For translation purposes only

Annual Financial Report

At 31 December 2022

ATEME

Captivate your audience

About Ateme :

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

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

Founded in 1991, Ateme has 560 employees at its head office in France and 20 offices worldwide, including the United States, Brazil, Argentina, the United Kingdom, Spain, Germany, the United Arab Emirates, Singapore, China, Korea and Australia.

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

Name: Ateme - ISIN code: FR0011992700 - Stock market symbol: Ateme - Sub fund: C

Address: 6 rue Dewoitine, 78140 Vélizy Villacoublay, France

Contents of the Annual Financial Report

1. Statement of responsibility of the annual financial report

1. Person responsible for the annual financial report

Michel Artières, Chairman and Chief Executive Officer of Ateme.

2. Declaration by the person responsible

(Article 222-3 - 4° of the AMF General Regulation)
'I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the Group, and that the enclosed management report presents a true and fair view of the business trends, results and financial position of the Company and the Group, together with a description of the main risks and uncertainties that the Group faces.'
Vélizy, 28/04/2023
Michel Artières, Chairman and Chief Executive Officer of Ateme.

2. Management report of the Board of Directors to the Annual Ordinary General Meeting of Shareholders

Ateme
French société anonyme (public limited company)
Share Capital euros1,578,923.78
Registered office: 6, rue Dewoitine - Immeuble Green Plaza,
78140 Vélizy-Villacoublay
382 231 991 Versailles Trade and Companies Register (RCS)
(The " **Company** ")

To the Shareholders,

We have convened an Annual Ordinary General Meeting in accordance with the laws and the bylaws of your Company to report to you (i) on the situation and business of Ateme SA (hereinafter the **" Company "**) and the Group during the financial year ended 31 December 2022 and to submit for your approval the parent company financial statements for the past financial year and the consolidated financial statements for said financial year and the internal control and risk management procedures implemented by the Company.

The submission of this report was amended in accordance with the provisions of Order 2017-1162 of 12 July 2017 pursuant to the Sapin II Act and its Implementing Decree 2017-1174 of 18 July 2017.

We will give you all details and additional information regarding the items and documents provided for by the regulations in force and which have been made available to you within the legal time limits.

The Statutory Auditors' reports will then be read to you.

ECONOMIC AND FINANCIAL INFORMATION

1. Activity and results of the company and the group during the financial year ended 31 December 2022 - highlights of the past financial year - progress made or difficulties encountered

Results and activity of the Company and the Group

1.1 The Company

For the year ended 31 December 2022, net sales amounted to 79.0 million euros, up by around 24% from 64.0 million euros the previous year.

- Operating income amounted to €86397k compared to €68180k for the previous year;
- Operating expenses amounted to €91288k, compared with €65383k for the previous year;
- The operating result is a loss of €4891k compared to a profit of €2797k for the previous financial year.

After taking into account net financial income of €491k, net non recurring income of €7k and the tax credit of €5822k, net income for the year ended 31 December 2022 amounted to net accounting income of €1429k , compared with €6453k for the previous year.

1.2 The Group

The companies included in the scope of consolidation for 2022 are as follows:

- the Company (head of the Group);
- Ateme Inc. (USA);
- Ateme Canada Inc. ;
- Ateme Singapore Pte.Ltd. ;
- Ateme Australia Pty. Ltd;

Revenue from Ateme Canada, Ateme USA, Ateme Australia, Ateme Singapore comes from services billed to the Company and sales of products and services to local customers. We present below the main items of the consolidated income statements under IFRS for the years ended 31 December 2021 and 31 December 2022:

[at] January 1, 2022, Anevia was absorbed by Ateme.

Ateme Japan was removed from the scope of consolidation on 31 December 2022 following its liquidation. The impact on the financial statements is not considered material.

Income statement	31/12/2022 12 months in €'000	31/12/2021 12 months in €'000
Sales revenue	90,553	78,798
Cost of Sales	(36,121)	(29,841)
Gross margin	**54,432**	**48,957**
Research and Development expenses	(20,850)	(16,012)
Marketing and Sales expenses	(27,827)	(27,086)
General and Administrative expenses	(5,914)	(4,754)
Recurring operating income	**(158)**	**1,105**
Other operating income and expenses	-	-
Income from operations	**(158)**	**1,105**
Financial expenses	(447)	(621)
Financial income	4	122
Exchange (losses) and gains	211	1,010
Income before tax	**(391)**	**1,616**
Tax expense / income	345	169
Net income from continuing activities	**(46)**	**1,785**
Income from discontinued operations	-	251
Gains or losses on disposal of discontinued operations	-	(899)
Net income	**(46)**	**1,137**
Group share	*(46)*	*1,137*
Non-controlling interests	-	-
Basic earnings per share (€/share) from continuing operations	**0.00**	**0.10**
Diluted earnings per share (€ / share)	**0.00**	**0.10**
Basic earnings per share (€/share) from discontinued operations	**-**	**0.02**
Diluted earnings per share (€/share) from discontinued operations	**-**	**0.02**

Eleventh consecutive year of revenue growth

Total revenues for the year ended 31 December 2022 amounted to 90.5 million euros, up 15% compared to 2021 (+8% at constant scope and exchange rates).

The United States/Canada region recorded the strongest growth in 2022, while being the largest contributor to revenue of 34 million euros, an increase of 28% (+16% on a like for like basis).

The EMEA region ended the year with a solid fourth quarter, catching up after a slower start (-10% year on year at the end of the third quarter). It closed 2022 with revenues of 31.9 million euros, up 2% (+1% on a like for like basis).

Asia Pacific and Latin America posted similar growth performances, with revenues of 15.2 and 9.3 million euros respectively, up 17% and 14% (+8% and +6% at constant scope and exchange rates).

Recurring monthly income[1] increased from €1.960M in January 2022 to €2.443M in January 2023, well above the target of a €400k annual increase. As a result, Ateme began the year with 29 million euros in recurring revenues, significantly improving the level and visibility of the business.

Monthly recurring revenue in K €	January 2022	January 2023
Recurring monthly income	1,960	2,443

The gross margin improved in the second half (62%) compared to the first half (58%), reaching 60% on a full year basis, compared with 62% in 2021 and 55% in 2020.

Gross profit thus amounted to 54.4 million euros, up 11%.

Ongoing investments to drive growth in 2022

Ateme continued to invest in 2022 to support its growth. Operating costs thus 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 breakeven.

EBITDA of €5.0M, compared with €6.4M in 2021, reflects the continuation of R & D investments throughout 2022, and the lag in certain revenues 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) is explained by the increase in working capital requirements, partly due to the significant increase in inventories (+3.4 million euros) to cope with tensions in the semiconductor industry in 2022 and to meet the expected growth. In 2023, inventories are expected to decline, while additional measures are also 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 the debt related to the mobilisation of research tax credit receivables in the amount of 8 million euros.

Restated Ebitda

'Recurring operating income' is defined as the difference between total operating income and 'Other operating income' and 'Other operating expenses.'
Restated 'EBITDA' means the Group's recurring operating income before non recurring items, 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, the tax constraints and the renewal of the operating tool. Non recurring expenses (unusual, abnormal and infrequent items) are excluded.

[1] Alternative performance indicator not subject to review by Ateme's Statutory Auditors: Recurring monthly revenue is defined as the sum of (1) the monthly revenue of support contracts already signed, (2) the monthly revenue of multi year licence agreements already signed (CAPEX) and (3) the monthly revenue of licence leases (OPEX).

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

Disposal of the Enterprise business in 2021
On 4 November 2021, Ateme signed an agreement with Vitec to sell the Hotels and Enterprise business line.

In accordance with IFRS 5 on discontinued operations, the income statement, other comprehensive income and statement of cash flows relating to discontinued operations are presented separately in the financial statements for all periods presented.

1.3 Highlights of the year

On 11 January 2022, Ateme announced that Canal + launched one of the first global low latency OTT streaming deployments on AppleTV 4 K, thanks to Ateme's NEA solution.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and Ateme, the leading provider of video broadcasting solutions for broadcast, cable television, DTH, IPTV and OTT, announced today that they have worked together to add Ateme's BISS CA standard to Globecast's advanced security options arsenal. Given the central role of content security in the sector, this is an important addition.

On 10 March 2022, SBTVD announced that it has chosen TITAN Live to select VVC as the mandatory video encoding system for Brazil's new TV 3.0 standard, which will be used for next generation digital terrestrial television.

On 22 March 2022, Ateme announced that it had implemented live streaming in 4 K UHD with Dolby Audio™ for Mola TV, an Indonesian subscription video on demand and over the top video streaming platform.

On 29 March 2022, Ateme announces that it has enabled Solbox, Korea's market leader in CDN and cloud computing solutions, to build a private cloud Vod transcoding platform for OTT service providers.

On 12 April 2022, Ateme revealed that it had enabled China Sports Media, a leader in the sport industry, selected by the Beijing Olympic Committee for the presentation of sports, to offer a multi stage viewing experience to the participants of the recent Olympic Winter Games.

On 21 April 2022, Ateme announced the establishment of a Strategic Advisory Committee composed of five recognised industry personalities and key positions in major media and entertainment groups.

On 27 May 2022, Ateme propelled Tivify's low latency streaming, based on the Common Media Application (CMAF), to the UEFA Champions League final using Ateme's latest TITAN transcoding solutions.

On 31 May 2022, Ateme virtualised the network head of MyTV, a subsidiary of Vietnam's second largest telecommunications operator. This project is a first step in the complete migration of MyTV's OTT platform to a private cloud.

On 31 May 2022, on May 28, Ateme released the final of the UEFA Champions League in its immersive Dolby Atmos and Dolby Vision in partnership with Ateme and Canal + on MyCanal.

On 1 June 2022, at the 2022 Roland Garros, France Télévisions and its technical partners, including Ateme, tested new distribution methods, both in Broadcast and multicast mode thanks to 5G.

On 26 July 2022, Ateme announced that it was presenting its solutions to provide a high level of experience and reduce CO2 emissions at IBC 2022, which takes place from September 9 to September 12.

On 1 August, 2022, Ateme announced a partnership with ENENSYS to offer an ATSC 3.0-in a-box solution for WCRN Boston. The linear television service NextGen TV will also offer unlimited encrypted broadcasting services to companies and first responders in emergency services.

On 2 August 2022, Ateme carried out with Eurovision Services the first test of the enhanced features of the BISS CA encryption standard allowing content owners to grant conditional access to individual audio feeds.

On 16 August 2022, Ateme strengthened its leadership position in video flow solutions with a series of demonstrations of new technology at the SET Expo in Sao Paulo from August 23 to 25.

On August 25 , 2022 , Ateme announced its Future Zone at IBC 2022. Visitors will see a demo on the cloud gaming platform of Blacknut streaming games, and another on the immersive 3D video of the startup Metaverse Vimmerse.

On 1 September 2022, Ateme launched Ateme + Software as a Service. The service makes Ateme award winning video processing solutions available in a more agile business model, bringing transformative capabilities and cloud based benefits to Ateme customers around the world.

On 6 September 2022, Ateme and Viaccess Orca (VO) - the world leader in OTT and TV platforms, content protection and advanced data solutions, announced their partnership to offer a new service that simplifies the creation of Vod to live channels and personalised live channels with targeted advertising.

On 13 October 2022, Ateme announced that Ooreedoo, a leader in international communications, has commissioned an IPTV/OTT convergent network head equipped with Ateme's TITAN encoders.

On 8 November 2022, Ateme announced the roll out of its TITAN encoding solution for Antina Televisión, a pay digital terrestrial HD television operator in Argentina and market leader in several locations in the Buenos Aires metropolitan area.

On 2 December 2022, Ateme announced it had won the prestigious IABM BAM Award ® 2022 in the Publish category for its 5G streaming solution, which unlocks 5G's potential to provide high quality, low latency streaming to any device. The award ceremony took place on 1 December at Park Plaza Victoria Hotel in London.

On 13 December 2022, Ateme announced that it had provided Globo, the Brazilian media company, with KYRION encoding solutions for new low latency immersive audio codecs. These solutions enabled Globo to offer viewers a new sound experience during all World Cup matches in Qatar.

On 20 December 2022, Ateme reported that streaming service providers experienced exceptional traffic demand on their video networks during the World Cup, as millions of viewers gathered to follow their teams throughout the tournament. On average, Ateme's CDN (content delivery network) customers saw peak traffic increase by 116% compared to usual video consumption, confirming the movement of viewers to more online supports and OTT

Press releases are available at www.ateme.com

1.4 Impacts of international crises on the financial statements at 31 December 2022

Impact of pandemic, global semiconductor shortage and war in Ukraine

As restrictions on most international travel have now been lifted, trade fairs and customer meetings are gradually normalising.

Semiconductor production is still subject to tensions affecting all major server manufacturers, including partners such as Dell and HPE, and the production of Ateme's Kyrion product range. Although efforts to build up a stock have mitigated its impact, the situation resulted in the loss or postponement of business for approximately euros500000.

In addition, Ateme discontinued its activities in Russia and Belarus. The impact on revenue for the year was approximately € 1 million.

1.5 Progress made/Difficulties encountered

Group revenue for 2022 (ended December 31) was € 90.6 million, up 15% compared to 2022 (8% at constant exchange rates). Ateme thus recorded an eleventh year of consecutive growth (average annual growth of 20% in 2011-2022).
Operating expenses amounted to €54.6M, compared to €48M in 2021, reflecting an increase of approximately €4.9M in R & D and €0.7M in sales & marketing. General and administrative expenses increased by €1.2M
Net financial expense came to €233k, mainly due to interest expense on borrowings, partly offset by foreign exchange gains (Us dollar/euro).
Net income amounted to €-46k, compared with €1137k in 2021.

1.6 Forecast developments and outlook

Ateme has constantly used its R & D expertise to innovate in areas ranging from visual quality to Open caching, Cloud DVR and dynamic advertising insertion, in order to deliver value that is always superior to its customers.
Ateme has also embarked on the next step, based on data analysis integration, artificial intelligence/machine learning and blockchain.
The Group's cutting edge expertise in end to end video processing and transport places it at the heart of the transformation of the broadcasting market.
All these market specific elements reinforce the validity of the acquisition of Anevia's broadcasting technologies; Ateme covers a broader scope of value added solutions by allowing its customers to boost their audiences, subscriptions and their own turnover. While TITAN's revenues increase in correlation with the content of its customers, NEA's revenues increase according to customer success in terms of audience: An ideal growth engine for Ateme's recurring monthly revenues

1.7 Research and development activities

The Company maintained its R & D activity 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 also plays an active role in defining a new standard (AV1) in the Alliance for Open Media.

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

The R & D effort is split mainly between 4 historical business lines and 1 new business line related to the acquisition of Anevia:

- Research on codecs to maintain our competitive advantage in video quality and prepare for the future by working on new standards such as HEVC,
- Encoders and decoders for broadcast contribution, Kyrion range,
- TITAN software solution for multi-screen transcoding for broadcasting content to internet gateways or streaming on the Internet or on mobile phones or tablets,
- Software solutions for processing and managing video for networks,
- Video diffusion technologies.

2. Major events since the end of the financial year

On 10 January 2023, Ateme and ENENSYS Technologies, the leading provider of media broadcasting solutions, combined their considerable expertise in video distribution to enable Rai Way, the operator of the RAI television network, to start the Refarming project that will end with the transition to the DVB T2 standard

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

On 31 January 2023, Ateme announced that Cyta (Cyprus Telecommunications Authority), the leading provider of integrated electronic communications in Cyprus, has recently installed a low latency solution for Ateme encoding and packaging, reducing latency for its premium OTT channels beyond initial expectations.

On 7 February 2023, Ateme announced that its innovative video processing and delivery solutions can now be purchased via AWS Marketplace, strengthening Ateme's global partnership with AWS by making Ateme 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 Spain during the 2022 World Cup tournament.

On 14 February 2023, the presentation to the MWC Barcelona 2023 of video broadcasting solutions that enable communication service providers, broadcasters and content providers to increase their profitability. Visitors to the Ateme stand will discover solutions to increase their reach, improve the monetisation of networks and offer new immersive and high quality experiences to users, while reducing energy consumption.

On 21 February 2023, Ateme 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 (Cloud Native Functions or CNF) validated on Red Hat OpenShift. As a result, Ateme's complete low latency OTT live video compression and broadcast suite can now be reliably deployed in any cloud using Red Hat OpenShift, the industry leading enterprise Kubernetes platform.

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

On 7 March 2023, Ateme announced that Gulfsat Communications, the leading provider of satellite communications and media services in MENA, has installed Ateme's convergent video network head solution to power its London and Kuwait sites, serving 100 channels mainly in Arabic. The new infrastructure allows Gulfsat to transmit SD and HD DTH services, while ensuring the future of the system with OTT capabilities as well as UHD technologies.

On 14 March 2023, Ateme announced the completion of AWS ISV Accelerate, a highly selective joint sales program for independent software providers providing software solutions that run or integrate with AWS. Accreditation ensures that Ateme solutions meet AWS standards and reinforces Ateme's global partnership with AWS.

On 21 March 2023, 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 the experience. The combination of an audience friendly encoding and an elastic CDN provides a powerful tool to optimise resources to reduce energy consumption while increasing the quality of experience.

On 23 March 2023, Ateme announced its participation in the 2023 NAB Show, 100th edition of the name in Las Vegas, USA, from 15 to 19 April 2023, to present its end to end solutions for video processing and broadcasting, which increase profits. This year's new solutions offer unrivalled experience, new monetisation opportunities and greater efficiency that reduces costs and energy consumption.

On 30 March 2023, Ateme announced its partnership with Six Floor Solutions and Pushologies to offer an end to end automated solution that allows rights holders on sports content and streaming services to increase fans' engagement by attracting more viewers to their OTT apps. The common solution is presented on NAB Show 2023, enabling broadcasters and service and content providers to increase the monetisation of their flows by connecting next generation video experiences to e commerce

Press releases are available at www.ateme.com

LEGAL INFORMATION

1. Subsidiaries - Participating Interests - Branches

1.1 Results of the Company's subsidiaries and investments

The subsidiaries saw the following income figures:

- Ateme Inc USA: €439k;
- Ateme Canada: €44k
- Ateme Singapore: €317k
- Ateme Australia: (266) K €
- Ateme UK: No activity in 2022

The main financial information relating to the Company's subsidiaries and participating interests is described in the notes to the parent company annual financial statements.

1.2 Significant acquisitions of equity interests and controlling interests during the year

None.

1.3. Disposals of participating interests

None.

1.4 Share transfers and cross shareholdings

None.

1.5 Controlled companies - treasury shares

The Company controls Ateme USA Inc., Ateme Canada Inc., Ateme Singapore Pte. Ltd, Ateme Australia Pty. Ltd and Ateme UK.

None of these companies holds an interest in the Company.

2. Net income - proposed allocation of net income

2.1 Proposed appropriation of net income

We ask you to approve the annual financial statements (balance sheet, income statements and notes) for the financial year ended 31 December 2022 as presented to you, showing a net profit of €1429k, which we propose to allocate in full to retained earnings, which would increase its amount to a credit balance of €12844k.

2.2 Dividends paid

In accordance with the provisions of Article 243 bis of the French General Tax Code (Code général des impôts), no dividend was paid in respect of the three previous financial years.

2.3 Non tax deductible expenses and expenses

In accordance with Article 223 quater of the French General Tax Code (Code général des impôts), we hereby inform you that no expense or charge referred to in Article 39-4 of said Code has been incurred for the past financial year.

2.4 Five year financial summary

This report is attached (Appendix 1), in accordance with the provisions of Article R. 225-102 of the French

Commercial Code (Code de commerce), the table showing the Company's results for each of the last five financial years.

3. Objective and exhaustive analysis of changes in the business, income and financial position of the Company and the Group - Principal risks faced by the Company and the Group

3.1 Objective and exhaustive analysis of the evolution of the Company's business, results and financial position, in particular its debt situation, with regard to the volume and complexity of the business

The Group's available cash of €3904k at 31 December 2022 and the collection of trade receivables (€37409k at 31 December 2022) in the first quarter of 2023 should enable the Group to meet its budget targets for 2023.

3.2 Changes in the business, results and financial position of the Company and the Group - key financial and, where applicable, non financial performance indicators

The business of the Company and the Group should evolve satisfactorily and in accordance with its development plan.

3.3 Main risks and uncertainties facing the Company and the Group - Indicators on the use of financial instruments

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 described below.

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

The Company only presents its specific risks.

For each of the risks described below, the Company has reviewed the gross risk, as it exists in the course of the Company's business and has taken into account the measures implemented by the Company for the management of said risk.

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

The Company assessed the 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. They are described in the Universal Registration Document, registered with the AMF on 28 June 2022 under number R022-029.

Summary of risk mapping

Impact scale		Unlikely	Possible	Probable
	Major		- Risks in relation to the competitive environment - Client risks - Supplier risks - Liquidity risk - Risks related to the security of the Company's information systems - Risks related to Internet regulations and mobile networks - Risks related to the protection of confidential information and the Company's intellectual property	
	Significant		- Currency risk	
	Important		- Risks associated with market growth - Risks associated with growth management - Risks related to the liability of the Company in the event of damage generated by one of its products	
		Occurrence scale		

3.4 Information on the Company's objectives and policy regarding insurance and risk coverage

The Group has set up a policy to cover the main insurable risks with guarantees that it considers compatible with the nature of its business.

4. Main characteristics of the risk management and internal control procedures implemented by the Company relating to the preparation and processing of accounting and financial information

The internal control system is based on the reference framework of the French Financial Markets Authority (Amf) for medium and small value companies and its implementation guide for the reference framework for internal control adapted to medium and small value companies, updated and published by the AMF on 17 November 2016.

This report was prepared with the support of the Company's Finance Department.

4.1 General risk management principles

4.1.1 Definition

Ateme is continuing to formalise its risk management approach.

The purpose of this process is to identify all risks and risk factors that may affect the activities and processes of the Company and its consolidated subsidiaries and to determine the means by which these risks may be managed and maintained or brought down to a level acceptable to the Company. It is intended to cover all risk categories and to apply to all Group activities.

4.1.2 Risk management objectives

Ateme adopts the definition of risk management proposed by the Autorité des Marchés Financiers, according to which risk management is a management lever of the Company that contributes to:

- Create and preserve the value, assets and reputation of the Company;
- Make the Company's decision-making and processes more secure to make it easier to achieve objectives;
- Ensure that initiatives are consistent with the Company's values;
- Bring employees together to develop a shared view of the Company's main risks.

4.1.3 Components of the risk management system

Risk mapping is carried out jointly by Executive Management and the relevant operating departments. It is discussed with the Statutory Auditors.

A review of these risks is carried out annually in order to update these risks with the people directly concerned. The aim of this review will be to formalise the list of actions to be implemented to control these risks and to evaluate their effectiveness.

The risks identified and the measures taken to manage these risks are presented in the annual management report.

4.2 Articulation between risk management and internal control

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 by which these risks can be kept at an acceptable level, in particular by implementing preventive measures and controls that are part of the internal control system.

At the same time, the internal control system relies in particular on risk management to identify the main risks to be controlled. The Company is committed to combining the two systems, aiming in particular to identify the control procedures necessary for key processes of the Company that could be affected by risks classified as 'major.'

4.3 General principles of internal control

4.3.1 Definition and objectives of internal control

The Company has adopted the definition of internal control proposed by the French Financial Markets Authority (Autorité des Marchés Financiers, AMF), according to which internal control is a system implemented by the Company that aims to ensure:

- Compliance with laws and regulations;
- Application of the instructions and guidelines set by Executive Management;

- The proper functioning of the Company's internal processes, particularly those contributing to the protection of its assets;
- The reliability of financial information; and,
- More generally, the control over its activities, the effectiveness 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.

