Chief Financial Officer

Contact: investors@ateme.com

21.1_Financial calendar

202 Indicative Publication Calendar⁴

Date	Press release
Thursday, 25 January 2024	Annual revenue 2023
Thursday, 21 March 2024	Annual results 2023
Thursday, 25 April 2024	First quarter 2024 sales
Wednesday, 12 June 2024	Combined General Meeting.
Thursday, 11 July 2024	First half 2024 sales
Thursday, 26 September 2024	2024 half year results
Thursday, 17 October 2024	Third quarter 2024 sales

All publications will take place after the closing of the Euronext Paris markets.

ANNEXE 1. Annual financial report cross reference table

Title	URD Section
Parent company financial statements	Paragraph 18.01.01. Audited historical financial information
Consolidated financial statements	Paragraph 18.01.07. Consolidated Financial Statements
Management report	Appendix 2 - Management Report cross reference table
Analysis of revenue trends	Chapter 7. Operating and financial review
Analysis of results	Chapter 7. Operating and financial review
Analysis of the financial position	Chapter 7. Operating and financial review
Main risks and uncertainties	Chapter 3. Risk factors
Buyback by the company of its own shares	Paragraph 19.01.03. Treasury shares and share buyback programme
Statutory Auditors' report on the parent company financial statements	Paragraph 18.01.01. Audited historical financial information
Statutory Auditors' report on the consolidated financial statements	18.4 Audit of historical annual financial information
Board of Directors' report on corporate governance	Chapter 14.5 Declaration of compliance with the corporate governance regime in force in France
Statements by the natural persons responsible for the annual financial report	Paragraph 1.2. Statement by the person responsible

ANNEXE 2. Cross reference table for the management report

The cross reference table below makes it possible to identify in this Universal Registration Document the information that constitutes the annual management report in accordance with Articles L. 225-100-1 et seq. of the French Commercial Code.

Title	URD Section
1. Information on the company's and the group's business	
Presentation of the business position and results of the issuer, subsidiaries and companies it controls by industry	Chapter 5. Business overview Chapter 7. Operating and financial review
Foreseeable changes in the issuer and/or group	Chapter 10. Trend Information Chapter 11. Profit forecasts or estimates
Post closing events of the issuer and/or group	Paragraph 10.1 Main trends
Research and development activities of the issuer and the group	Paragraph 7.1.2. Probable future evolution and research and development activities
Analysis of the development of the issuer's business, results and financial position, with regard to the volume and complexity of the issuer's and the group's business	Chapter 7. Operating and financial review
Main risks and uncertainties facing the issuer	Chapter 3. Risk factors
Financial risks related to the effects of climate change and presentation of measures taken to reduce them	Chapter 3. Risk factors
Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information	Chapter 3. Risk factors and 14.7 General principles of internal control.
Information on the use of financial instruments, - Exposure to price, credit, liquidity and cash flow risks of the company and the group	Chapter 3. Risk factors
Table of results for the last five financial years of AteME SA	Paragraph 18.06.02 Five year summary
2. Legal, financial and tax information of the issuer	
Ownership structure and changes	Paragraph 16.1. Changes in the shareholding structure of the AteME Group
Names of controlled companies	Chapter 6. Organisational structure
Statement of employee share ownership	Paragraph 15.3. Arrangements for involving employees in the capital
Significant investments in companies having their registered office in France	Chapter 6. Organisational structure
Purchase and sale by the issuer of its own shares (share buyback program)	Paragraph 19.01.03. Treasury shares and share buyback programme
Injunctions or financial penalties for anti competitive practises	None.
Dividends distributed over the last 3 financial years	Paragraph 18.06.01 Dividend policy

Supplier and customer payment terms	Paragraph 18.06.05 Information on payment deadlines
Conditions for exercising and retaining options by corporate officers	Paragraph 15.2. Profit sharing and stock options
Conditions for holding free shares granted to executive officers and corporate officers	Paragraph 15.2. Profit sharing and stock options
Summary of transactions carried out by management in the Company's shares	Paragraph 15.2. Arrangements for involving employees in the capital
Social and environmental information	Chapter 15. Employees

ANNEXE 3. Cross reference table for the governance report

Title	French Commercial Code	URD Section
Compensation policy for corporate officers	Article L. 22-10-08, I., paragraph 2 of the French Commercial Code Article R. 22-10-14 of the French Commercial Code	Chapter 13. Remuneration and benefits
Compensation and benefits of any kind paid during the year or granted for the year to each corporate officer	Article L. 22-10-09, I., 1° of the French Commercial Code Article R. 22-10-15 of the French Commercial Code	Chapter 13 Compensation and benefits
Relative proportion of fixed and variable compensation	Article L. 22-10-09, I., 2° of the French Commercial Code	Chapter 13/Appendix 4 - compensation of corporate officers Table 13.01.02
Compensation paid or awarded by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code	Article L. 22-10-09, I., 5° of the French Commercial Code	Chapter 13/Appendix 4 - compensation of corporate officers Table 13.01.02
Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration of the company's employees	Article L. 22-10-09, I., 6° of the French Commercial Code	Chapter 13 Compensation and benefits
List of all offices and positions held in any company by each of the corporate officers during the fiscal year	Article L. 225-37-4, 1° of the French Commercial Code	Chapter 12.1.1 Board of Directors and committees of the Company
Summary table of current delegations of authority granted by the Annual General Meeting for capital increases	Article L. 225-37-4, 3° of the French Commercial Code	Chapter 19, Additional information
Executive management procedures	Article L. 225-37-4, 4° of the French Commercial Code	Chapter 14.53 - Declaration of compliance with the corporate governance regime in force in France