4.3.2 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 complement the existing system by reference to the implementation guide for small- and mid-cap companies in the reference framework for risk management and internal control published by the AMF on 17 November 2016.

The Company has therefore formalised a set of procedures designed to secure the financial and legal security of the different stages of the business.

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

All Group companies provide the Company's Finance Department with monthly operational and financial reporting, which is reviewed in depth by the Finance Department.

The Management Committee meets every two weeks to review the business and the financial and operating indicators of the Company and the Group.

Procedures relating to operational processes

Ateme has broken down its organisation into processes:

Implementation process

Ateme has 7 business processes that help deliver our products and services to our customers from the moment they are identified.

They include:

- The **Gate Process** , which monitors 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,** whose activities follow a client needs analysis through to the 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, Order to Delivery and Delivery** to Cash track order intake until delivery to clients by integrating inventory management, procurement, unit preparation, deliveries, all managed through our ERP.
- Ateme offers all its customers technical support. Technical **Support manages** client issues by providing access to service after the sale, **and Project** Management works with clients to provide them with installation services and training sessions.

Support process

- **Resources Process** which includes Human Resources, Material Resources Management and Information System Management processes. They contribute to the proper functioning of other processes by providing the necessary human or material resources.

- **Steering process**: Participates in and contributes to the determination, development of the policy and deployment of Ateme's general objectives. This is the decision making process, based on the factual information reported during management reviews: Quality policy & objectives, dashboards, customer feedback, audit results
- **Continuous Improvement Process, which** monitors the functioning of the QMS and allows for the implementation of improvement actions

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 committed to maintaining a separation between its production and supervision of financial statements and uses independent experts to assess complex accounting items (pension obligations, valuation of equity warrants and stock options) and/or using subjective assumptions.

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

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 practices comply fully with French and international accounting standards (IFRS) and that the financial statements are presented in a consistent manner.

Budget Process and 'Monthly Reporting'

The Company prepares an annual revenue and expenditure budget that is reviewed quarterly in the form of a projection that takes into account the expenditure incurred and the adjustments to be made in terms of both revenue and expenditure that remains to be incurred.

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

Delegation of powers

The Company has implemented a procedure for delegating powers and signatures for the payment of invoices and the signature of purchase orders.

4.4 Persons involved in risk management and internal control

The Board of Directors plays a leading role in defining and driving the internal control system and 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 by which these risks can be kept at an acceptable level, in particular by implementing preventive measures and controls that are part of the internal control system.

4.5 Risk management and internal control limitations 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.

5. Social and environmental consequences of the Company's activities and those of its subsidiaries

5.1 Information on how the Company takes into account the social and environmental consequences of its activity (Article L. 225-102-1, paragraph 5)

The Company is within the thresholds set by Article R. 225-104 2 of the French Commercial Code (Code de commerce). It nevertheless took a free approach aimed at preparing a CSR report in accordance with the guidelines used by the Company.

This report will be available on the Company's website.

5.2 Information related to the exercise of a hazardous activity (Article L. 225-102-2)

None.

5.3 Information on financial risks related to the effects of climate change and presentation of measures taken to reduce them by implementing a low carbon strategy (Article L. 225-100-1 4°)

The Company is within the thresholds set by Article R. 225-104 2 of the French Commercial Code (Code de commerce). It nevertheless took a free approach aimed at preparing a CSR report in accordance with the guidelines used by the Company.

This report will be + available on the Company's website.

6. Terms of payment

In accordance with the provisions of the 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 present below the information relating to the payment periods for invoices due to suppliers and customers at the end of the last financial year in terms of number and amount:

	Invoices received but not paid at the end of the financial year Term expired in € k					
	0 days (estimate)	**From 1 to 30 days**	**From 31 to 60 days**	**From 61 to 90 days**	**91 days and +**	**Total (1 day and +)**
(A) Late payment instalments						
Number of invoices affected	394					1,077
Amount of invoices concerned including tax	3,619	5,463	1,056	415	2,503	9,436
Percentage of total purchases for the year H.T	7%	11%	2%	1%	5%	19%
(B) Invoices excluded from (A) related 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 periods used for the calculation of late payments	Contractual terms and conditions					

	Invoices issued but not paid at the end of the financial year Due in K €					
	0 days (estimate)	**From 1 to 30 days**	**From 31 to 60 days**	**From 61 to 90 days**	**91 days and +**	**Total (1 day and +)**
(A) Late payment instalments						
Number of invoices affected	277					578
Amount of invoices concerned including tax	14,480	4,734	1,834	2,826	11,665	21,059
Percentage of revenue for the year including tax	18%	6%	2%	4%	15%	27%
(B) Invoices excluded from (A) related 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 periods used for the calculation of late payments	Statutory time limits					

7. Inter-company loans

During the financial year ended 31 December 2022, 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;
- Management fees reinvoicing agreement between Ateme Singapore PTE Ltd and Ateme SA

8. Information on the share capital

8.1 Breakdown of share capital and voting rights

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and taking into account the information received pursuant to Article L. 233-7 of said Code, we hereby indicate the identity of the shareholders who directly or indirectly hold more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, one eighteenth (90%) or nineteen twentieths (95%) of the share capital or voting rights as of 31 December 2022.

	At 31/12/2022
Shareholders	**% of share capital**
Michel Artières	1.77%
SEREITRA	8.98%
Total in concert Artières	**10.76%**
Otus Capital	11.53%
Keren Finance	5.27%
NJJ Capital	5.00%
Other < 5%	67.44%
TOTAL	**100.00%**

8.2 Changes in share capital during the year ended (recorded by the Board of Directors before 31 December 2022)

	Number of shares	Par value (€)	Share capital
Shares comprising the share capital at the beginning of the financial year	11 191137	0.14	1,566,759.18
Shares cancelled during the past financial year		-	
Shares issued during the past financial year	86,890	0.14	12,164.6
Shares outstanding at the end of the financial year	**11 .278.027**	**0.14**	**1,578,923.78**

The articles of association were amended accordingly.

8.3 Shares purchased or sold by the Company pursuant to the provisions of Article L. 225-209 of the French Commercial Code

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):
    - 51,199 shares were purchased at an average price of €11.94
    - 46,097 shares were sold at an average price of €12.18
- No shares have been purchased or sold by the Company excluding the liquidity contract.

At year end, the 16,459 shares held under the share buyback programme were allocated to the following objectives:

Objectives	Securities	Nominal value (in €)	Carrying amount (in €)	% of share capital
Liquidity contract	16,459	10.42	171,502	0.15%
Hedging of stock option plans				
To be remitted in the future in exchange or payment in the context of external growth transactions				
Hedging of debt securities giving access to the share capital				
Cancellation of shares:				
Total	**16,459**	**10.42**	**171,502**	**0.15%**

8.4 Share price trends

Between 31 March 2022 and 29 March 2023, the change in the share price was as follows

Source: Boursorama

8.5 Calculation elements and results of the adjustment of the conversion bases of the shares

None.

8.6 Approval of the additional reports of the Board of Directors and the Statutory Auditor

None.

8.7 Stock options

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, we have prepared a special report in order to report to you on the issues of share subscription or purchase options pursuant to the provisions of Articles L. 225-177 to L. 225-186 of the French Commercial Code.

8.8 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 pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code.

8.9 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.

8.10 Employee shareholding threshold

We inform you that, at the end of the financial year, the employees of our Company and its affiliates 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.

9. Transactions carried out on the Company's shares by the executives and persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

None.

10. Sanctions for anti-competitive practices

Pursuant to the provisions of Article L.464-2-I, paragraph 5 of the French Commercial Code, we hereby inform you that the Company has not been subject to any injunction or financial penalty for anti competitive practises imposed by the French Competition Authority.

11. Agreements governed by Article L. 225-38 of the French Commercial Code

We have given your Statutory Auditors the necessary information to enable them to present their special report as required by Article L. 225-38 of the French Commercial Code and we submit a draft resolution relating to the approval of this report.

12. Works Council's observations

None.

We hope that the above proposals will receive your approval and that you will be willing to vote on the resolutions before you.

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The Board of Directors

Michel Artières

APPENDIX 1

TABLE SHOWING THE INCOME OF THE COMPANY DURING EACH OF THE FINANCIAL YEARS ENDED IN RESPECT OF THE LAST FIVE FINANCIAL YEARS

NATURE OF THE INFORMATION	Fiscal year 2022	Fiscal year 2021	Fiscal year 2020	Financial year 2019	Financial year 2018
I. Share capital at the end of the financial year					
Share capital (in euros)	1,578,923	1,571,364	1,548,480	1,465,039	1,458,658
Number of ordinary shares outstanding	11,278,027	11,224,027	11,060,569	10,464,563	10,418,984
Number of preferred (non-voting) shares outstanding	0	0	0	0	0
Maximum number of future shares to be created					
Through conversion of bonds	0	0	0	0	0
Through exercise of subscription rights					
II. Operations and results for the year					
Net sales revenue (in €'000)	79,009	63,983	51,620	58,294	51,728
Income before tax, employee profit sharing, depreciation, amortisation and provisions (in €'000)	-4,400	4,125	-2,254	5,539	318
Income tax (in €'000)	-5,822	-3,852	-3,082	(2,142)	2,093
Employee profit sharing due in respect of the financial year (in €'000)		0	0	8	0
Income after tax, employee profit sharing, depreciation, amortisation and provisions (in €'000)	1,429	6,453	-1,355	5,999	1,603
Dividends distributed					
III. Earnings per share					
Income after tax, employee profit sharing but before depreciation, amortisation and provisions (in €)	0,254	0,711	0,075	0.734	0.231
Income after tax, employee profit sharing, depreciation, amortisation and provisions (in €)	0,127	0,575	-0,123	0.573	0.154
Dividend per share					
IV. Employees					
Average number of employees during the financial year	277	205	166	141	126
Total payroll for the financial year (in €'000)	23,798	15,248	11,463	10,113	8,614
Social security and other employee benefits paid during the financial year (in €'000)	9,540	6,119	4,633	4,322	3,748

3. report of the Board of Directors on corporate governance

To the Shareholders,

In accordance with the provisions of Article L. 225-37 of the French Commercial Code (Code de commerce), the Board of Directors has prepared this report on corporate governance.

A / ADMINISTRATION AND CONTROL OF THE COMPANY

1. Governance of the Company

1.1 Executive Management procedures

Pursuant to the decisions of 27 March 2002, the Board of Directors, acting in accordance with the provisions of Articles L. 225-51-1 and L. 225-37-4 paragraph 4 of the French Commercial Code, decided not to separate the functions of Chief Executive Officer and Chairman of the Board of Directors.

Consequently, the Executive Management of the Company is carried out by Michel Artières.

We inform you that his terms of office as Director and Chairman and Chief Executive Officer were renewed for six consecutive years following the Company's Annual General Meeting of 9 June 2021.

1.2 Corporate Governance Code

The Company refers to the Middlenext Corporate Governance Code issued in December 2009 as updated in September 2016 for small- and mid-caps (hereinafter the Middlenext **Code)** in the context of the implementation of its corporate governance. This code is available on the Middlenext website (www.middlenext.com).

This report will provide you with information on the implementation of the recommendations of said Code
And in the event of non application, the justification for this non application.

The table below details the Company's progress in implementing the principles contained in the Middlenext Code:

- the Company believes that it complies with the recommendations of the Middlenext Code included in the table in the 'Adopted' section;

- the Company is currently considering the recommendations contained in the Middlenext Code which it believes it does not currently comply with and which are included in the table under the heading 'In the process of adoption'.

Recommendations of the Middlenext Code	Adopted	In the process of adoption
I. Supervisory powers		
R1: Ethics of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board - Presence of independent members on the Board	X	
R4: Information provided to members of the Board	X	
R5: Organisation of Board and committee meetings	X	
R6: Setting up of committees		
R7: Creation of rules of procedure for the Board of Directors	X	
R8: Choice of each director	X	
R9: Term of office of Board members		
R10: Director's compensation	X	
R11: Implementation of an assessment of the Board's work	X	
R12: Relations with shareholders		
II. The executive branch		
R13: Definition and transparency of compensation of Corporate officers	X	
R14: Preparing for the succession of executive corporate officers.	X	
R15: Combining employment contracts with a corporate office (1)	X	
R16: Termination benefits (2)	X	
R17: Supplementary pension plans (3)	X	
R18: Stock options and bonus share grants	X	
R19: Review of areas of vigilance	X	

(1): No corporate officer has an employment contract with the Company.

(2): Corporate officers are not entitled to any termination benefits.

(3): Corporate officers do not benefit from any retirement benefit obligations

2. Composition and operation of the Board of Directors

2.1 Reminder of the provisions of the by laws

Unless otherwise provided for by law, the Company shall be administered by a Board of Directors with at least three and no more than eighteen members.

The term of office of the directors is six years. The term of office of non-voting directors is four years.

No director over seventy five years of age may be appointed if his appointment increases the number of Directors over this age to more than one third of the Board members.

2.2 Composition of the Board of Directors at 31 December 2022

At 31 December 2022, the Board of Directors was composed of the following 5 directors:

Name and surname	Mandate/Operational function within 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 & 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 Term of office as Chairman and Chief Executive Officerexpires 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 2027
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 2022	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 2022
			Member of the Nomination and Compensation Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022
			Members of the Strategic Committee	Expires at the end of the Annual General Meeting called to approve the financial statements for the year ended 31 December 2022
Benoît Fouchard	Director	Expires at the end of the Annual General Meeting called to	Member of the Nomination and	Expires at the end of the Annual General Meeting called to

		approve the financial statements for the year ended 31 December 2023	Compensation Committee	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 Nomination 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 convened 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 convened to approve the financial statements for the year ended 31 December 2028
			Member of the Nomination and Compensation Committee	Expires at the end of the Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2028

2.3 Offices and positions held

2.3.1 Position of directors' terms of office

Only one directorship will expire during the fiscal year beginning on or after 1 January 2023. Gaudeto Sprl's term of office as a director will be subject to a proposal for renewal via a resolution presented to the Shareholders' Meeting to be held in June 2023.

2.3.2 List of directorships and positions held

In accordance with the provisions of Article L. 225-37-4 paragraph 1er of the French Commercial Code, we hereby report to you (Appendix 1) a list of all offices and positions held in any French or foreign company by each of the corporate officers during the year just ended.

Directors' leave

We request that you discharge the Directors from the performance of their duties for the past financial year.

2.3.3 Position of the non voting member's term of office

We remind you that Laurent Cadieu's term of office as non voting director was renewed by the Ordinary General Meeting of 9 June 2021 for a period of four (4) years, which will expire at the end of the Ordinary General Meeting to be held in 2025 and ruling on the annual financial statements for the past year.

2.4 Operating rules of the Board of Directors

Multiple directorships

In accordance with recommendation R1 of the Middlenext Code, we hereby inform you that the Chairman and Chief Executive Officer does not hold any other directorships in listed companies.

Independence of members

To date, the Board has three independent members, as defined in recommendation R3 of the Middlenext Code

The independence of the members of the Board of Directors is established on the basis of the following criteria:

- Not have been , in the past five years and not be an employee or executive corporate officer of the Company or a Group company ;
- Has not been in a significant business relationship with the Company or its group over the past two years (client, supplier, competitor, service provider, creditor, banker, etc.)
- Is not the Company's reference shareholder or does not hold a significant percentage of voting rights;
- Does not have a close relationship or close family ties with an executive corporate officer or a reference shareholder;
- Has not been a statutory auditor of the Company over the past six years.

Accordingly, the Company complies with recommendation R3 prescribed by the Middlenext Code.

Application of the principle of equal representation of women and men on the Board

Pursuant to Article L. 225-18-1 of the French Commercial Code, the proportion of directors of each gender may not be less than 40% since January 1 , 2017. However, when the Board of Directors has no more than eight members, the difference between the number of directors of each gender may not exceed two.
Consequently, given the number of directors on the Board of Directors to date, i.e., 5 directors, including two women and 3 men, the Board's diversity rules comply with the provisions of Article L. 225-18-1 of the French Commercial Code.

Choice of directors

In accordance with recommendation R8 of the Middlenext Code, information on the experience and skills of each director is provided in the annual report and at the General Meeting of Shareholders when appointing and re-appointing directors. Accordingly, the information sheets for new directors appointed as from 1 January 2017 will be made available to shareholders in accordance with the provisions of Article R. 225-83 of the French Commercial Code (Code de commerce) and posted on the Company's website prior to the General Meeting held to approve their appointment or renewal of their term of office in accordance with recommendation R8 of the Middlenext Code.

Rules of procedure

In accordance with recommendation R7 of the Middlenext Code, at its meeting on 28 March 2017, the Board of Directors adopted rules of procedure for the Board of Directors. These rules of procedure define the rules and operating procedures of the Board of Directors and its Committees, in addition to the provisions of the law and the Company's articles of association.

The rules of procedure may be consulted at the registered office.

Directors' Code of Conduct

In accordance with recommendation R1 of the Middlenext Code, at its meeting on 26 July 2017, the Board of Directors adopted a Directors' Charter to ensure that the Directors are fully aware of their obligations and particularly those relating to the prevention of insider trading. This Directors' Charter was amended by the Board of Directors on 27 March 2018. As mentioned above, the Board of Directors adopted a stock market code of ethics to strengthen the prevention of insider trading on 27 March 2018.

With regard to the prevention of conflicts of interest, and in accordance with recommendation R2 of the Middlenext Code, the Internal Regulations of the Board of Directors adopted on 28 March 2017 as well as the aforementioned charter provide that 'Each Director is required to inform the Chairman of the Board of Directors of any situation concerning him or her that may create a conflict of interest with the Company or one of the group companies. He or she must refrain from participating in the discussions of the corresponding decision or deliberations.'

The Statutory Auditors' special report on related party agreements sets out the agreements and commitments that have been submitted to the Board of Directors for authorisation and for which the directors abstained from voting due to the existence of current or potential conflicts of interest.

Directors' information

In accordance with recommendation R4 of the Middlenext Code, all documents and information required to carry out the directors' duties are provided to them within a reasonable period of time prior to the Board of Directors' meetings.

In addition, each director may request any documents he or she considers useful for the performance of his or her term of office.

At each Board meeting and whenever necessary, the Chairman informs the members of the Board of Directors of the main events and circumstances affecting the Group that have occurred since the date of the previous Board meeting.

2.5 Missions of the Board of Directors

The Board of Directors determines the orientations of the Company's activities and ensures their implementation. Subject to the powers expressly granted by law to Shareholders' Meetings and within the limit of the corporate purpose, it shall deal with any issue concerning the smooth running of the Company and settle matters concerning the Company through its deliberations.

In accordance with recommendation R19 of the Middlenext Code, every year the Board will ensure that it is informed of the points of vigilance mentioned in the Middlenext Code, and that it reviews them regularly at its meetings.

Report on the Board's activities in 2022

The minutes of each meeting are drawn up by the Board of Directors and then approved by the Chairman, who submits them for the approval of the following Board of Directors. It is recorded in the register of minutes after the signature of the Chairman and of a member.

In accordance with recommendation R5 of the Middlenext Code, it is specified below that during the 2022 financial year, the Company's Board of Directors met 8 times on the days and months listed below:

Date of Board of Directors' Meeting	**Number of members present or represented**	**Attendance rate**
26 January 2022	Members: 4/4 Non-voting Director: 1	Members: 100% Non-voting Director: 100%
23 March 2022	Members: 4/4 Non-voting Director: 1	Members: 100% Non-voting Director: 100%
4 May 2022	Members: 4/4 Non-voting Director: 1	Members: 100% Non voting member: 0%
11 July 2022	Members: 4/5 Non-voting Director: 1	Members: 80% Non voting member: 100%
Date of Board of Directors' Meeting	**Number of members present or represented**	**Attendance rate**
28 September 2022	Members: 5/5 Non-voting Director: 1	Members: 100% Non-voting Director: 100%
8 November 2022	Members: 5/5 Non-voting Director: 1	Members: 100% Non-voting Director: 100%
Average of participants in Board of Directors' Meetings	**Members: 4.17** **Non-voting Director: 1**	**Members: 96.6%** **Non voting director: 100%**

During the past financial year, the main topics addressed during the Board of Directors' meetings were as follows:

- Update on quarterly activity;

- Allocation of stock warrants, free shares to employees and stock options;
- Approval of the annual, consolidated and interim financial statements and approval of the provisional management documents;
- Recognition of the exercise of stock options and the completion of the resulting capital increases;
- Setting up of bank financing;
- Implementation of an incentive plan and a company savings plan.
- Establishment of a CSR Committee;
- Cooptation of a new director;
- Review and adoption of the resolutions proposed by the Combined General Meeting of Shareholders;
- Creation of a branch in Dubai;
- Creation of a subsidiary in England;

2.6 Succession of executives

In accordance with recommendation R14 of the Middlenext Code, the Board of Directors will regularly decide on the succession of Company executive corporate officers in order to ensure the Company's long-term viability.

3. Report on the delegations of authority granted by shareholders' meetings to the Board of Directors

In accordance with the provisions of Article L. 225-37-4, paragraph 3 of the French Commercial Code, a table summarising the current delegations granted by the General Meeting of Shareholders to the Board of Directors in the area of capital increases, pursuant to Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code, is annexed to this report. These authorisations were used during the year (Appendix 2).

4. Assessment of the work of the Board of Directors

In accordance with recommendation R11, the Chairman of the Board of Directors called on the Directors to assess the work of the Board of Directors at its meeting of 23 March 2022.
This assessment revealed a generally positive assessment of the Board of Directors' ability to fulfil its mission.

5. Specialised Committees

Pursuant to the decisions made on 28 March 2017, the Board of Directors adopted the Rules of Procedure of the Board of Directors, which set out all the rules relating to the composition and duties of specialised committees (the 'Committees'), the main terms of which are described below.

Committee members are appointed by the Board of Directors.

These Committees study and prepare decisions for the Board of Directors and submit their opinions, proposals or recommendations to the Board of Directors.

Each Committee may decide to invite any person from the Company's management of its choice to its meetings, as necessary.

Members of the Committee, as well as any outside person who may attend its meetings, are bound by a confidentiality obligation with respect to all information communicated to the Committee in which they participated.

The conditions for referring matters to each Committee are as follows:

- It shall deal with any matter falling within its area of competence as provided for in these Regulations and shall set its annual programme;

- The Chairman of the Board of Directors may refer any matter on the Board's agenda ;
- The Board of Directors and its Chairman may also refer other matters to it at any time that fall within its jurisdiction.

The Chairman of the Board of Directors ensures that the Committees have the necessary information to perform their duties. The Committee also ensures that each Committee is kept regularly informed of changes in laws and regulations noted and relating to its area of expertise. The proposals, recommendations and opinions issued by the Committees are the subject of reports sent by the Chairmen of said Committees to the Chairman of the Board of Directors for communication to its members.

5.1 Compensation Committee

The Company has had a Compensation Committee since 2010. Pursuant to the decisions made on 24 March 2014, the Board of Directors formally established this Committee and defined its duties, which were again specified by the Board of Directors on 28 March 2017.

Composition

The Compensation Committee has at least two (2) members chosen from among the members of the Board of Directors, including non-voting directors, with the exception of members exercising executive management functions.

As of the date of this report, the Compensation Committee is composed of the following three (3) members:

- Joanna Darlington,
- Benoît Fouchard and
- Gaudeto sprl, represented by Jacques Galloy

It is chaired by Ms. Darlington.

Operation - Missions

The Compensation Committee is tasked with making proposals or recommendations to the Board of Directors on the compensation of the Company's executive corporate officers and, where applicable, any members of the Employee Board of Directors
In addition, it may make recommendations to the Board of Directors on the total amount and distribution of directors' fees.
The Compensation Committee meets at least once a year, and as often as necessary, particularly before the Board of Directors' Meeting, which reviews the compensation of executive corporate officers.
It also meets before any decision to grant stock options or bonus shares to corporate officers, Group executive officers or members of the Board of Directors is made.
In addition, the Board of Directors meets as and when required upon notice by its Chairman at his own initiative or at the request of the Chairman of the Board of Directors.
In addition, the Compensation Committee gives its opinion on (I) the appointment and dismissal of corporate officers and (II) the recruitment of any employee whose gross annual compensation exceeds euros150,000.
The Compensation Committee may invite Executive Management to attend its meetings when issues relating to the recruitment of any employee whose gross compensation exceeds 150,000 euros are discussed.
These recommendations concern all the components of the compensation of the corporate officers, in any capacity whatsoever, and in particular: The fixed portion including benefits in kind, the variable portion, any severance payments, supplementary pension and provident plans, the allocation of stock options, purchase options or bonus shares, whether these elements are paid, allocated or borne by the Company, the company controlling it or a company it controls. They also address the balance of the

various components making up the total compensation and the conditions under which they are awarded, particularly in terms of performance.
The Compensation Committee also proposes to the Board of Directors the text of the resolutions to be put to the vote of shareholders at the annual ordinary general meeting in terms of the compensation of executive corporate officers.

5.2 Audit Committee

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

It met for the first time on 18 March 2015.

Composition

The Audit Committee shall have at least two members chosen from among the members of the Board of Directors, at least one of whom shall be independent and have specific expertise in financial, accounting or statutory audit matters.

At the date of this report, the Audit Committee is composed of the following two (2) members:

- Gaudeto sprl, represented by Jacques Galloy and
- Joanna Darlington.

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

Operation - Missions

The Audit Committee is responsible for monitoring issues related to the preparation and control of accounting and financial information, and for ensuring the effectiveness of the risk monitoring and operational internal control system in order to facilitate the Board's performance of its control and verification duties in this area.

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

- It monitors the process of preparing financial information and, where necessary, internal audit, with regard to the procedures relating to the preparation and processing of financial and accounting information (in particular, the annual and interim 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 systems, with regard to the procedures relating to the preparation and processing of accounting and financial information, without compromising its independence
- It issues a recommendation on the Statutory Auditors proposed for appointment or renewal by the General Meeting or the body performing a similar function;
- It monitors the performance by the Statutory Auditors of their duties and takes into account the findings and conclusions of the High Council of the Statutory Auditors following the checks carried out by this body on the professional activities of the Company's Statutory Auditors ;
- He s ensures compliance by the Statutory Auditors with the independent conditions provided for by law;
- It approves the provision of any services other than the statutory audit of the financial statements performed by the Statutory Auditors;
- It reports regularly to the Board of Directors on the performance of its duties. It also reports on the results of the audit, how it contributed to the integrity of financial information and the

role it played in the process. They shall inform them immediately of any difficulties encountered.

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

To carry out its duties, the Committee must interview the Statutory Auditors and also the Chief Financial Officers. Such hearings must be able to take place, when the Committee so wishes, without the presence of Executive Management.

The Committee may call on outside experts, at the Company's expense after information has been provided by the Chairman of the Board of Directors, and is responsible for reporting on its findings to the Board of Directors. The Committee must ensure the competence and independence of its experts.

The review of the financial statements by the Audit Committee must be accompanied by a presentation by the Statutory Auditors highlighting the essential points of the results of the legal audit and the accounting options selected. It must also be accompanied by a presentation from the Chief Financial Officer describing the Group's risk exposure and significant off-balance sheet commitments.

The Statutory Auditors must inform the Audit Committee of the nature and extent 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 significant weaknesses in internal control with regard to the procedures relating to the preparation and processing of accounting and financial information.

The Chairman of the Board of Directors or the
Statutory Auditors of any event exposing the Group to a significant risk. As part of its role, the Audit

Committee:

- Ensures compliance with the accounting standards adopted for the preparation of the parent company and consolidated financial statements ;
- Examines accounting and financial information, and in particular the financial statements, questioning the accounting translation of significant events or complex transactions that had an impact on the parent company and consolidated financial statements
- Ensures that internal control and risk management systems are in place and deployed and that any weaknesses identified give rise to corrective actions ;
- Examines the amendments to the accounting standards applied in the preparation of the financial statements, as well as any possible non compliance with these standards;
- Monitors the quality of the procedures used to comply with applicable financial and stock market regulations.
- Examines with the Statutory Auditors the factors likely to compromise their independence and the safeguard measures taken to mitigate these risks ;
- Monitors the Statutory Auditors' fees budget to ensure that the proposed budgets are in line with the assignment ;
- Verifies the existence of the process for preparing press releases when publishing any accounting or financial information.

In accordance with the provisions of Article L.823-16-III of the French Commercial Code, the Statutory Auditors must henceforth 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 scope 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 of the statutory audit and timetable for its completion ;
- Distribution of tasks between the Statutory Auditors;
- Quantitative materiality threshold used to perform the statutory audit of the financial

statements ;

- assessments of events or conditions that could put the entity's ability to continue as a going concern into serious doubt, indicating if these events or conditions are significant
- Analysis of the valuation methods applied, including the potential impact of changes in methods ;
- Significant deficiencies identified in the internal financial control system or its accounting system ;
- Any other point important for the Audit Committee , for the supervision of the financial reporting process.

At its meeting of the Board of Directors held on 25 March 2020, the Board of Directors proposed to the Committee that a procedure be set up by the Board of Directors to make it possible to regularly assess whether agreements relating to day-to-day transactions concluded under normal conditions meet these conditions. Persons directly or indirectly interested in one of these conventions shall not be able to participate in the assessment.

5.3 Strategy Committee

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

Composition

The Strategy Committee has at least three (3) members chosen from among the members of the Board of Directors, including non-voting directors. The Chief Executive Officer and the Deputy Chief Executive Officer (if any) are ex officio members of the Strategy Committee.

At the date of preparation of this report, the Strategy Committee had the following members:

- Michel Artières (Chairman and Chief Executive Officer),
- Benoît Fouchard,
- Gaudeto sprl, represented by Jacques Galloy.

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

Duties - Operation

The Strategy Committee is responsible for analysing the Group's major strategic orientations. It

prepares the work of the Board of Directors on major strategic interests such as:

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

5.4 CSR Committee

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

Composition

The CSR Committee is composed of at least three (3) members chosen from among the members of the Board of Directors, including non voting directors.
At the date of this report, the CSR Committee was composed of the following members:

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

It is chaired by Mrs. Joanna Darlington.

Joanna Darlington, Béatrice Pesquet Popescu and Benoit Fouchard are members of the CSR Committee as directors.
The term of office of the members of the CSR Committee is six years and follows their term of office as directors.

Missions - Operation

In order to enable the Board of Directors of Ateme S.A. to carry out 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.

- 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;
- Assist the Board of Directors in monitoring the Ateme Group's social policy and the non discrimination and diversity policy.

6. Control of the Company

6.1 Status of Statutory Auditors' mandates

We remind you that the terms of office of Ernst & Young Audit, as well as that of the alternate co statutory auditor, were renewed at the Annual General Meeting held on 10 June 2020 and will expire at the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025.

We would also like to remind you that the terms of office of BL2A as joint statutory auditors, as well as that of Axen & Gu as alternate co statutory auditor, were renewed at the Annual General Meeting held on 9 June 2021 and will expire at the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2026.

As a result, no resolution will be submitted to the vote of the shareholders concerning the renewal of said terms of office.

6.2 Agreements referred to in Article L. 225-37-4 paragraph 2 of the French Commercial Code

None.

7. Participation and powers of shareholders in General Meetings

The various information relating to shareholder participation in General Meetings is set out in Article 22 of the articles of association.

The prior notice of meeting published in the BALO published by the Company before any meeting recalls all the terms and conditions applicable to the participation and powers of shareholders in meetings.

B / COMPENSATION POLICY FOR CORPORATE OFFICERS

1. Rules and principles for determining the compensation of corporate officers

1.1 Corporate office employment contract

To date, no executive officer or corporate officer is bound to the Company by an employment contract.

1.2 Compensation of corporate officers

In accordance with recommendation R13 of the Middlenext Code, the principles for determining executive compensation must meet the criteria of completeness, balance, benchmark, consistency, readability, measurement and transparency.

Michel Artières, Chairman and Chief Executive Officer

In accordance with recommendation R13 of the Middlenext Code, the principles for determining executive compensation must meet the criteria of completeness, balance, benchmark, consistency, readability, measurement and transparency.

The compensation policy for the Chairman and Chief Executive Officer, Michel Artières, for 2022 and 2023 provides for the following:

A fixed annual compensation. The compensation policy for corporate officers is set by the Board of Directors, on the recommendation of the Compensation Committee, and is reviewed annually to determine any adjustments to be made. Any other revision of the remuneration policy outside this timetable follows the same procedure. The fixed compensation of the Chairman and Chief Executive Officer is intended to compensate for the responsibilities and duties assigned to this function by law. The determination of the amount of this remuneration also takes into account the skills and experience of the beneficiary.

Short term variable compensation, subject to performance conditions and representing a maximum gross amount of euros180,000. Variable annual compensation is based on quantifiable criteria that are predominant and qualitative criteria.

1.3 Compensation policy for corporate officers

In accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, the Board of Directors establishes a compensation policy for corporate officers.

The compensation policy for Corporate Officers is in the Company's best interests, contributes to its long-term viability, and is in line with Ateme's development strategy.

The compensation policy for corporate officers takes into account the compensation and employment conditions of the Company's employees.

The compensation policy for corporate officers describes all components of the fixed and variable compensation of the Company's corporate officers (Chairman, Chief Executive Officers or Deputy Chief Executive Officers and member of the Board of Directors). It must be submitted to the vote of the shareholders at the annual ordinary general meeting called to approve the financial statements for the previous financial year. Draft resolutions must be prepared by the Board of Directors and are presented in the appendix to this corporate governance report for the purpose of being submitted to the ordinary general meeting of Shareholders for approval at least once each year and at the time of each significant change in the compensation policy.

We have prepared the report and the text of the related draft resolutions set out in Appendix 3 to this report in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code in order to inform you of the criteria and principles for determining the compensation of the corporate officers, which we ask you to approve.

1.4 Deferred compensation

The corporate officers do not receive any deferred compensation, termination indemnities or retirement commitments referred to in recommendations R16 and R17 of the Middlenext Code.

1.5 Stock options - Free shares

The Chairman and Chief Executive Officer did not receive any bonus shares during the financial year ended 31 December 2022.
Moreover, no stock subscription or purchase options or bonus shares have been granted to the other executive corporate officers.

1.6 Directors' compensation

The compensation allocated to directors falls within the scope of an overall allocation approved by the shareholders at a General Meeting.

Under the terms of the deliberations of 8 June 2022, the General Meeting authorised the allocation of an amount of euros100000 as directors' fees to be distributed among the directors from today until the meeting of the Board of Directors ruling on the annual financial statements for the current financial year.

Pursuant to the decisions of 25 January 2023, the Board of Directors, after consulting the Compensation Committee, decided to allocate the sum of euros61906 in directors' fees.

In accordance with recommendation R10 of the Middlenext Code, the allocation of attendance fees was determined by the Board of Directors based on the attendance rate of directors at Board meetings and, if applicable, the Committees and the time they spend on their duties. It was determined in the same way for the year ended 31 December 2022.

2. Total compensation and benefits of any kind paid by the Company during the past financial year to corporate officers.

2.1 Total compensation and benefits in kind

In accordance with the provisions of Article L. 225-37-3 of the French Commercial Code, we hereby report to you (Appendix 4) on the total compensation and benefits of any kind paid during the past financial year to the Chairman and Chief Executive Officer, by the Company, controlled companies within the meaning of Article L. 233-16 of the French Commercial Code and the Company which controls within the meaning of said Article, the Company.

2.2 Amounts provisioned or recognised by the Company or its subsidiaries for the payment of pensions, retirement benefits and other benefits to corporate officers

The Company has not set aside any provisions for the payment of pensions or other benefits to corporate officers.

C/FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

In accordance with the provisions of Article L. 225-37-5 of the French Commercial Code, we set out below the elements likely to have an impact in the event of a public offer:

1. Company capital structure :
In accordance with the provisions of Article L. 233-13 of the French Commercial Code and taking into account the information received pursuant to Article L. 233-7 of said Code, we hereby indicate the identity of the shareholders who directly or indirectly hold more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, one eighteenth (90%) or nineteen twentieths (95%) of the share capital or voting rights as of 31 December 2022:

	At 31/12/2022
Shareholders	**% of share capital**
Michel Artières	1.77%
SEREITRA	8.98%
Total in concert Artières	**10.76%**
Otus Capital	11.53%
Keren Finance	5.27%
NJJ Capital	5.00%
Other < 5%	67.44%
TOTAL	**100.00%**

2° Restrictions in the Articles of Association on the exercise of voting rights and share transfers or clauses of agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code:
To the best of the Board's knowledge, there are no such statutory or contractual restrictions. To the best of its knowledge, there is no commitment to hold any securities in force.

3° Direct or indirect shareholdings in the Company of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code:
Sereitra is controlled by Michel Artières.

4° List of holders of any security granting special control rights and description of such rights:
Pursuant to Article L. 225-123, paragraph 3, double voting rights are attached to all fully paid up shares registered in the name of the same holder for at least two years.

5° Control mechanisms provided for any employee shareholding program, when such control rights are not exercised by employees
To the best of the Board of Directors' knowledge, as of the date of this report, there is no control mechanism relating to the employee shareholding system.

6° Agreements between shareholders of which the Company is aware that could impose restrictions on the transfer of shares and the exercise of voting rights
To the best of the Board's knowledge, there are no agreements between shareholders that may restrict the transfer of shares and the exercise of voting rights.

7° Rules applicable to the appointment and replacement of members of the Board of Directors as well as to the amendment of the Company's articles of association

The Company has a Board of Directors with a minimum of three and a maximum of eighteen members. The term of office of the directors is six years.

These duties shall terminate at the end of the Ordinary General Meeting called to deliberate on the financial statements for the past financial year and held in the year during which the term of office of the director concerned expires. Directors may be re-elected. They may be dismissed at any time by the Ordinary General Meeting.

Only the Extraordinary General Meeting may amend the articles of association. As an exception, the Board of Directors may amend the articles of association to comply with the applicable laws and regulations, subject to ratification by the next Extraordinary General Meeting. It may not, however, increase the commitments of shareholders, except in the case of transactions resulting from share combinations carried out on a regular basis.

8° Powers of the Board of Directors, in particular the issue or redemption of shares
Pursuant to paragraph A.3 above

9° Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, unless this disclosure, except in cases of a legal obligation to disclose, would seriously harm its interests
To the best of the Board of Directors' knowledge, there are no significant agreements entered into by the Company that would be modified or terminated in the event of a change of control.

10° Agreements providing for indemnities for Board members or employees if they resign or are dismissed without real and serious cause or if their employment ends due to a public offer
As far as the Board is aware, there is no agreement providing for indemnities for Board members or employees if they resign or if they are dismissed without real and serious cause or if their employment ends due to a public purchase or exchange offer.

Board of Directors

Michel Artières

APPENDIX 1
LIST OF DIRECTORSHIPS AND POSITIONS HELD IN ANY COMPANY ("Concerned Company") BY EACH CORPORATE OFFICER OF THE COMPANY DURING THE PAST FINANCIAL YEAR

Name and surname	Mandate/Operational function within the Company	Main offices and activities held over the last 5 years	Directorships and positions held on the Company's Committees
Michel Artières	Chairman & Chief Executive Officer	Chairman of Ateme Inc. Chairman of Ateme Canada Chairman of Ateme UK Ltd. Manager of SEREITRA	Member and Chairman of the Strategy Committee
GAUDETO sprl represented by Jacques Galloy	Director	No other significant office or activity outside the Company	Member and Chairwoman of the Audit Committee Member of the Nomination and Compensation Committee Member of the Strategy Committee
Benoît 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 Nomination and Compensation Committee Member of the Strategy Committee Member of the CSR Committee
Joanna Darlington	Director	Director of EBI (Euro Broadcast Infrastructure) Partner Finsbury Glover Hering	Member of the Audit Committee Member and Chairwoman of the Nomination 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 Nomination and Compensation Committee Member of the CSR Committee

APPENDIX 2
REPORT ON THE DELEGATIONS OF AUTHORITY GRANTED BY SHAREHOLDERS' MEETINGS TO THE BOARD OF DIRECTORS

Date of Shareholders' Meeting	Nature of the authorisation	Duration and date of expiry of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year / Amount used / Number of shares issued or subscribed
9 June 2021	Authorisation granted to the Board of Directors to issue share subscription warrants (" **BSA 2021** ") without pre emptive subscription rights for the benefit of certain categories of persons. (200,000) (28th resolution)	18 months. (i.e. until 10 December 2023)	Maximum number of shares that may be subscribed pursuant to this authorisation is 200,000.	None
10 June 2020	Authorisation granted to the Board of Directors to grant free shares (**AGM 2020**) existing or to be issued. (200,000) (25th resolution)	38 months. (i.e. until 10 August 2023)	The total number of shares that may be granted under this authorisation may not exceed 200,000	None
9 June 2021	Authorisation granted to the Board of Directors to issue shares, securities, or securities, with pre-emptive subscription rights (700,000 euros; 15 million euros) (19th resolution)	26 months (i.e. until 10 August 2023)	**(I)** The total maximum nominal amount of capital increases that may be carried out pursuant to the sixteenth, seventeenth, eighteenth, nineteenth, twentieth and twenty first resolutions of the Ordinary and Extraordinary Shareholders' Meeting may not exceed euros700,000, it being specified that the nominal amount of any additional shares to be issued in the event of new financial transactions in order to preserve the rights of holders of securities giving access to the share capital shall be added to this ceiling, if applicable. **(ii)** The total nominal amount of debt securities granting access to the Company's share capital that may be issued by virtue of the above authorisations	None
9 June 2021	Authorisation granted to the Board of Directors to issue shares, securities, or securities without preferential subscription rights by public offering (700,000 euros; 15 million euros) (20th resolution)	26 months (i.e. until 10 August 2023)		None
9 June 2021	Authorization granted to the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing	26 months (i.e. until 10 August 2023)		None

Date of Shareholders' Meeting	Nature of the authorisation	Duration and date of expiry of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year / Amount used / Number of shares issued or subscribed
	shareholders, and/or by issuing securities carrying rights to debt securities, through a private placement as provided for in Article L. 411-2, II of the French Monetary and Financial Code (Code monétaire et financier) (700,000 euros; 15 million euros; limit of 20% of the share capital) (21st resolution)		may not exceed 15 million euros.	
9 June 2021	Authorisation granted to the Board of Directors to increase the amount of each issue with or without pre-emptive subscription rights that would be decided pursuant to the delegations of authority referred to in the three preceding resolutions (limit of 15% of the initial issue) (22th resolution)	26 months (i.e. until 10 August 2023)		None
9 June 2021	Authorisation granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company (700,000 euros; 15 million euros) (23th resolution)	26 months (i.e. until 10 August 2023)		None
9 June 2021	Authorisation granted to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital in consideration for contributions in kind to the Company of shares or securities granting access to the Company's share capital (limit of 10% of the share capital) (24th resolution)	26 months (i.e. until 10 August 2023)		None

Date of Shareholders' Meeting	Nature of the authorisation	Duration and date of expiry of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year / Amount used / Number of shares issued or subscribed
9 June 2021	Authorisation granted to the Board of Directors to increase the Company's capital by incorporation of additional paid-in capital, reserves, profits or other amounts (27th resolution)	26 months (i.e. until 10 August 2023)	Maximum nominal amount: 700,000 euros	None
9 June 2021	Authorisation granted to the Board of Directors to decide to increase the share capital with cancellation of shareholders' preferential subscription rights in favour of members of a company savings plan	26 months (Until 10 August 2023)	Maximum nominal amount: Euros66,427	None

APPENDIX 3
DRAFT REPORT OF THE BOARD OF DIRECTORS ON COMPENSATION OF CORPORATE OFFICERS
(PREPARED IN ACCORDANCE WITH ARTICLES L. 225-37-2 AND R. 225-29-1 OF THE FRENCH COMMERCIAL CODE

Board of Directors' report on the compensation policy applicable to executive corporate officers

This report was prepared and approved by the Board of Directors at its meeting of 5 April 2023 in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code.
It presents the compensation policy for corporate officers including all components of the fixed and variable compensation of the Company's corporate officers (Chairman, Chief Executive Officers or Deputy Chief Executive Officers and members of the Board of Directors).
In the absence of such compensation policy, the compensation is determined in accordance with the compensation awarded in respect of the previous financial year or, in the absence of compensation awarded in respect of the previous financial year, in accordance with existing practices within the Company.
The compensation policy for corporate officers is in the Company's best interests, contributes to its long-term viability, and is in line with Ateme's development strategy.

The provisions introduced by French Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life, known as the **Sapin II Act, and** supplemented by French Law no. 2019-486 of 22 May 2019 on the growth and transformation of companies known as **the Pacte** Act, require a vote by the Shareholders' General Meeting on the policy on the compensation of corporate officers and executive corporate officers of companies whose shares are traded on a regulated market,

There are two types of votes:

- The ex ante vote, pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code relating to the compensation policy for the Company's corporate officers. The compensation policy for corporate officers must be in the Company's interest, contribute to its long-term viability, and be part of its business strategy. It describes all the components of fixed and variable compensation and explains the decision process followed in determining, revising and implementing this decision. This vote concerns the compensation policy as determined by the Board of Directors. Said vote will be put to shareholders each year and was first put to the vote at the Ordinary General Meeting of 8 June 2017 (in accordance with the provisions in force prior to the entry into force of the above mentioned Pacte Law);
- the ex post vote, to be taken at the General Meeting following that at which the compensation policy will have been approved (aforementioned ex ante vote). This vote will cover the amounts of compensation paid or attributable to each executive officer in respect of the previous financial year and will, where applicable, require the payment to the Chairman and Chief Executive Officer of variable or exceptional items of his compensation in respect of the previous financial year. Said vote will be put to shareholders each year and at the time of each major change to the compensation policy. This proposal was made to the shareholders for the first time at the General Meeting called to approve the financial statements for the financial year ending 31 December 2017.

Draft resolutions relating to (I) the compensation policy for corporate officers and (II) the approval of the amount of compensation paid or attributable to the Chairman and Chief Executive Officer is proposed by the Board of Directors and presented in this report attached to the report on corporate governance.

In the event of refusal to approve the resolution presenting the compensation policy for corporate officers:

- the compensation policy that it previously approved may apply;

- In the absence of a previously approved compensation policy, the compensation policy approved for the previous year will be applied;
- If no compensation policy was established for the previous financial year, the compensation policy will be awarded in accordance with existing practices within the Company.

In this case, the Board of Directors will submit for the approval of the annual general meeting approving the financial statements for the financial year ended 31 December 2022 a draft resolution presenting a revised compensation policy and indicating how the vote of the shareholders and, where applicable, the opinions expressed at the general meeting were taken into account.

In light of current regulations, the compensation (fixed, variable or exceptional) of the Chairman and Chief Executive Officer must be approved by a majority vote of the Annual General Shareholders' Meeting.

As a consequence, you are asked this year to approve (I) the compensation policy applicable to the members of the Board of Directors and the Chairman and Chief Executive Officer for the financial year ending 31 December 2023 and, (II) the amount of compensation paid or attributable to the Chairman and Chief Executive Officer, if any, for the year ended 31 December 2022.

I - COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

1.1 Fixed - Variable - Exceptional

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 1 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 :

- Euros60,000 based on a Gross margin target identical to that of the Executive Committee ;
- Euros30,000 based on an EBIT target for the 1st half year;
- Euros30,000 based on an EBIT target for the 2ndr semester;
- Euros60000 based on an annual EBIT 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 Middlenext Code.

1.2 Compensation of Michel Artières for his term of office as a director

As a Company director, compensation in respect of his term of office (formerly called attendance 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 2022, no compensation in respect of his directorship was paid to the Chairman and Chief Executive Officer.

1.3 Stock options and bonus shares

None

1.4 Other compensation

None

II - RESOLUTIONS TO BE PUT TO THE VOTE AT THE GENERAL SHAREHOLDERS' MEETING

As a result of the foregoing, it is proposed that you approve the following resolutions which we put to your vote at this Ordinary General Meeting:

Ninth resolution

Approval of fixed, variable and exceptional items comprising total compensation and benefits of any kind paid or granted to the Chairman and Chief Executive Officer in respect of the past financial year

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for an Ordinary General Shareholders' Meeting, in accordance with the provisions of Article L. 225-100, paragraph II of the French Commercial Code, approves the components of the total compensation and benefits of any kind granted to Michel Artières in respect of the past fiscal year as Chairman and Chief Executive Officer, as presented in Appendix 3 to the report on corporate governance prepared by the Board of Directors.

Tenth resolution

Approval of the compensation policy for members of the Board of Directors; approval of the Board of Directors' report prepared in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code

The General Meeting, acting in accordance with the quorum and majority requirements applicable to an Ordinary General Meeting, having reviewed the report of the Board of Directors prepared in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, (I) approves, as necessary, the elements of the compensation policy for the members of the Board of Directors for the current financial year as presented in Appendix 3 to the report on corporate governance prepared by the Board of Directors and (II) approves the terms of the said report.

Eleventh resolution

Approval of the compensation policy for the Chairman and Chief Executive Officer; approval of the Board of Directors' report prepared in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code

The General Meeting, acting in accordance with the quorum and majority requirements applicable to an Ordinary General Meeting, having reviewed the report of the Board of Directors prepared in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, (I) approves, as necessary, the elements of the compensation policy of the Chairman and Chief Executive Officer or any other compensation due or attributable in respect of the current financial year directly or indirectly to the Chairman and Chief Executive Officer as presented in Appendix 3 to the report on corporate governance prepared by the Board of Directors and (II) approves the terms of the said report.

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The Board of Directors

APPENDIX 4
COMPENSATION OF CORPORATE OFFICERS

Table 1. Compensation and options and shares granted to each executive corporate officer

(in euros)	31/12/2022	31/12/2021 (a)
Michel Artières - Chairman and Chief Executive Officer - Director		
Compensation due for the year (detailed in Table 2) (a)	268,152	318,173
Value of options granted during the year (detailed in Table 4)		
Value of bonus shares awarded (detailed in Table 6)	0	46,860
TOTAL	**258,152**	**365,033**

Table 2. Table summarising the compensation of each executive corporate officer

(in euros)	31/12/2022		31/12/2021 (a)	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Michel Artières - Chairman and Chief Executive Officer - Director				
Fixed compensation (a)	175,000	175,000	175,000	175,000
Annual variable compensation	93,152	66,676	143,173	107,790
Multi-year variable compensation				
Exceptional compensation				
Compensation of the director in respect of his term of office (formerly called attendance fees)				
Benefits in kind				
	268,152	**241,676**	**318,173**	**282,790**

Table 3. Compensation awarded to non-executive corporate officers

Non executive corporate officers (members of the Board of Directors) (In euros)	Amounts granted during the year ended 31/12/2022	Amounts granted during the year ended 31/12/2021
Benoît Fouchard		
Attendance fees	19,469	20,563
Other compensation		-
Joanna Darlington		
Attendance fees	14,656	16,625
Other compensation		-
Gaudeto sprl represented by Jacques Galloy		
Attendance fees	18,156	17,938
Other compensation		-
Béatrice Pesquet Popescu		
Attendance fees	9,625	
Other remuneration		
TOTAL	**61,906**	**55,125**

Table 4. Stock subscription or purchase options granted during the financial year to each executive corporate officer by the Company and/or any Group company

None

Table 5. Stock options exercised during the year by each corporate officer

None.

Table 6. Bonus shares awarded to each corporate officer

Bonus shares awarded to each corporate officer						
Free shares granted by the General Meeting of Shareholders during the financial year to each corporate officer	**Plan number and grant date**	**Number of shares granted during the year**	**Value of shares according to the method used for the consolidated financial statements (1)**	**Acquisition date**	**Availability date**	**Performance conditions**
Michel Artières, Chairman & Chief Executive Officer and Director	AGM2019-2 05.05.2021	3,000	15.62 €	24 months	05.05.23	Presence

(1) Value of the shares at the time of their allocation as adopted in the context of the application of IFRS2 before spreading the expense over the vesting period.

Table7. Bonus shares that have become available for each corporate officer

None.

Table 8. History of granting of stock subscription or purchase options

Information on stock subscription or purchase options		
Date of Shareholders' Meeting	08.06.17	**TOTAL**
Date of Board of Directors' Meeting	05.11.18	
Total number of shares that may be subscribed or purchased, the number of which may be subscribed or purchased by:	69,000	69,000
Corporate officers:		
Michel Artières, Chairman & Chief Executive Officer and Director	25,000	25,000
Start date for the exercise of options	(1)	(1)
Expiry date	04.11.26	04.11.26
Subscription or purchase price	€10.80	€10.80
Exercise conditions (where the plan has more than one tranche)	(1)	(1)
Number of shares subscribed at 31.12.2021	5,000	5,000
Cumulative number of lapsed or cancelled subscription or purchase options	18,000	18,000
Subscription or purchase options outstanding at the end of the financial year	**46,000**	**46,000**

(1) This share subscription plan is structured into 4 one year tranches representing one quarter of the grant. The exercise of the subscription options is possible as from the first day following the expiry date of each tranche.

Table 9. Stock options granted to and exercised by the top ten employee beneficiaries other than corporate officers

Stock options granted to and exercised by the top 10 employee beneficiaries other than corporate officers	Total number of options granted/shares subscribed or purchased	Weighted average price	Plan 1
Options granted during the financial year by the Company and any company in the scope of the option grants to the ten employees of the Company and of any company in this scope, with the greatest number of options granted (comprehensive data)	27,500	9.80 €	23.03.22
Options held on the Company and the aforementioned companies, exercised during the financial year, by the ten employees of the Company and these companies, who exercised the greatest number of options (aggregate information)	3,000	€12.60	

Table 10. History of bonus share awards

No bonus shares were granted to corporate officers (see Table 6)

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Table 11. Conditions of compensation and other benefits granted to executive directors and officers

Executive corporate officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due upon termination or change of offices		Non-competition clause compensation	
	YES	NO	YES	NO	YES	NO	YES	NO
Michel Artières Chairman & Chief Executive Officer Start of term of office: 27 March 2002 End of term of office: Expires at the close of the Ordinary General Meeting held to approve the financial statements for the year ending 31 December 2020		X		X		X		X

4. Consolidated financial statements prepared in accordance with IFRS for the year ended 31 December 2022 and 31 December 2021

Statement of financial position	Notes	31/12/2022 in €'000	31/12/2021 in €'000
ASSETS			
Goodwill	11	12,886	12,886
Intangible assets	12	8,381	8,877
Property, plant and equipment	13	3,770	3,203
Rights of use	14	2,972	2,862
Other non-current financial assets	16	1,176	975
Deferred tax assets	8	1,554	1,508
Total non-current assets		**30,740**	**30,311**
Inventory	17	10,005	6,558
Trade receivables	18.1	37,409	32,289
Other current receivables	18.2	19,476	12,548
Cash and cash equivalents	19	3,904	11,447
Total current assets		**70,795**	**62,842**
Total Assets		**101,534**	**93,153**
LIABILITIES			
Share capital	21	1,579	1,571
Issue and transfer premiums	21	26,584	26,554
Translation reserve	21	440	291
Other comprehensive income	21	88	(88)
Reserves - Group share	21	12,295	10,125
Income - Group share	21	(46)	1,137
Equity, Group share		**40,940**	**39,590**
Non-current liabilities			
Staff commitments	24	1,259	1,224
Provisions for charges	25	41	41
Non-current financial liabilities	23	18,858	15,189
Non-current lease liabilities	23.2	2,315	2,201
Deferred tax liabilities	8	11	10
Non-current liabilities		**22,483**	**18,665**
Current liabilities			
Current financial liabilities	23	5,111	6,529
Current lease liabilities	23.2	667	745
Trade payables	26.1	16,322	14,173
Tax and social liabilities	26.2	6,574	5,728
Other current liabilities	26.3	9,438	7,723
Current liabilities		**38,112**	**34,898**
Total Liabilities		**101,534**	**93,153**

Income statement	Notes	31/12/2022 12 months in €'000	31/12/2021 12 months in €'000
Sales revenue	3	90,553	78,798
Cost of Sales	4.1	(36,121)	(29,841)
Gross margin		**54,432**	**48,957**
Research and Development expenses	4.2	(20,850)	(16,012)
Marketing and Sales expenses	4.3	(27,827)	(27,086)
General and Administrative expenses	4.4	(5,914)	(4,754)
Recurring operating income		**(158)**	**1,105**
Other recurring operating income and expenses	4.5	-	-
Income from operations		**(158)**	**1,105**
Financial expenses	7	(447)	(621)
Financial income	7	4	122
Exchange (losses) and gains	7	211	1,010
Income before tax		**(391)**	**1,616**
Tax expense / income	8	345	169
Net income from continuing activities		**(46)**	**1,785**
Income from discontinued operations		-	251
Gains or losses on disposal of discontinued operations		-	(899)
Net income		**(46)**	**1,137**
Group share		*(46)*	*1,137*
Non-controlling interests			
Basic earnings per share (€/share) from continuing operations	**9**	**0.00**	**0.10**
Diluted earnings per share (€/share) from continuing operations	**9**	**0.00**	**0.10**
Basic earnings per share (€/share) from discontinued operations	**9**	**-**	**0.02**
Diluted earnings per share (€/share) from discontinued operations	**9**	**-**	**0.02**

IFRS Consolidated statement of comprehensive income	31/12/2022 in €'000	31/12/2021 in €'000
Income for the financial year	(46)	1,137
Actuarial gains and losses	140	150
Tax effect related to these items	35	(20)
Items that are not recyclable in income	**176**	**130**
Consolidation translation differences	148	180
Items that are recyclable in income	**148**	**180**
Comprehensive income	**278**	**1,447**
Group share	*278*	*1,447*
Non-controlling interests	-	-

Change in consolidated

Change in consolidated equity	Share capital Number of shares	Share capital in €'000	Additional paid-in capital in €'000	Reserves and income in €'000	Translation differences in €'000	Actuarial gains and losses in €'000	Equity, Group share in €'000	Non-controlling interests in €'000	Equity in €'000
At 31 December 2020	***11,060,569***	**1,548**	**25,137**	**8,981**	**111**	**(217)**	**35,560**	**-**	**35,560**
Net income 2021				1,137			1,137		1,137
Other comprehensive income					180	130	310		310
Comprehensive income		**-**	**-**				**1,447**	**-**	**1,447**
Issuance of new shares	*74,920*	10	1,113				1,123		1,123
Vesting of bonus shares	*52,500*	7	(7)				0		0
Exercise of stock options	*36,039*	6	311				317		317
Cancellation of treasury shares arising from the liquidity agreement				(44)			(44)		(44)
Share-based payments				1,187			1,187		1,187
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 arising from the liquidity agreement				(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**	**-**	**41,218**

Consolidated statement of cash flows	Notes	31/12/2022 in €'000	31/12/2021 in €'000
Net income from continuing activities		**(46)**	**1,785**
Net income from discontinued operations		**-**	**(648)**
Net income		**(46)**	**1,137**
Elimination of amortisation of intangible assets	12	767	792
Elimination of technology depreciation	12	712	712
Elimination of depreciation of property, plant and equipment	13	1,681	1,583
Elimination of IFRS amortisation 16	14	779	895
Additions to provisions	25	175	152
Share based payment expense	22	1,073	1,187
Gross financial interest paid	7	413	561
Losses on disposal of fixed assets		(6)	(92)
Other		1	48
Income taxes (including deferred taxes)	8	(4)	(169)
Cash flow before net borrowing costs and taxes		**5,544**	**7,453**
Change in operating working capital	27	(10,974)	(9,126)
Operating cash flow from continuing operations		**(5,430)**	**(1,673)**
Operating cash flow from discontinued operations		**-**	**1,121**
Cash flow generated by operations		**(5,430)**	**(552)**
Acquisition of intangible assets	12	(112)	(364)
Capitalisation of development expenses	12	(871)	(661)
Acquisition of property, plant and equipment	13	(2,230)	(1,982)
Change in other non-current financial assets	16	(257)	21
Anevia earn out		-	(3,738)
Vitec receivable		399	(399)
Net cash from (used in) investing activities		**(3,076)**	**(7,123)**
Net cash from (used in) investing activities		-	-
Cash flow related to investment transactions		**(3,076)**	**(7,123)**
Exercise of stock options	22	38	1,440
Receipt of advances and conditional subsidies		91	-
Collection of new loans	23	5,406	5,430
Gross financial interest paid	7	(413)	(563)
Repayment of loans and conditional advances	23	(4,549)	(3,654)
Lease payments (IFRS 16)	23.2	(782)	(794)
Changes in assets related to financing activities	23	-	50
Cash flows from continuing operations		**(209)**	**1,909**
Cash flows from discontinued operations			**-**
Cash flow related to financing transactions		**(209)**	**1,909**
Impact of changes in currency exchange rates		129	121
Net cash from (used in) discontinued operations			
Increase (Decrease in cash)		**(8,586)**	**(5,645)**
Cash and cash equivalents at opening		11,447	17,092
Cash and cash equivalents at closing	19	2,862	11,447
Increase (Decrease in cash)		**(8,586)**	**(5,645)**

		31/12/2022	31/12/2021
Cash and cash equivalents	19	3,904	11,447
Bank overdrafts		(1,042)	0
Cash and cash equivalents at closing (including bank overdrafts)		**2,862**	**11,447**

Detailed analysis of changes in working capital requirements (in € '000)	31/12/2022	31/12/2021

Inventory (net of inventory impairment)	(3,551)	(1,983)
Trade receivables (net of impairment of trade receivables)	(5,426)	188
Other receivables	(6,939)	(4,438)
Trade payables	2,348	(846)
Tax and social liabilities	860	(860)
Other current liabilities	1,734	(1,187)
Total changes	**(10,974)**	**(9,126)**

Notes to the Financial Statements

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

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Note 1: Presentation of business and major events

The following information forms an integral part of the financial statements presented for the years ended 31 December 2022 and 2021.

1.1 Information relating to 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 intended for the acquisition, processing and transmission of information.

Ateme offers products and solutions to cover:

- The contribution: Encoders embedded 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 now listed on Euronext Compartment C.

1.2 Significant events of the financial year 2022

On 11 January 2022, Ateme announced that Canal + launched one of the first global low latency OTT streaming deployments on AppleTV 4 K, thanks to Ateme's NEA solution.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and Ateme, the leading provider of video broadcasting solutions for broadcast, cable television, DTH, IPTV and OTT, announced today that they have worked together to add Ateme's BISS CA standard to Globecast's advanced security options arsenal. Given the central role of content security in the sector, this is an important addition.

On 10 March 2022, SBTVD announced that it has chosen TITAN Live to select VVC as the mandatory video encoding system for Brazil's new TV 3.0 standard, which will be used for next generation digital terrestrial television.

On 22 March 2022, Ateme announced that it had implemented live streaming in 4 K UHD with Dolby Audio™ for Mola TV, an Indonesian subscription video on demand and over the top video streaming platform.

On 29 March 2022, Ateme announces that it has enabled Solbox, Korea's market leader in CDN and cloud computing solutions, to build a private cloud Vod transcoding platform for OTT service providers.

On 12 April 2022, Ateme revealed that it had enabled China Sports Media, a leader in the sport industry, selected by the Beijing Olympic Committee for the presentation of sports, to offer a multi stage viewing experience to the participants of the recent Olympic Winter Games.

On 21 April 2022, Ateme announced the establishment of a Strategic Advisory Committee composed of five recognised industry personalities and key positions in major media and entertainment groups.

On 27 May 2022, Ateme propelled Tivify's low latency streaming, based on the Common Media Application (CMAF), to the UEFA Champions League final using Ateme's latest TITAN transcoding solutions.

On 31 May 2022, Ateme virtualised the network head of MyTV, a subsidiary of Vietnam's second largest telecommunications operator. This project is a first step in the complete migration of MyTV's OTT platform to a private cloud.

On 31 May 2022, on May 28, Ateme released the final of the UEFA Champions League in its immersive Dolby Atmos and Dolby Vision in partnership with Ateme and Canal + on MyCanal.

On June 1, 2022 , At the 2022 Roland Garros event, France Télévisions and its technical partners, including Ateme, tested new distribution methods, both in Broadcast and multicast mode thanks to 5G.

On **26 July 2022**, Ateme announced that it was presenting its solutions to provide a high level of experience and reduce CO2 emissions at IBC 2022, which takes place from September 9 to September 12.

On **1 August 2022**, Ateme announced a partnership with ENENSYS to offer an ATSC 3.0-in a-box solution for WCRN Boston. The linear television service NextGen TV will also offer unlimited encrypted broadcasting services to companies and first responders in emergency services.

On **2 August 2022**, Ateme and Eurovision Services conducted the first test of the enhanced features of the BISS CA encryption standard allowing content owners to grant conditional access to individual audio feeds.

On **16 August 2022**, Ateme strengthened its leadership position in video flow solutions with a series of demonstrations of new technology at the SET Expo in Sao Paulo from August 23 to 25.

On 25 August 2022, Ateme announced that it was presenting its Future Zone at IBC 2022. Visitors will see a demo on the cloud gaming platform of Blacknut streaming games, and another on the immersive 3D video of the startup Metaverse Vimmerse.

On **1 September 2022**, Ateme launched Ateme + Software as a Service. The service makes Ateme award winning video processing solutions available in a more agile business model, bringing transformative capabilities and cloud based benefits to Ateme customers around the world.

On 6 September 2022, Ateme and Viaccess Orca (VO) - the world leader in OTT and TV platforms, content protection and advanced data solutions, announced their partnership to offer a new service that simplifies the creation of Vod to live channels and personalised live channels with targeted advertising.

On 13 October 2022, Ateme announced that Ooreedoo, a leader in international communications, has commissioned an IPTV/OTT convergent network head equipped with Ateme's TITAN encoders.

On 8 November 2022, Ateme announced the roll out of its TITAN encoding solution for Antina Televisión, a pay digital terrestrial HD television operator in Argentina and market leader in several locations in the Buenos Aires metropolitan area.

On 2 December 2022, Ateme announced it had won the prestigious IABM BAM Award ® 2022 in the Publish category for its 5G streaming solution, which unlocks 5G's potential to provide high quality, low latency streaming to any device. The award ceremony took place on 1 December at Park Plaza Victoria Hotel in London.

On 13 December 2022, Ateme announced that it had provided Globo, the Brazilian media company, with KYRION encoding solutions for new low latency immersive audio codecs. These solutions enabled Globo to offer viewers a new sound experience during all World Cup matches in Qatar.

On 20 December 2022, Ateme reported that streaming service providers experienced exceptional traffic demand on their video networks during the World Cup, as millions of viewers gathered to follow their teams throughout the tournament. On average, Ateme's CDN (content delivery network) customers saw peak traffic increase by 116% compared to usual video consumption, confirming the movement of viewers to more online supports and OTT

Press releases are available at www.ateme.com

1.3 Impacts of international crises on the financial statements at 31 December 2022

Impact of pandemic, global semiconductor shortage and war in Ukraine

As restrictions on most international travel have now been lifted, trade fairs and customer meetings are gradually normalising. The takeover of the NAB Show last April in Las Vegas, with traffic slightly lower than in 2019, gives hope for a return to normal for the IBC that takes place in September in Amsterdam.

Semiconductor production is still subject to tensions affecting all major server manufacturers, including partners such as Dell and HPE, and the production of Ateme's Kyrion product range. Although efforts to build up a stock have mitigated its impact, the situation resulted in the loss or postponement of business for approximately euros500000.

In addition, Ateme discontinued its activities in Russia and Belarus. The impact on first half sales is of a similar magnitude.

1.4 Subsequent events 2022

On 10 January 2023, Ateme and ENENSYS Technologies, the leading provider of media broadcasting solutions, combined their considerable expertise in video distribution to enable Rai Way, the operator of the RAI television network, to start the Refarming project that will end with the transition to the DVB T2 standard

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

On 31 January 2023, Ateme announced that Cyta (Cyprus Telecommunications Authority), the leading provider of integrated electronic communications in Cyprus, has recently installed a low latency solution for Ateme encoding and packaging, reducing latency for its premium OTT channels beyond initial expectations.

On 7 February 2023 , Ateme announced that its innovative video processing and delivery solutions can now be purchased via AWS Marketplace, strengthening Ateme's global partnership with AWS by making Ateme 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, the presentation to the MWC Barcelona 2023 of video broadcasting solutions that enable communication service providers, broadcasters and content providers to increase their profitability. Visitors to the Ateme stand will discover solutions to increase their reach, improve the monetisation of networks and offer new immersive and high quality experiences to users, while reducing energy consumption.

On 21 February 2023, Ateme 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 (Cloud Native Functions or CNF) validated on Red Hat OpenShift. As a result, Ateme's complete low latency OTT live video compression and broadcast suite can now be reliably deployed in any cloud using Red Hat OpenShift, the industry leading enterprise Kubernetes platform.

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

On 7 March 2023, Ateme announced that Gulfsat Communications, the leading provider of satellite communications and media services in MENA, has installed Ateme's convergent video network head solution to power its London and Kuwait sites, serving 100 channels mainly in Arabic. The new infrastructure allows Gulfsat to transmit SD and HD DTH services, while ensuring the future of the system with OTT capabilities as well as UHD technologies.

On 14 March 2023, Ateme announced the completion of AWS ISV Accelerate, a highly selective joint sales programme for independent software providers providing software solutions that run or integrate with AWS. Accreditation ensures that Ateme solutions meet AWS standards and reinforces Ateme's global partnership with AWS.

On 21 March 2023, 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 the experience. The combination of an audience friendly encoding and an elastic CDN provides a powerful tool to optimise resources to reduce energy consumption while increasing the quality of experience.

On 23 March 2023, Ateme announced its participation in the 2023 NAB Show, 100th edition of the name in Las Vegas, USA, from 15 to 19 April 2023, to present its end to end solutions for video processing and broadcasting, which increase profits. This year's new solutions offer unrivalled experience, new monetisation opportunities and greater efficiency that reduces costs and energy consumption.

On 30 March 2023, Ateme announced its partnership with Six Floor Solutions and Pushologies to offer an end to end automated solution that allows rights holders on sports content and streaming services to increase fans' engagement by attracting more viewers to their OTT apps. The common solution is presented on NAB Show 2023, enabling broadcasters and service and content providers to increase the monetisation of their flows by connecting next generation video experiences to e commerce

Press releases are available at www.ateme.com

Note 2: Accounting principles, rules and methods

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

2.1 Reporting principle

Declaration of compliance

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 Reporting Interpretations Committee (IFRIC).

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

Principle of preparation of financial statements

the Group's financial statements have been prepared at historical cost, except for certain categories of assets and liabilities, in accordance with IFRS and ANC 2016-09. The categories concerned are mentioned in the following notes.

Business continuity

The assumption of going concern over the next 12 months from 31 December 2022 has been adopted by the Board of Directors on the basis of available cash and revised revenue and gross margin growth assumptions.

Accounting policies

The following accounting policies have been applied consistently to all periods presented in the financial statements, after taking account of or making exceptions for the new standards and interpretations described below:

- **Amendments to IFRS 3** " *Business Combinations* , " **IAS 16** " *Property, Plant and Equipment* " and **IAS 37** " *Provisions, Contingent Liabilities and Contingent Assets* , " Annual Improvements 2018-2020, all published on 14 May 2020 and applicable for annual periods beginning on or after 1 January 2022.

The other standards, amendments to standards and interpretations did not have an impact on the Group's financial statements or are not applicable

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

The other standards, amendments to standards and interpretations did not have an impact on the financial statements or are not applicable.

Standards, amendments to standards and interpretations adopted by the European Union but not yet mandatory for the annual financial statements 2022

The Group has elected not to early adopt the standards, amendments and interpretations adopted by the European Union but whose early application would have been possible and which will come into force after 31 December 2022.

These mainly include:

- **Amendments to IAS 1** " *Presentation of Financial Statements* " Classification of Current Assets or Non Current Assets and Classification of Current or Non Current Liabilities - carried forward from the effective date of the amendment to 2 March 2022, respectively, and from whose application concerns financial years beginning on or after 1 January 2023;
- **Amendments to IAS 8** " *Accounting Policies, Changes in Accounting Estimates and Errors* " Definition of Accounting Estimates published on 12 February 2021 and applicable for annual periods beginning on or after 1 January 2023;
- **Amendments to IAS 12** " *Deferred tax on assets and liabilities arising from the same transaction* " published on 11 August 2022 and applicable for annual periods beginning on or after 1 January 2023.

The Group does not expect the amendments to have a material impact on its financial statements. There are no standards, amendments and interpretations published by the IASB and mandatorily applicable for financial years beginning on or after 1 January 2022, but not yet approved at European level (and whose early application is not possible at European level), which would have a significant impact on the financial statements for this financial year.

Standards and interpretations published by the IASB and not yet adopted by the European Union at 31 December 2022

- **Amendments to IAS 1** " *Presentation of financial statements and IFRS Practice Statement 2* " Disclosure of accounting policies published on 15 July 2020 and applicable for annual periods beginning on or after 1 January 2024;
- **Amendments to IFRS 16** " *Leasehold liability* " (published on 22 September 2022) and whose application is for the year beginning on or after 1 January 2024.

The Group is currently assessing the impacts resulting from the first time application of these new standards and does not anticipate any significant impact on its financial statements.

Consolidation principles

<u>Fully consolidated companies</u>

The consolidated financial statements comprise, by full consolidation, the accounts of subsidiaries over which the Group exercises exclusive control, whether directly or indirectly. The Group considers that it holds exclusive control over an entity when it has the capacity to govern the operational and financial policies of that entity in order to achieve economic benefits. Full consolidation allows for the inclusion, after elimination of the internal transactions and results, of all assets, liabilities, and elements of the income statements of the Companies concerned, the share of income and shareholders' equity attributable to the Group's Companies (Group share), distinguished from the interest of the other shareholders (Non-controlling interests). All significant transactions between consolidated Companies and consolidated internal income (including dividends) are eliminated.

Main Group companies at 31 December 2022

Subsidiaries

Subsidiaries are all entities for which the Company has the power to govern the financial and operating policies, this power generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which the Company acquires control. They are deconsolidated from the date on which control ceases.
Intragroup transactions and balances are eliminated. The financial statements of the subsidiary are prepared for the same reference period as those of the parent company, on the basis of uniform accounting policies.

At 31 December 2022, five companies were fully consolidated. Directly owned companies are as follows:

Companies	Country	<tuv xml:lang="en"><seg>Group control in %</seg></tuv>	Interest %
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

at January 1, 2022, Anevia was absorbed by Ateme.

Ateme Japan was removed from the scope of consolidation on 31 December 2022 following its liquidation. The impact on the financial statements is not considered material.

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

2.2 Recent events and changes to previously published financial statements

None

2.3 Use of judgements and estimates

To prepare the financial statements in accordance with IFRS, Group management has made estimates, judgements and assumptions which may have affected the amounts reported for assets and liabilities, contingent liabilities at the date the financial statements were prepared, and the amounts reported for income and expenses for the financial year.
These estimates are based on the assumption of business continuity and the information available at the date of preparation. They are continuously assessed on the basis of past experience and various other factors deemed reasonable which are the basis for assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or if further information is available. Actual results could differ significantly from these estimates according to different assumptions or conditions.

The major estimates or judgements made by the Company's management include the following:

- Allocation of stock options or subscription warrants for founders' shares to employees and executives
  - The fair value of share based payments is determined using the Black & Scholes option pricing model, which takes into account assumptions about complex and subjective variables. These variables include the value of the Company's securities, the expected volatility of the share price over the life of the instrument and the current and future behaviour of the holders of such instruments. There is a high inherent risk of subjectivity arising from the use of a pricing model in determining the fair value of share-based payments in accordance with IFRS 2.
  - The valuation assumptions used are presented in Note 22.
- Recognition of sales revenue
  - Some perpetual licence agreements include a maintenance component subject to the transfer of final ownership. In this context, the Group may have to take comparable data into account in determining the revenue to be recognised on each contract.
  - The accounting principles are presented in Note 3.
- Capitalisation of development expenses
  - The Company devotes significant efforts to research and development. In this context, the Company must make judgements and interpretations to determine the development expenses to be capitalised once all the six criteria defined in IAS 38 are met.
  - The accounting principles and the amount of capitalised costs are presented in Note 12.
- Impairment of inventory
  - The Group determines a provision for impairment of inventory based on an analysis of the probable net realisable value of its inventory, which is based on historical and projected data. In this context, the Company may be required to take into account assumptions (in particular in terms of technological changes in the different versions of the cards and the risk of obsolescence of such products).
  - The accounting principles and the amount of provisions are presented respectively in Note 17.
- Provision for pension commitments
  - The Group uses assumptions related to turnover, discount rate and salary increases based on historical data. For this purpose, the Group may have to take assumptions into account.
  - The accounting principles and the amount of provisions are presented in Note 24.
- Impairment of trade receivables
  - The Group sets aside provisions for impairment of trade receivables on the basis of historical losses recorded on certain client categories. In this context, the Group may have to take into account assumptions (particularly in terms of client risk).
  - The accounting principles and the amount of provisions are presented respectively in Note 18.1.
- Lease obligations
  - The determination of the lease terms and renewal options used to determine the value of the debts and rights of use in accordance with IFRS 16 'Leases.' The accounting principles are presented in Notes 7 and 14 and in the section on accounting principles.
- Allocation of the acquisition price of assets and liabilities at fair value (see Note 11)

- Impairment tests on assets (see Note 15)

2.4 Presentation functional currency

The Group's financial statements are prepared in euros, the presentation and functional currency of Ateme SA.

2.5 Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company using the exchange rate applicable on the date of the transaction. 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.

Exchange gains and losses arising from the conversion of monetary items correspond to the difference between 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 are translated into the functional currency using 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 fair value was determined. The exchange differences resulting from such translations shall be recognised in profit or loss, with the exception of the differences resulting from the translation of equity instruments available for sale, a financial liability designated as a hedge of a net investment in a foreign business, or instruments classified as cash flow hedges, which are recognised directly in equity.

Translation of foreign subsidiaries' financial statements

The euro, chosen as the reporting currency, is the currency in which most of the flows are generated within the Group. The functional currency of the Company is the euro and the functional currencies of its subsidiaries are as follows:

- Ateme SA Inc. : US dollar
- Ateme Canada Inc. : Canadian dollar
- Ateme Singapore: Singapore Dollar
- Ateme Australia: Australian dollar

The accounts 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 exchange rate at 31 December 2022;
- the income and expenses of each income statement shall be translated at the average exchange rate for the period or financial year that is considered to reflect the applicable exchange rates on the effective date of the transactions.

Translation differences resulting from the application of these different rates are included in a specific equity item, 'Translation differences'.

Currency rate for one euro	Closing rate	Average Rate
AUD Australian dollar	1.575300	1.516898
CAD Canadian dollar	1.449900	1.516491
SGD Singapore Dollar	1.437200	1.464777
USD US dollar	1.072040	1.050496

2.6 Current and non current distinction

The Group applies a balance sheet presentation that distinguishes between the current and non-current elements of assets and liabilities.
The distinction between current items and non-current items has been made in accordance with the following rules:

- The assets and liabilities constituting the working capital requirement within the normal business cycle are classified as 'current';
- The assets and liabilities outside of the normal operating cycle are presented in 'current', on the one hand and in 'non-current' on the other, depending on whether their maturity is more or less than one year or according to the application of the specific cases referred to in IAS 1.

2.7 Recoverable amount of non current assets

Assets with a finite life are subject to impairment tests whenever there is an internal or external indication showing that the asset may have lost value.

At 31 December 2022 and 2021, 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 shall be accounted for at the exchange rate at the time of the original transaction. At the end of the financial year, the corresponding assets and liabilities are valued at the closing exchange rate.

2.9 Segment reporting

The Group operates in a single segment: The 'marketing of professional video compression solutions.'

The assets and operations presented are located in France. Revenue by geographic area is described in Note 3.

Research and Development costs, and most administrative costs are incurred in France. At this stage, these costs are not allocated to the geographical areas where 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

The items of income and expenses for the period recognised directly in equity are presented, where applicable, under "Other comprehensive income".

Note 3: Revenue

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

Multi-element service contracts

The Group enters into multiple element service contracts for a combination of various services or goods deliveries. Revenue is recognised separately for each individual item when it is separately identifiable and the client can benefit from it separately.

When these activities transfer to the client the control of a separate service or good from which the client may 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 including the licence, which makes it inseparable, and a maintenance contract for a period of 12 to 24 months. The maintenance contract may be sold independently of the hardware.

Where a contract contains more than one performance obligation, the price is allocated to each obligation on the basis of its individual sale price. The selling price is determined based on 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 certain cases, a delivery of hardware on which the license will be installed and in certain cases, a service provision for the configuration of the solution.

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

Recognition of revenues at a given date over time or on a continuous basis

Revenue is recognised when the Group transfers control of the goods or services sold to the client, either on a specific date over time or on a continuous basis.

For recurring services, revenue is recognised continuously insofar as the client immediately benefits from the services provided as soon as they are rendered by the Group. When the Group has a right to charge the client, which directly corresponds to the performance obligation met on the date, revenue is recognised for this amount.

Intellectual property licences

These perpetual licences (without limitation in time) transfer to the client:

- either a right to use intellectual property as it exists at the specific time the licence is granted **(static** license) - these licences only have corrective updates
- or a right of access to intellectual property as it exists throughout the period covered by the licence (dynamic licence). These licences benefit from upgrades supplied by the Group.

Since 1 January 2019, the company has offered dynamic licence offerings to its clients, this multi-year offer enables the client to benefit from unlimited licences including the up-to-date version of the product roadmap during the contract term. Contractual analysis of these contracts leads to the identification of two performance obligations:

- In the case of a licence that was initially sold and that immediately provides profits to the client, revenue is recognised as soon as the licence is granted. The amount to be recognised is analysed on a contract by contract basis to identify the value to be allocated to the initial licence;
- One is for version upgrades that are considered critical for the client that give the client additional advantages, this sales revenue is recognised on a straight-line basis over the life of the contract (in line with the version updates).

The Group has no contracts that fall within the scope of IFRS 15's order book definition. 120-122.

Net assets and liabilities arising from client contracts

The timing of revenue recognition may differ from the timing of billing to the Group's customers. Trade receivables presented in the consolidated statement of financial position represent an unconditional right to the counterparty (essentially collection), i.e. the services or goods promised to the client 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 clients or amounts invoiced and collected for goods or services that remain to be supplied, for example, for maintenance services (deferred income).

Client contract assets and liabilities are presented in current assets and current liabilities, respectively, as they are part of the Group's normal business activities.

The Group has not implemented any sales and marketing policies involving variable counterparties.

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

Revenue by geographic area for the last 2 years ended 31 December 2022 and 2021 is as follows:

Revenues BY GEOGRAPHICAL AREA (Amounts in K €)	31/12/2022	31/12/2021
EMEA (*)	31,983	31,118
USA Canada	33,960	26,552
Latin America	9,257	8,140
Asia-Pacific	15,352	12,990
Total	**90,552**	**78,798**

(*) Including revenues issued in France (€6773k in 2022 versus €8557k in 2021)

The Group's largest customer, its five largest customers and its ten largest customers represented respectively 9%, 20% and 28% of its consolidated sales for the 2022 financial year; 4.5%, 18% and 28% of its consolidated sales for the 2021 financial year.

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

The Group's revenue recognition rate was as follows:

Category of sales (Amounts in K €)	IFR recognition method 15	31/12/2022	31/12/2021
Static licences, equipment	Immediately	67,532	59,242
Dynamic licenses	Step by step	3,740	3,937
Maintenance	Step by step	19,280	15,619
Total		**90,552**	**78,798**

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

Change in client contract liabilities (amounts in €'000)	31/12/2022	31/12/2021
Opening balance	**7,245**	**7,411**
Amount recognised in sales over the period	(5,596)	(7,354)
Amount to be recognised in future periods	7,328	7,085
Translation differences	62	103
Closing balance	**9,039**	**7,245**

Note 4: Breakdown of income and expenses by function

The Company presents its statement of profit and loss by function.

Impairment of trade receivables and inventory
Impairment of trade receivables is presented in 'Cost of sales.'
Impairment of inventory is recorded in the "Cost of Sales" category.

Operating leases

Payments for these operating leases, net of any incentive measures, are recognised as an expense in the income statement on a straight-line basis over the term of the contract.

Subsidies
The subsidies received shall be recorded as soon as the corresponding claim becomes certain, taking into account the conditions laid down in the attribution of the subsidy.
Operating subsidies shall be recorded in current income, taking into account, where appropriate, the pace of the corresponding expenses.

Research tax credit (Crédit d'Impôt Recherche - CIR)
Research tax credits are granted to companies by the French State in order to encourage them to carry out technical and scientific research. Businesses with expenses that meet the criteria benefit from a tax credit which may be used for the payment of the corporate tax due for the financial year in which the expenses are incurred, and the following three financial years or, where applicable, the remaining amount may be reimbursed.

The research tax credit is presented in the statement of comprehensive income as a subsidy for Research and Development expenses based on the origin of the expense.
The share of the research tax credit related to capitalised development expenses is recorded as a deduction from assets.

The Company has received the research tax credit since 1996.

4.1 Cost of Sales

COST OF SALES (Amounts in €'000)	31/12/2022	31/12/2021
Purchases of goods	(24,856)	(20,890)
Staff expenses	(8,686)	(7,172)
Indirect production expenses	(1689)	(1,036)
Transport expenses	(890)	(743)
Cost of Sales	**(36,121)**	**(29,841)**

Indirect production expenses include a share of general expenses, production costs, impairment of goods inventories and impairment of receivables.

4.2 Research and Development expenses

Subsidies

Subsidies amounting to €813k, recorded in the income statement, mainly correspond to operating subsidies whose main characteristics 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 €163k over the period.
- The subsidy on the **TVSND** project awarded by MINEFI for €473 thousand. Income recognised in the income statement amounted to €43k over the period.
- The **3EMS** grant granted by the Brittany Region in the amount of €118k. Income recognised in the income statement amounted to €24k over the period.
- The grant for the **SImpleRAN** project in the amount of €1626k. Income recognised in the income statement amounted to €254k
- Grants **3EMS-2**, **MERCI**, **SMART CD** and **HyperOpenX** for a total amount of €1322k. Income recognised in the income statement amounted to €293k

Research AND DEVELOPMENT (Amounts in € K)	31/12/2022	31/12/2021
Staff expenses	(22,865)	(17,365)
Miscellaneous	(299)	(340)
Share of general expenses	(723)	(551)
Amortisation of capitalised R & D costs	(504)	(468)
Amortisation of technology	(712)	(712)
Depreciation, amortisation and provisions	(1,433)	(1,747)
Taxes and training	(189)	(209)
Property and intangible leases	(453)	(131)
Purchases not held in inventory	(618)	(337)
Travel, Missions and Reception	(272)	(47)
Share-based payment	(288)	(377)
Capitalisation of R & D costs net of outflows	871	660
Research and Development expenses	**(27,485)**	**(21,625)**
Research tax credit (Crédit d'Impôt Recherche - CIR) and innovation tax credit (Crédit d'Impôt Innovation - CII)	5,822	5,169
Subsidies	813	445
Research and Development expenses	**(20,850)**	**(16,011)**

4.3 Marketing & Sales Fees

Marketing AND SALES COSTS (Amounts in K €)	31/12/2022	31/12/2021
Staff expenses	(20,710)	(23,028)
Travel expenses	(1,742)	(671)
Miscellaneous	(524)	(132)
Share of general expenses	(1,322)	(1,007)
Conferences	(1,198)	(452)
Depreciation, amortisation and provisions	(646)	(582)
Taxes and training	(345)	(382)
Property and intangible leases	(828)	(240)
Share-based payment	(512)	(592)
Marketing and Sales expenses	**(27,827)**	**(27,086)**

4.4 General and administrative expenses

General AND ADMINISTRATIVE COSTS (Amounts in K €)	31/12/2022	31/12/2021
Staff expenses	(3,486)	(2,737)
Fees	(1,714)	(1,366)
Travel expenses	(104)	(17)
Depreciation, amortisation and provisions	(161)	(154)
Property and intangible leases	(94)	0
Share of general expenses	(150)	(114)
Taxes and training	(39)	(43)
Miscellaneous	(59)	(201)
Share-based payment	(107)	(122)
General and Administrative expenses	**(5,914)**	**(4,754)**

4.5 Other operating income and expenses

None

Note 5: Restated EBITDA

'Recurring operating income' is defined as the difference between total operating income and 'Other operating income' and 'Other operating expenses.'
Restated 'EBITDA' means the Group's recurring operating income before non recurring items, 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, the tax constraints and the renewal of the operating tool. Non recurring expenses (unusual, abnormal and infrequent items) are excluded.

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

Note 6: Group headcount

The workforce for the Group at the close of each financial year in the last two financial years was as follows:

WORKFORCE as at 31 December	Fiscal year 2022	Fiscal year 2021
Cost of Sales	106	90
Research and Development	276	245
Marketing and Sales	133	118
General expenses	38	35
Total workforce as at 31 December	**553**	**488**
of which Suppliers	**107**	**97**

Note 7: Financial income and expenses, net

Financial profit or loss includes:

- 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 financial profit or loss.

Financial INCOME AND EXPENSES (Amounts in K €)	31/12/2022	31/12/2021
Amortised cost of borrowing	(413)	(609)
Other financial expenses	(35)	(12)
Financial income	4	122
Exchange (losses) and gains	211	1,010
Total financial income and expenses	**(233)**	**511**

Other financial expenses consist mainly of discounts given.
Financial expenses primarily correspond to the unwinding of discounting adjustments to refundable advances and interest on finance leases.
Foreign exchange gains and losses are mainly due to the translation of bank accounts into dollars.

Note 8: Income taxes

The tax assets and liabilities for the financial year and previous financial years are valued at the amount that is expected to be recovered from or payable to the tax authorities.
The tax rates and tax regulations used to determine these amounts are those that were adopted or were almost adopted at the balance sheet date.
Deferred taxes are recognised, using the balance sheet method and variable deferral, for all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount on the balance sheet, as well as for tax loss carryforwards.

Deferred tax assets are recognised in respect of tax loss carryforwards, where it is probable that the Company will have future taxable profits to which such unused tax losses can be charged. The determination of the amount of deferred tax assets that may be recognised requires that management make estimates of both the period of consumption of tax loss carryforwards and the level of future taxable profits in relation to tax management strategies.

The tax rate applicable to the Company is the rate in force in France at 31 December 2022, i.e. 25%. At 31 December 2022, temporary taxation was taken into account. A deferred tax has been recognised in the amount of the forecast taxable income estimated prudently over a short period (3 years). The Group recognised part of its tax losses for a deferred tax amount of €1334k. This assessment will be reviewed at each balance sheet date on the basis of future results. Ateme's tax loss carryforwards amounted to €31619k after the transfer of Anevia's tax losses following the merger of the two companies for €29055k.

Deferred taxes are shown separately from current tax assets and liabilities in the balance sheet and are classified as non-current.

With respect to deferred tax assets, in the absence of new strategic and tax plans, deferred tax on temporary differences and tax loss carryforwards arising in 2022 have not been recognised in France. As a reminder, tax losses recognised as of 31 December 2021 amounted to €1334k in deferred taxes for the entire Group.

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

INCOME TAX EXPENSE (Amounts in €'000)	31/12/2022	31/12/2021
Current taxes	342	(170)
Deferred taxes	3	339
Income tax expense	**345**	**169**

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

Deferred Taxes (Amounts in K €)	
Statement of Financial Position as at 31 December 2021	**1,498**
Deferred tax (expense) / income	4
Changes in deferred taxes on actuarial gains and losses recognised in accordance with IAS 19	35
Impact of exchange rates	7
Statement of Financial Position as at 31 December 2022	**1,544**

Type of deferred taxes

Type OF Deferred Taxes (Amounts in K €)	31/12/2022	31/12/2021
Temporary differences	714	570
Tax loss carryforwards	1,334	1,334
Total elements of deferred tax assets	**2,048**	**1,904**
Temporary differences	504	406
Total elements of deferred tax liabilities	**504**	**406**
Total net deferred tax	**1,544**	**1,498**

Reconciliation between theoretical tax and effective tax

Proof OF TAX (Amounts in K €)	31/12/2022	31/12/2021
Net income	(46)	1,137
Consolidated tax	345	169
Income before tax	**(391)**	**967**
Current tax rate in France	25%	26.50%
Theoretical tax at the current rate in France	**98**	**(256)**
Permanent differences	(174)	(404)
Share-based payment	268	314
Impact of deferred tax	153	515
Group tax (expense) / income	**345**	**169**

The permanent differences mainly correspond to the impact of the research tax credit (operating income that is not taxable).

Note 9: Earnings per share

The basic earnings per share are calculated by dividing the income attributable to the holders of shares in the Company by the weighted average number of ordinary shares outstanding during the period.
Per share is determined by adjusting the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

BASIC EARNINGS PER SHARE	31/12/2022	31/12/2021
Income for the financial year (in €'000)	(46)	1,137
Weighted average number of shares outstanding for basic earnings *	11,263,069	11,167,335
Basic earnings per share (€ / share)	**0.00**	**0.10**
Weighted average number of shares outstanding	11,263,069	11,167,335
Stock options outstanding	283,485	228,615
Weighted average free shares outstanding	151,599	86,575
Weighted average BSA	116,500	108,904
Weighted average number of shares assuming full dilution	**11,814,653**	**11,591,429**
Diluted earnings per share (€ / share)	**0.00**	**0.10**

** Net of treasury shares issued under the liquidity contract*

Instruments granting deferred rights to equity (AGA) are considered anti-dilutive as they reduce losses per share. Diluted losses per share are therefore identical to basic losses per share.

Note 10: Discontinued operations

A non current asset or group of assets and liabilities is held for sale when its carrying amount will be recovered primarily through a sale and not through continuing use. For this to be the case, the asset must be available for immediate sale and highly probable sale.
These assets or groups of assets are presented separately from other assets or groups of assets, on the line 'Assets held for sale' of the consolidated balance sheet when they are material.
These assets or groups of assets are measured at the lower of the carrying amount or the estimated selling price, net of costs relating to the sale. The liabilities of a group of assets held for sale are presented in the line 'Liabilities related to assets held for sale' in the consolidated balance sheet.
A discontinued operation is defined as a component of the entity that is either sold or classified as held for sale, which represents a significant activity or geographical area for the Group.
The Company considered that the disposal of the Enterprise business fell within the definition of a discontinued operation within the meaning of IFRS 5.

Net income from discontinued operations only concerns 2021, with net income of €251k following the disposal of the Enterprise business in 2021. The impact on the statement of cash flows from discontinued operations was €1121k.

Note 11: Business combinations and goodwill

Business combinations are accounted for using the acquisition method as defined in IFRS 3. Under this method, the identifiable assets acquired and liabilities assumed of the acquiree are recognised at their fair value at the acquisition date.
Goodwill arising from 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. 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 share in the fair value of the identifiable net assets of the acquiree ('partial goodwill' method).
In accordance with IFRS, goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired (see Notes 12 and 15).
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 net carrying amount of identifiable assets acquired and liabilities assumed.

The amount of goodwill recognised on the acquisition of control cannot be adjusted after the end of the measurement period. Goodwill relating to investments in associates and joint ventures is recorded respectively under 'Investments in associates.'

Valuation of goodwill

Goodwill is not amortised but is tested for impairment once a year or more frequently if there is an indication of impairment. Goodwill is tested at the level of Cash Generating Units (CGUs), which are homogeneous groups generating 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.'

The 'IFRS 3' business combination standard was applied in connection with the acquisition of Anevia.

In 2020, Ateme acquired 100% of Anevia, resulting in the recognition of goodwill of €13186k. The disposal of the Enterprise business resulted in the disposal of a €300k share of goodwill, resulting in goodwill recognised in connection with the acquisition of Anevia amounting to €12886k at 31 December 2021. It remains the same as at 31 December 2022.

Note 12: Intangible assets

Intangible assets consist mainly of licences, software development and development expenses.

Research and Development expenses

Research costs are systematically recognised as expenses.

In accordance with IAS 38, development expenses are recognised in intangible assets only if all of the following criteria are satisfied:

a) technical feasibility necessary for the completion of the development project,
b) the Company's intention to complete the project,
c) its ability to use this intangible asset,
d) demonstration of the likelihood of future economic benefits attached to the asset,
e) availability of technical, financial and other resources to complete the project, and
f) reliable assessment of development expenses.

Costs that are eligible for capitalisation which are directly attributable to the production of the asset include:

- the costs of the services used or consumed to generate the intangible asset;
- salaries and staff expenses committed to generate the asset.

Expenses shall be capitalised only from the date on which the conditions for the capitalisation of the intangible asset are met. Expenses shall cease to be recognised in assets when the intangible asset is ready to be used and marketed.

Capitalised development costs are amortised on a straight-line basis between 1 and 4 years, depending on their useful life.

The amortisation allocation of capitalised development expenses is presented in the category 'Research and Development expenses'.

Software

The costs associated with the acquisition of software licences are recognised in assets on the basis of the costs incurred to acquire and implement the relevant software.

Other intangible assets

In accordance with IAS 38 criteria, intangible assets acquired are recognised on the asset side of the balance sheet at acquisition cost.

Period of amortisation and amortisation expenses

When they have a finite useful life, amortisation is calculated on a straight-line basis in order to break down the cost over their estimated useful life, as follows:

Elements	Amortisation periods

Development expenses	from 1 to 4 years
Software licences and software development	from 1 to 5 years
Developed technologies	9 to 10 years

The amortisation expense of intangible assets related to software licences and developments is recognised in the income statement and broken down according to their use in the following categories: Cost 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 the income statement under research and development expenses.

Gross VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Software	Technologies	Development expenses	Work-in-progress	Total	*O/w cash impact*
Statement of Financial Position as at 31 December 2021	**1,658**	**7,830**	**6,098**	**621**	**16,207**	**1,025**
Capitalisation of development expenses	-	-	333	538	**871**	871
Acquisition	112	-	-	-	**112**	112
Exchange rate impact	-	-	-	-	**-**	-
Transfer	128	-	-	(126)	**2**	-
Statement of Financial Position as at 31 December 2022	**1,898**	**7,830**	**6,431**	**1,033**	**17,192**	**983**
DEPRECIATION						
Statement of Financial Position as at 31 December 2021	**1,467**	**830**	**5,033**	**-**	**7,330**	**-**
Increase	263	712	504	-	**1,479**	**-**
Statement of Financial Position as at 31 December 2022	**1,730**	**1,542**	**5,537**	**-**	**8,809**	**-**
NET CARRYING AMOUNTS						
At 31 December 2021	**191**	**7,000**	**1,065**	**621**	**8,877**	
At 31 December 2022	**168**	**6,288**	**894**	**1,033**	**8,381**	

The projects whose development costs have been capitalised concern the Kyrion, TITAN File and TITAN Live projects for the years 2010 to 2022.

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

Depreciation and amortisation expense amounted to €1479k at 31 December 2022, compared with €1631k at 31 December 2021.

Note13: Property, plant and equipment

Property, plant and equipment are valued at acquisition cost (purchase price and incidental expenses) or at their cost of production by the Company.
The assets are subject to depreciation plans determined according to the actual duration of use of the asset.
The periods and methods of depreciation used are mainly as follows:

Technical installations, equipment and tooling	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
IT equipment	3 years - straight-line
Furniture	10 years - linear

Depreciation of property, plant and equipment is recognised in the income statement and allocated according to their use in the following categories: Cost of sales, marketing and selling expenses, research and development expenses, and general and administrative expenses.

Property, plant and equipment mainly consists of computer hardware.
No impairment losses were recognised in accordance with IAS 36 as described in the notes to the consolidated financial statements for the year ended 31 December 2022.

Gross VALUE OF TANGIBLE ASSETS (Amounts in K €)	Installations and fixtures	Office equipment, computer hardware, furniture	Transport equipment	Work-in-progress	Total	O/w cash impact
Statement of Financial Position as at 31 December 2021	**2,217**	**10,892**	**7**	**16**	**13,131**	**1,982**
Acquisition	433	1,715	-	82	2,230	2,230
Disposal / Scrapping	-	(198)	-	-	(198)	-
Exchange rate impact	4	64	-	-	68	-
Transfer	-	98	-	(98)	-	-
Statement of Financial Position as at 31 December 2022	**2,654**	**12,571**	**7**	**-**	**15,231**	**2,230**
DEPRECIATION						
Statement of Financial Position as at 31 December 2021	**1,234**	**8,687**	**7**	**-**	**9,928**	**-**
Increase	206	1,475	-	-	1,681	-
Disposal / Scrapping	-	(190)	-	-	(190)	-
Exchange rate impact	3	39	-	-	42	-
Statement of Financial Position as at 31 December 2022	**1,443**	**10,011**	**7**	**-**	**11,461**	**-**
NET CARRYING AMOUNTS						
At 31 December 2021	**983**	**2,205**	**-**	**16**	**3,203**	
At 31 December 2022	**1,211**	**2,560**	**-**	**-**	**3,770**	

Depreciation and amortisation expense amounted to €1681k at 31 December 2022, compared with €1598k at 31 December 2021.

Note 14: Rights of use

General accounting rules on the accounting for leases under IFRS 16:

Leases are leases (or contracts that contain a lease) that give a right to control the use of a particular asset for a certain period of time with consideration.

Leases that meet this definition are recognised 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 that are not restated because of their non-material impact.

In practice, the analysis has led to the restatement of only real estate leases, and office equipment. Leases that are not classified as leases are recorded under operating expenses. For contracts that fall within the scope of IFRS 16, accounting rules are set out below.

At the inception of the contract, the Group recognises an asset under the right of use and a financial liability under a lease obligation. Assets and liabilities are shown on a separate line of the balance sheet.

The rental obligation is measured at the present value of lease payments not yet paid over the term of the lease.

The present value is determined using the incremental borrowing rate calculated for each country over the term of the contract.

The lease term is the enforceable period, which corresponds to the non-cancellable period, plus any option to extend the contract that the Group is reasonably certain to exercise, and any option to terminate the contract that the Group is reasonably certain 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 extension options after 3 years and 6 years.

There are no termination clauses in the various leases and there are no clauses that could cause the lessors to pay the Group compensation more than immaterial, in the event of non-renewal of the lease at the end of the non-cancellable period.

Lease payments are fixed payments, variable payments that are linked to an index or interest rate, and the exercise prices of call options that the lessee is reasonably certain of exercising. In practice, there are no purchase options and there are no more than immaterial penalties if the lease is terminated at the lessor's initiative.

The right of use asset is measured using the cost model as follows: The cost is reduced by accumulated depreciation and impairment losses, and adjusted to take into account any revaluations of the rental obligation. No impairment loss or revaluation of the rental obligation was recognised in the financial years presented. In the absence of a purchase option, assets relating to the right to use are depreciated over the term of the contract as defined above.

Lease arrangements are amortised over the term of the lease, unless there is a set of assumptions that the underlying asset will be used over a period longer than the term of the lease.

Deferred tax on restated leases:

Pending the application of the amendment to IAS 12 'Income Taxes' applicable to fiscal years beginning on or after 1 January 2023, subject to adoption by the EU, the Group has elected to recognise a deferred tax on the restatement of leases corresponding to the impact on the income statement of the change recorded over the period. The Group has not identified any situations where it is lessor or leaseback situations.

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

Gross VALUE OF USE RIGHTS (Amounts in K €)	Office equipment	Vehicles	Commercial leases	Total
Statement of Financial Position as at 31 December 2021	**1,509**	**18**	**4,753**	**6,280**
Increase	-	24	894	918
Disposal / Scrapping	(1,495)	-	(218)	(1,713)
Exchange rate impact	-	-	30	30
Statement of Financial Position as at 31 December 2022	**15**	**41**	**5,458**	**5,514**
DEPRECIATION				
Statement of Financial Position as at 31 December 2021	**1,460**	**7**	**1,951**	**3,419**
Increase	47	4	727	779
Decrease	(1,495)	-	(181)	(1,675)
Exchange rate impact	-	-	20	20
Statement of Financial Position as at 31 December 2022	**13**	**11**	**2,518**	**2,542**
NET CARRYING AMOUNTS				
At 31 December 2021	**49**	**11**	**2,801**	**2,861**
At 31 December 2022	**2**	**30**	**2,940**	**2,972**

The increase in the gross value of commercial leases corresponds to the entry of a new lease in France, as well as the updating of the term for a lease located in the United States.
Depreciation and amortisation expense amounted to €779k at 31 December 2022, compared with €895k at 31 December 2021. Departures are due to the end of leases and contracts.

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

Reconstitution of lease expenses (in €'000)	31/12/2022	31/12/2021
Lease expense restated in accordance with IFRS 16	780	979
Lease expense not restated in accordance with IFRS 16	424	161
Total Lease expense	**1,204**	**1,140**

Note 15: 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 one of them. In addition, an entity shall also, even if there is no indication of impairment,:

- annually testing an intangible asset with an indefinite useful life or in the process of production;

- perform an annual impairment test of 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 analyzed by the Group to determine whether it is necessary to carry out impairment tests at a more frequent frequency.

If the recoverable amount 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 accumulated impairment losses. For impairment testing purposes, 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 organization of the business lines, the management and reporting system and the segment information, ie a single CGU.

Determination of recoverable amount

o The need to recognise an impairment loss is assessed by comparing the carrying amount of the CGU with its recoverable amount.

o Recoverable amount is defined as the higher of fair value less costs to sell and value in use.

o Fair value less costs to sell is determined on the basis of available information that enables the best estimate of the selling value net of costs necessary to make the sale, on an arm's length basis, between knowledgeable, willing parties.

o Value in use is determined based on:

- Cash flows relating 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 Ateme shareholders;
- A normative cash 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 long term economy.

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, comprising intangible assets (including goodwill), property, plant and equipment and working capital requirements (WCR), exceeds its recoverable amount, the CGU's assets 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, estimated future cash flows and the long term growth rate used.

The Ateme group presents a single CGU.

The company carried out an impairment test on all these assets at 31 December 2022. Impairment tests are carried out on the basis of a 5 year projection of net cash flows from operating activities (operating cash flows, cash flows related to working capital requirements and investments). This projection is determined using the Company's budget data taking into account past experience and future prospects. Beyond this period, the Group calculates a terminal value of the CGU corresponding to the discounting of net cash flows from operations to infinity.
The assumptions used to construct future cash flows at 31 December 2022 are as follows:

- 5 year projections of post tax cash flows, based on the business plan over the explicit period from the 2023 budget and forecasts to 2027 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 the 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 78% of the enterprise value at 31 December 2022.
- Cash flows are discounted using a weighted average cost of capital (WACC) after tax and including a risk premium. At 31 December 2022, this rate was 13%.

For information, the following sensitivity tests would not lead to impairment:

- An increase of 2 points 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 16: Other non current financial assets

The Company's financial assets are classified into two categories depending on their type and the intent to hold on to them:

- financial assets at fair value through profit or loss,
- and loans and receivables.

All financial assets are initially recognised at the cost that 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 purposes, i.e. assets acquired by the Company with a view to 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 subject to voluntary classification 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 collateral deposits given to third parties as well as term deposits not equivalent to cash equivalents. Advances and collateral deposits are non-derivative financial assets with fixed or determinable payments which are not listed on an active market.

Loans and receivables are now classified under 'Financial assets at amortised cost'.

Such assets are recognised at amortised cost using the effective interest rate 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 €)	31/12/2022	31/12/2021
Loans	457	372
Collateral deposits	422	250
Liquidity contract - Balance	96	146
BPI France Holdback	201	200
Financing reserves Factoring guarantees	-	6
Total other non-current financial assets	**1,176**	**975**

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

Note 17: Inventories

Inventory is valued using the weighted average unit cost method.
Inventory is recognised at the cost of purchase or net realisable value, if this value is lower.
In the latter case, the impairment is recognised in profit or loss.

Composition of inventory
The inventory of raw materials consists mainly of electronic components used for the manufacture of Kyrion products.
Work-in-progress is individually identified by project codes that are linked to each outstanding client order. They consist of design costs (engineering hours) and material costs.
Inventory of goods is mainly composed of finished products (encoders, decoders, transcoders and third-party equipment) and electronic components.
The provision for impairment of inventories relates to components or merchandise that are subject to internal lending, testing or repair. Components or goods whose technological advances are beginning to render inventories obsolete or with little or no movements during the financial year are scrapped

Inventories (Amounts in K €)	31/12/2022	31/12/2021
Inventory of raw materials	299	192
Work-in-progress Goods and Services	915	778
Inventory of goods	9,221	5,973
Gross total inventory	**10,435**	**6,943**
Impairment of inventory of raw materials	(9)	(14)
Impairment of inventory of goods	(421)	(371)
Total impairment of inventory	**(430)**	**(385)**
Total net inventory	**10,005**	**6,558**

At 31 December 2022, the Group decided to increase these server inventories in anticipation of potential delays in supplier deliveries following the COVID crisis and the shortage of electronic components.

Note 18: Receivables

Receivables are valued at their nominal value. They shall, where appropriate, be impaired on a case-by-case basis by means of a provision to take into account the difficulties they may encounter in terms of collection.
The Group has opted for the simplified method of measuring impairment on its trade receivables.
Credit risk related to financial receivables and loans was measured according to the provisions of the comprehensive model under IFRS 9. No significant increase in credit risk has been identified in the two periods presented.

Other receivables include the nominal value of the research tax credit which is recognised in assets during the financial year when the expenses are engaged which make the Company eligible for the tax credit.

18.1 Trade receivables

Trade Receivables (Amounts in K €)	31/12/2022	31/12/2021
Trade receivables	38,464	33,352
Impairment of trade receivables	(1,055)	(1,064)
Total net trade receivables	**37,409**	**32,289**

Company products are sold to TV channels and on-demand video broadcasters. The risk of default was assessed as low.

The provision for impairment of individual trade receivables is calculated on a case-by-case basis based on the estimated risk of non-payment and the statistical component determined in accordance with IFRS 9.

Trade receivables by maturity (Amounts in € K)	31/12/2022	31/12/2021
Portion not yet due	19,658	16,707
In arrears less than 90 days	8,563	10,292
In arrears between 90 days and six months	3,815	2,139
In arrears between six and twelve months	2,756	2,036
In arrears over twelve months	3,671	2,178
Total trade receivables	**38,464**	**33,352**

Allocation of impairment losses on trade receivables by maturity (Amounts in €'000)	31/12/2022	31/12/2021
Portion not yet due	-	-
In arrears less than 90 days	-	-
In arrears between 90 days and six months	-	-
In arrears between six and twelve months	(227)	-
In arrears over twelve months	(828)	(1,064)
Total impairment of trade receivables	**(1,055)**	**(1,064)**

18.2 Other current receivables

Other CURRENT RECEIVABLES (Amounts in K €)	31/12/2022	31/12/2021
Research tax credit (1)	14,629	8,386
Value added tax (2)	2,434	1,730
Prepaid expenses (3)	1,868	1,693
Debtor suppliers	182	75
Receivables on disposal of Entreprise (4)	-	199
Miscellaneous	363	265
Total other current receivables	**19,476**	**12,548**

(1) **Research Tax Credit**
The Company benefits from the provisions of Articles 244 quater B and 49 septies F of the French General Tax Code (Code général des impôts) for the research tax credit. In accordance with the principles described in Note 4, the research tax credit is recognised as a deduction from research expenses in the year to which eligible research expenses relate. This has been pre financed (see Note 23.1)
It is presented as a subsidy to the "Research and Development expenses" category.
(2) VAT **claims relate mainly** to deductible VAT as well as to the VAT refund requested.
(3) Prepaid **expenses relate** to current expenses and mainly correspond to component purchases.
(4) L**receivable on disposal of the Enterprise business** was fully repaid during the year.

Note 19: Marketable securities and cash

Cash, Cash equivalents and Financial instruments

The cash balance recognised in the balance sheet includes cash in current accounts and cash on hand.

Cash equivalents are held for trading, readily convertible into a known cash amount and are subject to a negligible risk of change in value. They are measured at fair value and changes in value are recorded in financial profit or loss. They include term deposits corresponding to this impairment.

Bank overdrafts are included in current financial liabilities. 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 assimilated in their balance sheet value, taking into account the very short payment terms of these items. The same applies to other receivables and other current liabilities.

The Company has identified three categories of financial instruments depending on the impact of their characteristics on their valuation methods and uses this classification to present 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 involves the use of 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 observable transaction prices in the markets, on the same instrument at the valuation date, or on observable market data available at the same date.

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

Cash and cash equivalents are analysed as follows:

Cash And Cash Equivalents (Amounts in K €)	31/12/2022	31/12/2021
Bank accounts	3,904	11,447
Total cash and cash equivalents	**3,904**	**11,447**

Note 20: Financial assets and liabilities and impact on income

The assets and liabilities of the Company are valued as follows for each year:

(Amounts in €'000)	31/12/2022		Carrying amount - statement of financial position according to IFRS 9	
Balance sheet items	**Value Statement of financial position**	**Fair value**	**Fair value through profit or loss**	**Assets and liabilities at amortised cost**
Non-current financial assets	1,176	1,176	-	1,176
Trade receivables	37,409	37,409	-	37,409
Other current receivables	182	182	-	182
Cash and cash equivalents	3,904	3,904	3,904	-
Total of asset items	**42,716**	**42,716**	**3,904**	**38,767**
Non-current financial liabilities	18,858	18,858	-	18,858
Current financial liabilities	5,111	5,111	-	5,111
Non-current lease liabilities	2,315	2,315	-	2,315
Current lease liabilities	667	667	-	667
Trade payables	16,322	16,322	-	16,322
Other current liabilities	399	399	-	399
Total of liabilities items	**43,672**	**43,672**	**-**	**43,672**

(Amounts in €'000)	31/12/2021		Carrying amount - statement of financial position according to IFRS 9	
Balance sheet items	**Value Statement of financial position**	**Fair value**	**Fair value through profit or loss**	**Assets and liabilities at amortised cost**
Non-current financial assets	975	975		975
Trade receivables	32,289	32,289	-	32,289
Other current receivables	474	474	-	474
Cash and cash equivalents	11,447	11,447	11,447	-
Total of asset items	**45,185**	**45,185**	**11,447**	**33,738**
Non-current financial liabilities	15,189	15,189	-	15,189
Current financial liabilities	6,529	6,529	-	6,529
Non-current lease liabilities	2,201	2,201	-	2,201
Current lease liabilities	745	745	-	745
Trade payables	14,173	14,173	-	14,173
Other current liabilities	479	479	-	479
Total of liabilities items	**39,315**	**39,315**	-	**39,315**

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

(Amounts in €'000)	Impact on the income statement at 31 December 2022		Impact on the income statement at 31 December 2021	
	Interest	Change in fair value	Interest	Change in fair value
Liabilities				
Liabilities measured at amortised cost: Bank borrowings	(413)	-	(561)	-
Liabilities measured at amortised cost: bonds	-	-	-	-
Liabilities measured at amortised cost: advances	(9)	-	(48)	-

Note 21: Share capital

The classification in equity depends on the specific analysis of the characteristics of each instrument issued. Ordinary shares and preferred shares are classified as equity instruments.

Incidental costs directly attributable to the issue of shares or stock options are recognised as a deduction from equity.

Capital issued

The share capital is set at €1579343.78. It is divided into 11,279,528 fully subscribed and paid ordinary shares with a nominal amount of €0.14.
This number excludes financial instruments granted to certain Group individuals.

SHARE CAPITAL	31/12/2022	31/12/2021
Share capital (in K €)	1,579	1,571
Number of shares	11,279,528	11,224,028
(Including common shares)	11,279,528	11,224,028
Nominal value (in €)	€0.14	€0.14

Exercise of stock options and allocation of bonus shares in the Company

During the 2022 financial year, 1,500 stock options and 54,000 free shares vested were exercised and recorded in the financial statements:

- Each holder paid the subscription price of the shares upon exercise of the options for a total amount of €30k, including €30k charged to issue premiums.

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

Capital management

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

Dividend distribution

The Company did not pay any dividends for the years ended 31 December 2021 and 31 December 2022.

Note 22: Stock warrants, stock options, founders' share warrants and free shares

Since its inception, the Company has set up a number of compensation plans that are settled in equity instruments in the form of stock options (SOs) or subscription warrants for founders' shares (Bons de Souscription de Parts de Créateur d'Entreprise - BSPCEs) awarded to employees, executives, and members of the Board of Directors.

In accordance with IFRS 2, the cost of transactions settled in equity instruments is recognised over the period in which the rights to equity instruments are acquired, in return for an 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 the BSPCEs and stock options granted to employees is determined by application of the Black & Scholes option pricing model.
All the assumptions used for the valuation of the plans are described below.

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

Date	Type	Number of warrants issued	Number of lapsed options	Number of warrants exercised	Number of outstanding options	Maximum number of shares to be issued
Board Meeting of 5 November 2018	SO2017-1	69,000	18,000	5,000	46,000	46,000
Board Meeting of 5 November 2018	BSA2018-1	28,000	6,000	2,000	20,000	20,000
Board of Directors' Meeting of 18 July 2019	SO2017-2	82,000	7,500	11,500	63,000	63,000
Board of Directors' Meeting of 18 July 2019	BSA2018-2	45,000	5,000	5,000	35,000	35,000
Board of Directors' Meeting of 6 May 2020	BSA2019-1	87,000	3,000	4,515	79,485	79,485
Board of Directors' Meeting of 6 May 2020	So2017-3	36,000	3,000	0	33,000	33,000
Board Meeting of 5 May 2021	So2020-1	40,500	0	1,500	39,000	39,000
Board Meeting of 5 May 2021	BSA2020-1	10,500	3,000	0	7,500	7,500
Board Meeting of 23 March 2022	So2020-2	57,500	0	1,500	56,000	56,000
Board Meeting of 23 March 2022	BSA2020-2	21,000	0	0	21,000	21,000
At 31 December 2022		**476,500**	**45,500**	**31,015**	**399,985**	**399,985**

Assumptions used - fair value calculation in accordance with IFRS 2					
Type	Subscription price per share in €	Period of exercise	Volatility	Risk-free rate	Total IFRS 2 (Black & Scholes) valuation at grant date
SO2017-1	€10.80	8 years	41.60%	0.00%	€290k
BSA2018-1	€10.80	8 years	41.60%	0.00%	€118k
SO2017-2	€12.60	8 years	42.57%	0.00%	€360k
BSA2018-2	€12.60	8 years	42.57%	0.00%	€198k
BSA2019-1	€12.60	8 years	42.78%	0.00%	€168k
So2017-3	€12.60	8 years	42.78%	0.00%	€405k
So2020-1	€15.62	8 years	41.98%	0.00%	€262k
BSA2020-1	€15.62	8 years	41.98%	0.00%	€68k
So2020-2	€10.70	8 years	41.65%	0.00%	€264k
BSA2020-2	€10.70	8 years	41.65%	0.00%	€96k
					€2229k

The exercise rights are vested to 1/4 of the stock options granted to the holder after a period of 12 months and then to 6.25% of the stock options awarded every 3 months for three years.
On 23 March 2022, the Board of Directors granted 21,000 BSA and 57,500 stock options.

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

Date	Type	Number of warrants issued	Number of lapsed options	Number of bonus shares vested	Number of outstanding bonus shares	Maximum number of shares to be issued	Total valuation
Board Meeting of 5 May 2021	AGM2019-2	44,000	5,000	0	39,000	39,000	€687k
Board Meeting of 5 May 2021	AGM2020-1	2,500	0	0	2,500	2,500	€39k
Board Meeting of 23 March 2022	AGM2020-3	63,500	0	0	63,500	63,500	€761k
At 31 December 2022		**110,000**	**7,000**	**54,000**	**105,000**	**105,000**	**€1487k**

On 23 March 2022, the Board of Directors granted 63,500 free shares to the Company's employees. They will be definitively acquired 24 months later on condition of continuous employment with the Company.

Methods for assessing the value 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 specified below:

- The price of the share chosen is equal to the investor's subscription price or by reference to internal valuations;

- The risk-free rate is determined from the average life of the instruments;
- The 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 allocation plans, the fair value of the benefit granted on the basis of the share price at the grant date is adjusted for all specific conditions that may have an impact on fair value (e.g. dividends). As specified above, no dividends were taken into account during the valuation.

Details of the expense recognised in accordance with IFRS 2 in respect of the two reference periods

		31/12/2021					31/12/2022				
Date	Type	Number of outstanding options	Probable cost of the plan adjusted for lapsed options	Cumulative expense at opening	Expense for the period	Cumulative expense at 31/12/2021	Number of outstanding options	Probable cost of the plan adjusted for lapsed options	Cumulative expense at opening	Expense for the period	Cumulative expense at 31/12/2022
Board meeting of 28 March 2017 2018	So$_{2014-3}$	-	€395k	€390k	€5k	€395k	-	€395k	€395k	-	€395k
Board Meeting of 5 November 2018	BSA$_{2017-1}$	46,000	€269k	€214k	€39k	€252k	46,000	€269k	€252k	€16k	€269k
Board Meeting of 5 November 2018	BSA$_{2018-1}$	20,000	€115k	€92k	€17k	€109k	20,000	€115k	€109k	€7k	€116k
Board of Directors' Meeting of 18 July 2019	SO2017-2	69,000	€343k	€209k	€64k	€273k	63,000	€343k	€273k	€37k	€310k
Board of Directors' Meeting of 18 July 2019	BSA2018-2	35,000	€198k	€115k	€41k	€156k	35,000	€198k	€156k	€26k	€182k
Board of Directors' Meeting of 6 May 2020	BSA2019-1	33,000	€168k	€50k	€54k	€105k	79,485	€168k	€105k	€31k	€136k
Board of Directors' Meeting of 6 May 2020	So$_{2017-3}$	83,985	€405k	€122k	€132k	€254k	33,000	€405k	€254k	€68k	€322k
Board Meeting of 5 May 2021	So$_{2020-1}$	40,500	€242k	-	€69k	€69k	39,000	€242k	€69k	€85k	€155k
Board Meeting of 5 May 2021	BSA$_{2020-1}$	9,000	€63k	-	€18k	€18k	7,500	€63k	€18k	€23k	€41k
Board Meeting of 23 March 2022	So$_{2020-2}$	-	-	-	-	-	56,000	€264k	-	€89k	€89k
K € CA of 23 March 2022	BSA$_{2020-2}$	-	-	-	-	-	21,000	€96k	-	€34k	€34k
Total - SOs - BSAs		**336,485**	**€2199k**	**€1193k**	**€438k**	**€1631k**	**399,985**	**€2560k**	**€1631k**	**€416k**	**€2047k**

		31/12/2021					31/12/2022				
Date	Type	Number of outstanding options	Probable cost of the plan	Cumulative expense at opening	Expense for the period	Cumulative expense at 31/12/2021	Number of outstanding options	Probable cost of the plan adjusted for lapsed options	Cumulative expense at opening	Expense for the period	Cumulative expense at 31/12/2022
Board of Directors' Meeting of 18 July 2019	AGM$_{2016-4}$	-	€663k	€465k	€181k	€645k	-	€663k	€645k	-	€645k
Board of Directors' Meeting of 6 May 2020	AGM$_{2019-1}$	54,000	€679k	€230k	€331k	€562k	-	€679k	€562k	€93k	€654k
Board Meeting of 5 May 2021	AGM$_{2019-2}$	43,000	€679k	-	€223k	€223k	39,000	€679k	€223k	€281k	€505k
Board Meeting of 5 May 2021	AGM$_{2020-1}$	2,500	€39k	-	€13k	€13k	2,500	€39k	€13k	€20k	€32k
Board Meeting of 23 March 2022	AGM$_{2020-3}$	-	-	-	-	-	63,500	€761k	-	€263k	€263k
Total - Bonus Share Awards (AGA)		**99,500**	**€2061k**	**€695k**	**€748k**	**€1443k**	**105,000**	**€2822k**	**€1443k**	**€657k**	**€2100k**

Note 23: Borrowings

Financial liabilities are classified in one category: Financial liabilities recognised at amortised cost.

Financial liabilities recognised at amortised cost
Borrowings and other financial liabilities, such as conditional advances, are recorded at amortised cost calculated using the effective interest rate. The portion of financial liabilities with maturity of less than one year is presented in "Current financial liabilities."

Conditional advances
The Company benefits from a number of public aid programmes, in the form of subsidies or conditional advances. Details of this aid are provided in Note 23.3.
They have been accounted for in accordance with IAS 20. With respect to financial advances, made at interest rates below the market rate, they are valued according to IFRS 9 at amortised cost:

- The rate advantage is determined using a discount rate corresponding to a market rate at the date of the grant. The amount resulting from the rate advantage obtained when granting repayable advances not bearing interest is considered a subsidy recorded as income in the statement of comprehensive income.
- The financial cost of repayable advances calculated at the market rate is then recorded in financial expenses.

Subsidies are presented at the level of the category:

- "Research and Development" for aid for innovation and financing of research activities,
- "Marketing and Sales" for prospection in new geographical areas.

These advances are recorded in "Non-current financial liabilities" and "Current financial liabilities" according to their maturity. Once a statement for unsuccessful conciliation proceedings has been issued, the write-off of the receivable is recognised in subsidies.

Finance leases
Assets financed by finance leases within the meaning of IFRS 16, which in substance transfer to Ateme the risks and rewards inherent in their ownership, are recognised as assets on the balance sheet. The corresponding debt is recorded as a liability under 'Borrowings on lease obligations' (Note 23.2).

Current AND NON CURRENT FINANCIAL DEBT (Amount in K €)	31/12/2022	31/12/2021
Lease obligations (IFRS 16)	2,315	2,201
Repayable advances	334	561
CIR pre financing	8,131	2,483
Borrowing from credit institutions	10,393	12,146
Non-current financial liabilities	**21,172**	**17,390**
Lease obligations (IFRS 16)	667	745
Repayable advances	320	750
Borrowing from credit institutions	3,748	5,779
Bank overdrafts	1,042	-
Current financial liabilities	**5,778**	**7,274**
Total financial liabilities	**26,951**	**24,664**
O/w due in less than a year	5,778	7,274
O/w due in 1 to 5 years	21,172	17,227
O/w due in over 5 years	-	163

CHANGE IN FINANCIAL DEBT (amounts in €'000)		Borrowing from credit institutions	Repayable advances	Lease liabilities (IFRS 16)	Total	Bank overdrafts
At 31 December 2021		**20,406**	**1,310**	**2,945**	**24,663**	**-**
Change in cash	Inflows	5,314	91	-	5,406	1,025
	Outflows	(3,779)	(770)	(782)	(5,331)	-
	Net cash provided by/(used in) operating activities	**1,535**	**(679)**	**(782)**	**74**	**1,025**
Change in non-cash items	Translation adjustments	-	-	(44)	(44)	-
	IFRS increase 16	-	-	942	942	-
	Other	331	-	(79)	252	18
	Amortised cost	-	24	-	24	-
	Total non-cash	**331**	**24**	**843**	**1,197**	**18**
At 31 December 2022		**22,273**	**655**	**2,982**	**25,910**	**1,042**

Breakdown of financial liabilities by maturity

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

Current AND NON CURRENT FINANCIAL DEBT (amount in K €)	31/12/2022			
	Gross amount	Share at less than one year	From 1 to 5 years	Over 5 years
Lease obligations (IFRS 16)	2,982	667	2,315	-
Repayable advances	666	320	346	-
CIR pre financing	8,762	-	8,762	-
Borrowing from credit institutions	14,145	3,748	10,397	-
Bank overdrafts	1,042	1,042	-	-
Total financial liabilities	**27,597**	**5,777**	**21 8820**	**-**

Current AND NON CURRENT FINANCIAL DEBT (amount in K €)	31/12/2022			
	Gross amount	Share at less than one year	From 1 to 5 years	Over 5 years
Lease obligations (IFRS 16)	2,946	745	2,201	-
Repayable advances	1,345	782	527	36
CIR pre financing	2,815	-	2,815	-
Borrowing from credit institutions	17,593	5,779	11,687	127
Bank overdrafts	29	29	-	-
Total financial liabilities	**24,727**	**7,335**	**17,229**	**163**

23.1 Due to credit institutions

Evolution OF BORROWINGS FROM CREDIT ESTABLISHMENTS (Amount in K €)	Borrowing from credit institutions	Pre financing of the IRC
At 31 December 2021	**17,926**	**2,483**
(+) CIR pre financing	-	5,314
(-) Repayment	(3,779)	-
(-) PGE update	(7)	-
(-) Other movements	-	333
At 31 December 2022	**14,141**	**8,131**

Principal borrowings over the last two years

- **CIC**

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

- Duration: 60 months;
- Rate: 0.70%;
- Reimbursement: 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%;
- Reimbursement: 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.

- **Société Générale**

On 3 December 2020, Ateme benefited from a single disbursement 'Equipéa Optima' loan agreement with Société Générale for an amount of €4000k, the purpose of which is to partially finance the acquisition of Anevia, under the following conditions:

- Duration: 7 years;
- Rate: 1.49%;
- Reimbursement: 84 monthly payments;

Following the implementation of this banking agreement, the Company is subject to the following financial ratios:

- R1: Consolidated net financial debt/Consolidated Ebitda ≤ 3.5, for the years ended 31 December 2021 and 31 December 2022;
- R1: Consolidated net financial debt/Consolidated Ebitda ≤ 2.5, with fiscal years ending after 31 December 2022.

These ratios were respected at 31 December 2022.

- **Pre financing of the Research Tax Credit - RIC) / (Crédit d'Impôt Recherche - CIR)**

Since 2020, the company has pre financed its annual RIC for a total of €8.8M in redemption value. The debt relating to the RIC's pre financing is recorded as a loan net of collateral withholding and the RIC receivable is reconstituted as an asset. The average effective interest rate is between 3.65% and 4% over an average maturity of between 2.5 and 3 years as from the receipt of the debt.

Available credit lines

The Company benefits from the following available credit lines:

- Credit facility lines with its banking partners in the amount of €2M, used for €1M at 31 December 2022;

23.2 Financial liabilities on lease obligations

Evolution OF DEBT RELATING TO LOCATIVE BONDS (Amount in K €)	Financial debt - Transport equipment	Financial liabilities - Office equipment	Financial liabilities - Construction	Total
At 31 December 2021	**11**	**90**	**2,847**	**2 945**
(+) Increase	24	-	918	942
(-) Repayment	(3)	(25)	(754)	(782)
(+/-) Other	-	-	(79)	(79)
(+/-) Translation differences	-	-	(44)	(44)
At 31 December 2022	**32**	**65**	**2,888**	**2,982**

23.3 Redeemable advances

The table below shows the changes in repayable advances:

Change IN REDEMPTION AND SUBVENTIONS (Amounts in K €)	PTZI (Zero percent interest rate loan for innovation)	EIF	IA4SEC	Bpifrance Innovation	Anevia PTZI	Total
At 31 December 2021	**293**	**298**	**141**	**50**	**528**	**1,310**
(+) Borrowing	-	-	91	-	-	91
(-) Repayment	(300)	(200)	-	(50)	(220)	(770)
Subsidies	-	-	(2)	-	-	(2)
Financial expenses	7	2	1	-	14	25
At 31 December 2022	**-**	**100**	**231**	**-**	**323**	**655**

The Company did not receive a new repayable advance in 2022 as indicated in the schedule.

Repayable advances

The share of advances received with a maturity of more than one year is recorded as "Non-current financial liabilities"; while the share with maturity of less than one year is recorded as "Current financial liabilities".

In IFRS, the fact that the repayable advance does not include payment of an annual interest is to consider that the Company has benefited from a zero interest rate loan, which is more favourable than market conditions. The difference between the amount of the advance at the historical cost and that of the discounted advance at a market rate is considered to be a subsidy received from the State.

EIF (European Investment Fund) innovation loan

The Company has obtained an EIF innovation loan from Bpifrance for an amount of €1,000 thousand for soft expenses linked to the industrial and commercial launch of an innovation. This loan is repayable in 28 quarterly payments, the first 8 quarters of which are deferred to a fixed rate of 3.52%. The loan was collected in November 2015.

- This loan has been received under the PPI (Prêt pour innovation, or loan for innovation) fund for 30% of the principal.
- This loan was secured by 50% of the principal from the Innov Fin facility of the European Investment Fund.

The repayment value of the debt was €100k at 31 December 2022, compared with €300k at 31 December 2021.

Bpifrance zero percent interest rate loan for innovation ("PTZI")

The Company obtained a zero percent interest rate loan for innovation (PTZI) from Bpifrance on 1 October 2015 for the amount of €1,500 thousand, repayable in 20 straight-line quarterly payments starting on 30 September 2017.

The fair value of this advance was determined on the basis of the interest rate of the EIF's innovation loan, i.e. 3.52% per annum.

The Company obtained a zero percent interest rate innovation loan from Bpifrance of €500 thousand for the development of an HD HEVC contribution encoder. The repayment started on 31 March 2017, for a period of 5 years, with an annual payment of €100 thousand. The loan was received by the

Company on 16 May 2014. The fair value of this advance was determined on the basis of an estimated interest rate of 4.85% per annum. At 31 December 2022, the loans were fully repaid.

Anevia obtained a €1100k interest free loan from Bpi France Financement in June 2015. The share capital is to be repaid in 20 quarterly payment schedules 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 2022 was €330k, compared with €550k in 2021.
The fair value of this advance was determined on the basis of the average credit rate of the company on the basis of borrowings contracted from 2014 to 2017. The rate used is 5.33%.

Aid to the IA4SEC project
On 14 November 2019, the company obtained assistance on the IA4SEC project from Bpifrance in the amount of €709,049, which consists of a subsidy of €472,699 and a recoverable advance of €236,350.
The fair value of this advance was determined on the basis of the interest rate of the Bpifrance international growth loan, i.e. 1.24% per annum (TEG).
The advance will be paid in 4 tranches over 4 years according to the following schedule:

- €66,667 after signature of the contract;
- €78,276 as from 31/08/2020;
- €44,138 as from 31/08/2021;
- €47,269 as from 14/03/2022.

Repayment of the debt will begin on 31 March 2024, at the first euro of revenues unless the programme fails.

Note 24: Employee benefit obligations

French employees of the Company benefit from the pension plans provided for by law in France:

- obtaining retirement indemnities paid by the Company on retirement (defined benefit plan);
- payment of pensions by social security bodies, which are financed by contributions from businesses and employees (defined contribution plan).

Pension schemes, similar compensation and other social benefits which are analysed as defined benefit plans (scheme in which the Company undertakes to guarantee an amount or a defined benefit level) are recognised on the balance sheet on the basis of an actuarial valuation of the commitments at the balance sheet date, less the fair value of the related plan assets.
This evaluation 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, in "Other comprehensive income."
Payments by the Company for defined contribution plans are recognised as expenses in the income statement of the period to which they apply.
The Group's US employees are members of a 401k defined-contribution plan.
In a decision dated 20 April 2021, the IFRIC Committee considers that, since, on the one hand, no rights are acquired 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 recognized over the years conferring rights to employees at the time of departure.

The collective agreement does not meet these criteria and the change in assessment is not applicable.

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

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

ACTUARIAL ASSUMPTIONS	31/12/2022		31/12/2021	
	Management	Non-management	Management	Non-management
Retirement Age	Voluntary departure (65-67 years of age)			
Collective agreements	SYNTEC			
Discount rate	3.75%		1.25%	
Mortality Table	INSEE 2018		INSEE 2017	
Salary adjustment rates	3.00%		2.00%	
Turnover rate	Strong (see details below)			
Social security rate	47%	43%	47%	43%

The turnover rate was determined from a study carried out by INSEE on the entries and exits by age groups in correlation with the average turnover of the Company.

The rates used can be summarised as follows:

- From 20 to 30 years of age: declining rate from 18.30% to 10.90%
- From 30 to 40 years of age: declining rate from 10.90% to 6.30%
- From 40 to 50 years of age: declining rate from 6.30% to 4.20%
- From 50 to 60 years of age: declining rate from 4.20% to 1%
- From 60 to 67 years of age: declining rate from 1% to 0%

The provision for pension commitments has evolved as follows:

Amounts in €'000	**Pension commitments**
At 31 December 2021	**1,224**
Past service costs	173
Benefits paid	(14)
Financial costs	15
Actuarial gains and losses	(140)
At 31 December 2022	**1,259**

Note 25: Provisions

Provisions reflect liabilities arising from various litigation and risks, for which the date of resolution and the amount are uncertain, that the Company may face as part of its business.
A provision is recorded when the Company has an obligation to a third party resulting from a past event which is likely to result in an outflow of resources for the benefit of that third party, without consideration at least equivalent to its expected cash flow and that future cash outflows can be estimated reliably. The amount recognised in provision is the estimate of the expenditure required to extinguish the obligation, updated if necessary at the balance sheet date.

Provisions (amount in K €)	31/12/2022				
	Amount at the beginning of the period	Allocations	Reversals	Reversals of provisions that are no longer required	Amount at end of period
Provisions for charges	11	-	-	-	11
Provisions for litigation	30	-	-	-	30
Total provisions for risks and charges	**41**	**-**	**-**	**-**	**41**

Provisions (amount in K €)	31/12/2022				
	Amount at the beginning of the period	Allocations	Reversals	Reversals of provisions that are no longer required	Amount at end of period
Provisions for charges	11	-	-	-	11
Provisions for litigation	30	-	-	-	30
Total provisions for risks and charges	**41**	**-**	**-**	**-**	**41**

Litigation and liabilities

The Company may be involved in legal, administrative or regulatory proceedings in the normal course of its business. A provision is registered by the Company where there is sufficient probability that such disputes will cause costs to be borne by the Company.

Labour disputes

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

Note 26: Trade payables and other current liabilities

26.1. Trade payables

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

Trade Payables (Amounts in K €)	31/12/2022	31/12/2021
Trade payables	13,587	10,953
Uninvoiced payables	2,735	3,219
Total trade payables	**16,322**	**14,173**

26.2 Tax and social security liabilities

Tax and social liabilities are as follows:

Tax AND SOCIAL DEBT (Amounts in € k)	31/12/2022	31/12/2021
Staff and related accounts	3,215	2,518
Social security and other social organisations	2,851	2,508
Other taxes, levies and similar payments	508	702
Total tax and social liabilities	**6,574**	**5,728**

26.3 Other current liabilities

Other CURRENT LIABILITIES (Amounts in € k)	31/12/2022	31/12/2021
Advances and advance payments - returns, rebates, and discounts	279	285
Liabilities on fixed assets	24	139
Deferred income (1)	9,039	7,245
Corporate tax	51	-
Other liabilities	10	10
Directors' fees payable	36	45
Total other current liabilities	**9,438**	**7,723**

(1) BCPs are related to customer contract liabilities and are detailed in Note 3.

Note 27: Analysis of changes in WCR

ANALYSIS OF CHANGES IN WCR (amounts in €'000)	31/12/22	31/12/21	Change 31/12/22	Translation differences	Change in WCR
Inventory (net of inventory impairment)	10,005	6,558	(3,447)	(105)	(3,551)
Trade receivables (net of impairment of trade receivables)	37,409	32,289	(5,120)	(306)	(5,426)
Other current receivables	19,476	12,548	(6,927)	(11)	(6,939
Trade payables	(16,322)	(14,173)	2 150	198	2,348
Tax and social liabilities	(6,574)	(5,728)	846	15	860
Other current liabilities	(9,402)	(7,723)	1,679	55	1,734
	34,593	**23,771**	**(10,820)**	**(154)**	**(10,974)**

Note 28: Related parties

28.1 Related party transactions

None

28.2 Executive compensation

No post-employment benefit is 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	31/12/2022	31/12/2021
Fixed compensation	175	175
Annual variable compensation	176	108
Exceptional compensation	0	0
Attendance fees	62	55
Share based payments (1)	0	48
TOTAL	**413**	**386**

(1) Value of the shares at the time of their allocation as adopted in accordance with IFRS 2 before spreading the expense over the vesting period.

The methods for allocating variable compensation are based on performance criteria.
The methods used to measure the benefit related to share based payments are presented in Note 22.

Note 29: Off balance sheet commitments

29.1 Lease agreement

Future minimum payments under the various types of contracts are detailed below by maturity:

Commitment in respect of rental expenses Amounts in €'000	**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
Commercial leases	769	2,307	306
Finance leases	10	21	-
Other			
Total	**779**	**2,328**	**306**

29.2 Obligation under other contracts

Having outsourced several important functions (production), the Company is required, as part of current operations, to enter into subcontracting contracts with different third parties, in France and abroad, which contain various customary obligations in these circumstances.
The contracts or specifications shall also determine the conditions for the validation of manufacturing processes, control procedures, treatment of non-compliant products and intellectual property rights. No reciprocal commitment shall be binding on the Company and its subcontractors in terms of quantity or production capacity.

29.3 Other financial commitments

Letters of credit and documentary collections
The Company may put in place letters of credit or documentary collections on certain markets.
There were no documentary loans outstanding at 31 December 2022.

Commercial pledge

- July 2015: Pledge of business assets of Ateme SA of €667k to Société Générale. This pledge is subject to a counter-guarantee by Bpifrance for 60%.
- October 2015: Pledge of business assets of Ateme SA of €600k to Hsbc. This pledge is subject to a counter-guarantee by Bpifrance for 50%.
- July 2017: Pledge of business assets of Ateme SA of €805k to Société Générale. This pledge is subject to a counter-guarantee by Bpifrance for 50%.
- July 2017: Pledge of business assets of Ateme SA of €600k to Hsbc. This pledge is subject to a counter-guarantee by Bpifrance for 40%.
- November 2017: Pledge of business assets of Ateme SA of €600k to Hsbc. This pledge is subject to a counter-guarantee by Bpifrance for 40%.
- September 2019: Pledge of business assets of Ateme SA for €1150k to Banque Palatine. This pledge is subject to a counter-guarantee by Bpifrance for 40%.

Signed commitment undertaken by Société Générale

Société Générale has undertaken a financial guarantee amounting to €80 thousand in favour of Société Internationales Immobilien Institut GMBH for the lease of offices located in Vélizy-Villacoublay.

Société Générale has taken out a financial guarantee in the amount of €38 thousand in favour of SCI Novalis for the lease of offices located in Rennes.

SOCIETE Generale has taken out various guarantees for customer projects:

- Tender bonds response calls for tenders for €13k
- Performance bonds for €275k

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. The loan will be repaid over a period of 60 months including a 12 month deferral.

In May 2021, Ateme obtained a third 12 month loan of 2 million euros from HSBC Continental Europe to finance its operating cycle. In November 2022, the Company requested the amortisation option to request repayment within 5 years from January 2024.

All of its loans are covered by the State Guarantee in the amount of 90% for the benefit of the issuing banks.

Note 30: Financial risk management and assessment

Ateme may be exposed to various types of financial risks: Market risk, credit risk and liquidity risk. Where appropriate, Ateme uses simple means proportionate to its size 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 includes term deposits,
- no variable rate debt has been taken on.

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 established policies to ensure that its clients have an appropriate credit risk history.

Currency risk

The main risks associated with foreign exchange impacts of sales and purchases carried out in foreign currency mainly concern sales of goods and expenses in US dollars and the financing of subsidiaries in their local currencies.
The Company has not, at its development stage, made a hedging provision to protect its business against fluctuations in exchange rates. On the other hand, the Company cannot exclude that a significant increase in its business could force it to have greater exposure to currency risk. The Company will then consider using a suitable hedging policy to cover these risks.

Equity risk

The Company does not hold investments or marketable securities on a regulated market.

Note 31: Statutory Auditors' fees

STATUTORY AUDITORS' FEES (Amounts in €'000)	Fiscal year 2022				Fiscal year 2021			
	Ernst & Young		BL2A		Ernst & Young		BL2A	
	Amount excluding tax	%	Amount excluding tax	%	Amount excluding tax	%	Amount excluding tax	%
Certification of individual and consolidated financial statements	127	84%	69	87%	91	88%	85	93%
Services other than certification of the financial statements*	25	16%	10	13%	12	12%	6	7%
Total fees	**152**	**100**	**79**	**100%**	**103**	**100%**	**91**	**100%**

* Fees related to services other than the certification of the financial statements concern fees related to the completion of certificates and the review of ESEF reporting.

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5. Parent company financial statements of Ateme SA for the year ended 31 December 2022

Balance sheet	Notes	31/12/2022 in €'000	31/12/2021 in €'000
ASSETS			
Intangible assets	2.1	21,898	304
Property, plant and equipment	2.1	3,340	2,503
Investments and other non-current assets	2.1	2,146	22,398
Total non-current assets		**27,384**	**25,205**
Inventories and work-in-progress	2.2	7,166	4,474
Trade receivables	2.3	36,485	29,352
Other receivables	2.3	18,074	11,689
Prepaid expenses	4.4.1	1,890	1,422
Cash and cash equivalents		2,613	8,979
Total current assets		**66,227**	**55,916**
Accruals - assets		1,416	252
Total Assets		**95,028**	**81,373**
LIABILITIES			
Equity			
Share capital	2.4	1,579	1,571
Issue and transfer premiums		26,629	26,600
Other reserves and retained earnings		11,562	5,108
Income for the financial year		1,429	6,453
Equity		**41,199**	**39,733**
Provisions for risks and charges	2.5	827	94
Borrowings from credit institutions	2.6	15,854	16,965
Other borrowings, group and associates		10,047	3,679
Advances and prepayments received on orders		271	316
Trade payables		14,350	11,591
Tax and social liabilities		6,017	3,686
Deferred income	4.4.2	5,614	4,729
Accruals - liabilities		849	581
Total Liabilities		**95,028**	**81,373**

Income statement	Notes	31/12/2022 in €'000	31/12/2021 in €'000
Sales revenue	3.1	79,009	63,983
Other operating income		7,388	4,197
Total operating income		**86,397**	**68,180**
Purchases and changes in inventories		20,846	17,093
Other purchases and external charges		29,793	22,628
Other taxes, levies and similar payments		1,258	1,179
Staff expenses		33,338	21,368
Operating expenses		3,917	2,205
Other operating expenses		2,135	909
Total operating expenses		**91,288**	**65,383**
Operating income (loss)		**(4,891)**	**2,797**
Financial income	3.2	2,236	1,314
Financial expenses	3.2	(1,744)	(1,524)
Financial income (expense)		**491**	**(210)**
Income before tax		**(4,400)**	**2,587**
Extraordinary income	3.3	79	14
Extraordinary expenses	3.3	(72)	0
Extraordinary income (expense)		**7**	**14**
Research tax credit (Crédit d'Impôt Recherche - CIR)		5,822	3,852
Employee profit sharing			0
Income taxes			0
Net income for the financial year		**1,429**	**6,453**

1. Accounting principles and significant events of the financial year

1.1 Accounting principles

General accounting principles have been applied in accordance with the French General Chart of Accounts (C. Com. R.123-80 and PCG Art. 831-1 §1), in accordance with the prudence principle, as provided for in the general rules for the preparation and presentation of the annual financial statements, and with the following basic assumptions
Business continuity,
Consistency of accounting policies from one financial year to the next,
Independence of the 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 expenditure is recorded as an expense
Share capital increase costs are offset against additional paid-in capital

Retirement indemnities are not recognised in Ateme's parent company financial statements but are subject to an assessment, the assumptions of which are detailed in Note 4.7.2.

1.2 Business continuity

The assumption of going concern over the next 12 months from 31 December 2022 has been adopted by the Board of Directors on the basis of available cash and revised revenue and gross margin growth assumptions.

1.3 Significant events of the year

Transfer of assets and liabilities between Ateme SA and Anevia
as of January 1, 2022, a single transfer of assets and liabilities (TUP) was made between Anevia SA and Ateme SA, generating a merger loss of €22,452k, of which €7,830k was allocated to Telco technology amortised over a 11 year period. Anevia has been delisted since January 1, 2022.

Liquidation of the Japanese subsidiary
The Japanese subsidiary inactive since 2010 was liquidated in December 2022. The impact is not material in Ateme's financial statements, as the subsidiary's securities and current account are provisioned.
On 11 January 2022, Ateme announced that Canal + launched one of the first global low latency OTT streaming deployments on AppleTV 4 K, thanks to Ateme's NEA solution.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and Ateme, the leading provider of video broadcasting solutions for broadcast, cable television, DTH, IPTV and OTT, announced today that they have worked together to add Ateme's BISS CA standard to Globecast's advanced security options arsenal. Given the central role of content security in the sector, this is an important addition.

On 10 March 2022, SBTVD announced that it has chosen TITAN Live to select VVC as the mandatory video encoding system for Brazil's new TV 3.0 standard, which will be used for next generation digital terrestrial television.

On 22 March 2022, Ateme announced that it had implemented live streaming in 4 K UHD with Dolby Audio™ for Mola TV, an Indonesian subscription video on demand and over the top video streaming platform.

On 29 March 2022, Ateme announces that it has enabled Solbox, Korea's market leader in CDN and cloud computing solutions, to build a private cloud Vod transcoding platform for OTT service providers.

On 12 April 2022, Ateme revealed that it had enabled China Sports Media, a leader in the sport industry, selected by the Beijing Olympic Committee for the presentation of sports, to offer a multi stage viewing experience to the participants of the recent Olympic Winter Games.

On 21 April 2022 , Ateme announced the establishment of a Strategic Advisory Committee composed of five recognised industry personalities holding key positions in major media and entertainment groups.

On 27 May 2022, Ateme propelled Tivify's low latency streaming, based on the Common Media Application (CMAF), to the UEFA Champions League final using Ateme's latest TITAN transcoding solutions.

On 31 May 2022, Ateme virtualised the network head of MyTV, a subsidiary of Vietnam's second largest telecommunications operator. This project is a first step in the complete migration of MyTV's OTT platform to a private cloud.

On 31 May 2022, on May 28, Ateme released the final of the UEFA Champions League in its immersive Dolby Atmos and Dolby Vision in partnership with Ateme and Canal + on MyCanal.

On 1 June 2022, at the 2022 Roland Garros, France Télévisions and its technical partners, including Ateme, tested new distribution methods, both in Broadcast and multicast mode thanks to 5G.

On 26 July 2022, Ateme announced that it was presenting its solutions to provide a high level of experience and reduce CO2 emissions at IBC 2022, which takes place from September 9 to September 12.

On 1 August, 2022, Ateme announced a partnership with ENENSYS to offer an ATSC 3.0-in a-box solution for WCRN Boston. The linear television service NextGen TV will also offer unlimited encrypted broadcasting services to companies and first responders in emergency services.

On 2 August 2022, Ateme carried out with Eurovision Services the first test of the enhanced features of the BISS CA encryption standard allowing content owners to grant conditional access to individual audio feeds.

On 16 August 2022, Ateme strengthened its leadership position in video flow solutions with a series of demonstrations of new technology at the SET Expo in Sao Paulo from August 23 to 25.

On 25 August 2022, Ateme announced that it was presenting its Future Zone at IBC 2022. Visitors will see a demo on the cloud gaming platform of Blacknut streaming games, and another on the immersive 3D video of the startup Metaverse Vimmerse.

On 1 September 2022, Ateme launched Ateme + Software as a Service. The service makes Ateme award winning video processing solutions available in a more agile business model, bringing transformative capabilities and cloud based benefits to Ateme customers around the world.

On 6 September 2022, Ateme and Viaccess Orca (VO) - the world leader in OTT and TV platforms, content protection and advanced data solutions, announced their partnership to offer a new service that simplifies the creation of Vod to live channels and personalised live channels with targeted advertising.

On 13 October 2022 , Ateme announced that Ooreedoo, a leader in international communications, has commissioned an IPTV/OTT convergent network head equipped with Ateme's TITAN encoders.

On 8 November 2022, Ateme announced the roll out of its TITAN encoding solution for Antina Televisión, a pay digital terrestrial HD television operator in Argentina and market leader in several locations in the Buenos Aires metropolitan area.

On 2 December 2022, Ateme announced it had won the prestigious IABM BAM Award ® 2022 in the Publish category for its 5G streaming solution, which unlocks 5G's potential to provide high quality, low latency streaming to any device. The award ceremony took place on 1 December at Park Plaza Victoria Hotel in London.

On 13 December 2022, Ateme announced that it had provided Globo, the Brazilian media company, with KYRION encoding solutions for new low latency immersive audio codecs. These solutions enabled Globo to offer viewers a new sound experience during all World Cup matches in Qatar.

On 20 December 2022, Ateme reported that streaming service providers experienced exceptional traffic demand on their video networks during the World Cup, as millions of viewers gathered to follow their teams throughout the tournament. On average, Ateme's CDN (content delivery network) customers saw peak traffic increase by 116% compared to usual video consumption, confirming the movement of viewers to more online supports and OTT

Press releases are available at www.ateme.com

1.4 Impacts of international crises on the financial statements at 31 December 2022

Impact of pandemic, global semiconductor shortage and war in Ukraine

As restrictions on most international travel have now been lifted, trade fairs and customer meetings are gradually normalising.

Semiconductor production is still subject to tensions affecting all major server manufacturers, including partners such as Dell and HPE, and the production of Ateme's Kyrion product range. Although efforts to build up a stock have mitigated its impact, the situation resulted in the loss or postponement of business for approximately euros500000.
In addition, Ateme discontinued its activities in Russia and Belarus. The impact on revenue for the year was approximately € 1 million.

2. Notes to the balance sheet items

2.1 Fixed assets

2.1.1 Intangible Assets

Intangible assets consist of software and licenses. They are measured at cost or production cost.

GROSS VALUES OF INTANGIBLE ASSETS (Amounts in €'000)	Gross value at the beginning of the financial year	TUP Anevia	Acquisition or creation	Disposals	Reclassification	Gross value at the end of the financial year
Commercial fund		14,622				14,622
Telco technology confusion loss		7,830				7,830
Other intangible assets	1,760	7	148	36		1,879
Total intangible assets	**1,760**	**22,459**	**148**	**36**	**0**	**24,331**

DEPRECIATION (Amounts in €'000)	Total amort beginning year	TUP Anevia	Charge to financial year	Amort . related to outings	Total amort year end	Net Value at the end of the financial year
Commercial fund						14,622
Telco technology confusion loss			712		712	7,118
Other intangible assets	1,455	4	262		1,721	158
Total amort. Intangible Assets	**1,455**	**4**	**974**	**0**	**2,433**	**21,898**

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 expenses are expensed.

As mentioned above, Anevia SA and Ateme SA carried out a single transfer of assets and liabilities on 1 January 2022, generating a merger loss of €22,452k, of which €7,830k was allocated to Telco technology amortised over a 11 year period.
Anevia has been delisted since January 1, 2022.

These intangible assets are tested for impairment in the event of an indication of impairment 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 less costs to sell and value in use. In accordance with this principle, no impairment was recognised at 31 December 2022.

2.1.2 Property, Plant And Equipment

Property, plant and equipment are valued at acquisition cost (purchase price and incidental expenses) or at their cost of production by the Company. Depreciation is calculated based on the estimated useful life of the assets.

Property, plant and equipment are depreciated on a straight line basis over the following periods:
Furniture 10 years
Fixtures and fittings 9 years

Tools/Instruments 6 years
Office equipment 4 years
Hardware 3 years

Statement of Non-current Assets and Depreciation

GROSS VALUES OF PROPERTY, PLANT AND EQUIPMENT (Amounts in €'000)	**Gross value at the beginning of the financial year**	**TUP Anevia**	**Acquisition or creation**	**Disposals**	**Reclassification**	**Gross value at the end of the financial year**
Install. Techn. MAT. & Tools	279	569	0	0	-171	677
Fixtures and fittings	1,304	48	284	47	5	1,594
Transport equipment	7		0	0		7
MAT. Office, It & Furniture	8,978	698	1,690	151	181	11,396
Property, plant and equipment in progress	15		0	0	-15	0
Total property, plant and equipment	**10,583**	**1,315**	**1,974**	**198**	**0**	**13,674**

DEPRECIATION (Amounts in €'000)	**Accumulated depreciation at the beginning of the financial year**	**TUP Anevia**	**Allocations for the financial year**	**Amortisation related to disposals**	**Reclassification**	**Accumulated depreciation at the end of the financial year**	**Ne value year e**
Install. Techn. MAT. & Tools	110	378	99	0	-171	416	2
Fixtures and fittings	625	39	166	39		790	8
Transport equipment	7		0	0		7	
MAT. Office, It & Furniture	7,338	659	1,103	151	171	9,120	2,2
Property, plant and equipment in progress	0		0	0		0	
Total amort. Property, plant and equipment	**8,080**	**1,076**	**1,368**	**190**	**0**	**10,334**	**3,3**

2.1.3 Financial Assets

Financial assets consist of shares in subsidiaries and affiliates, loans and other assets.

Investments in subsidiaries and affiliates are recognised at their acquisition date at their subscription or contribution price. Their recoverable amount is assessed at the end of each financial year. The latter is determined according to the share of the net assets. If the recoverable amount is less than the carrying amount, an impairment loss shall be recognised

Equity investments represented a total of €298k before provisions, broken down as follows:
- Equity interests in Ateme Canada Inc €0.65
- Equity interests in Ateme Inc (USA) €263974.75
- Equity interests in Ateme Singapore €33602.72
- Investments in Ateme Australia €61.65

The decrease in equity interests is due to the universal transfer of assets between Ateme and Anevia and the liquidation of the Japanese subsidiary.

The loans granted in the amount of €457k relate to employer contributions to the construction effort.

Other Financial Assets for a total of €391k correspond to various guarantees:
- Deposits and guarantees €282k
- Retained earnings in connection with the pre financing of the CIR €812k
- Retention of collateral for Bpifrance loans €200k
- Other non current assets €96k

2.2 Inventories and work in progress

Inventory is valued using the weighted average unit cost method.
Inventory is recorded at the cost of purchase or net realisable value, if this value is lower.
In the latter case, the impairment is recognised in profit or loss.

Composition of inventory
The inventory of raw materials consists mainly of electronic components used for the manufacture of Kyrion products.
Work-in-progress is individually identified by project codes that are linked to each outstanding client order. They consist of design costs (engineering hours) and material costs.
Inventory of goods is mainly composed of finished products (encoders, decoders, transcoders and third-party equipment) and electronic components.
The provision for impairment of inventories relates to components or merchandise that are subject to internal lending, testing or repair. Components or goods whose technological advances are beginning to render inventories obsolete or with little or no movements during the financial year are scrapped.

INVENTORY	31/12/2022	31/12/2021
(Amounts in €'000)		
Inventory of raw materials	299	192
Provisions for component inventory	(9)	(14)
Total raw materials	291	**178**
Inventory of goods	6,300	3,710
Provision for inventory of cards	(153)	(191)
Goods for resale	6,147	**3,518**
Production work-in-progress Goods		778
Production work-in-progress	728	**778**
Total Inventory	**7,166**	**4,474**

2.3 Receivables

2.3.1 Customers invoices to be issued

The total amount of invoices to be issued at 31 December 2022 was €2393k.

2.3.2 Provisions for impairment of trade receivables

The provision for impairment of trade receivables is established on a case by case basis according to the estimated risk of non recovery. It is supplemented by a provision based on a statistical analysis. The provision for impairment of trade receivables amounted to €712k, compared with €663k at 31 December 2021.

2.3.3 Other receivables

Valuation and follow-up on the Research tax credit (Crédit d'Impôt Recherche - CIR) and Innovation tax credit (Crédit d'Impôt Innovation - CII)

The CIR relates to research projects for algorithms, software and designs for video encoding technologies to advance the state of the art.
The CII relates to projects for the design of prototypes showing superior technical, functionality, ergonomics or eco-design performance compared to products marketed by competitors at the start of the works.
Individual project codes are used to monitor the work time of engineers. Hours are valued on the basis of the individual salaries of the engineers involved.
The Cif receivables break down as follows:

- Cir Ateme 2022 for €5822k
- Cir Ateme 2021 for €3852k
- Cir Ateme 2020 for €3082k
- Cir Anevia (as part of the 2021 tax consolidation) for €1452k

€14208k

No CII was reported for 2022.

Other receivables
Details of other receivables and their due dates are provided in Note 4.1.

2.3.4 Provisions for impairment of other receivables

Other receivables are subject to a provision of €940k to cover advances and loans granted to subsidiaries according to their ability to repay at the closing date (see 4.5).

2.4 Shareholders' Equity

2.4.1 Share Capital

The share capital is set at €1579344. It is divided into 11,281,027 fully subscribed and paid ordinary shares with a nominal amount of €0.14.
This number is understood to exclude Stock Options (SOs) granted to certain individuals of the Group.

SHARE CAPITAL	31/12/2022	31/12/2021
Share capital	1,579,344	1,571,364
Number of shares	11,281,027	11,224,027
of which Ordinary shares	11,281,027	11,224,027
Nominal value (in €)	**0.14**	**0.14**

In 2022, 3,000 warrants or stock options were exercised, 54,000 free shares were vested and 57,000 new shares were issued.

Statement of changes in equity

Statement of changes in equity 2022 (K €)

Shareholders' equity at the beginning of	**39,733**
Share capital increase	8
Increase in share issue premiums	30
Profit or loss for the financial year	1,429
Shareholders' equity at the end of the	**41,199**

Shareholders' equity is equal to €41199k

2.5 Provision for risks and charges

Provisions for risks and charges are recognised when the Group has an obligation towards a third party and it is probable or certain that this obligation will result in an outflow of economic resources without any inflow of economic resources of at least an equivalent value being expected in return.
Litigation and liabilities
The Company may be involved in legal, administrative or regulatory proceedings in the normal course of its business. A provision is registered by the Company where there is sufficient probability that such disputes will cause costs to be borne by the Company.
Labour disputes
The amounts provisioned are assessed on a case-by-case basis based on the estimated risks incurred by the Company on the basis of requests, legal obligations and lawyers' positions.

Provisions (Amounts in K €)	**31/12/2022**				
	Amount at the beginning of the financial year	**Allocations**	**Reversals with purpose**	**Reversals of provisions that are no longer required**	**Amount at the end of the financial year**
Provisions for litigation	30	0	0	0	30
Provisions for foreign exchange losses	53	785	53	0	785
Provisions for charges	11	0	0	0	11
Total provisions for risks and charges	**94**	**785**	**53**	**0**	**827**

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 is a financial debt. Expenses and interest are recorded as deferred expenses and spread over the term of the financing.

Other liabilities
Details of other liabilities and their maturity are provided 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 at the closing date, with a corresponding translation adjustment account in the balance sheet.
Provisions are set aside for unrealised foreign exchange losses.

At 31 December 2022, unrealised foreign exchange losses amounted to €785k and resulted in the recognition of a provision for foreign exchange losses of the same amount.
Unrealised foreign exchange losses amounted to €849k.

Currency rate for one euro	**Closing rate**	**Average Rate**
AUD Australian dollar	1.575300	1.516898
CAD Canadian dollar	1.449900	1.516491
SGD Singapore Dollar	1.437200	1.464777
USD US dollar	1.072040	1.050496

3. Notes to the Income Statement

3.1 Breakdown of revenue

BREAKDOWN OF SALES REVENUE	France	Export	Total
(amounts in €'000)			
Production sold	6,609	72,400	79,009
NET SALES REVENUE	**6,609**	**72,400**	**79,009**

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

The recognition of software revenue comes from the electronic transmission of the licence key for the professional video compression solution.
Revenue from goods is recognised on the basis of incoterms, which are usually
Ex Works and occasionally Delivered Duty Paid for certain clients. In the latter case, sales revenue is recognised when the goods are received by the client.

Recognition of income from maintenance contracts is recognised on a straight-line basis over the term of the contract.

3.2 Financial income and expenses

Net financial income amounted to €491k. It mainly consists of changes in financial provisions (hedging of subsidiaries' current account advances, including the loss on the Japanese subsidiary's current account and the corresponding reversal of the provision) exchange differences on foreign currency bank accounts and financial expenses relating to borrowings.

3.3 Exceptional income and expenses

Exceptional income and expenses include transactions that are not related to the company's current operations. Exceptional items amounted to €7k.

4. Other Information

4.1 Maturity of receivables

Statement OF RECEIVABLES (Amounts in K €)	**Gross amount**	**-1 year**	**+1 year**
Loans and advances to subsidiaries and affiliates	**0**	**0**	**0**
Other loans ("1% logement" French housing loan programme)	**457**	**0**	**457**
Investments and other non-current assets	**1,392**	**0**	**1,392**
Trade receivables	**37,197**	**37,197**	**0**
Employees	33	33	0
Social security bodies	8	8	0
Is - Research tax credit	14,371	0	14,371
VAT	1,807	1,807	0
Subsidies receivable	627	627	0
Group	1,982	1,982	0
Sundry debtors	26	26	0
Total other receivables, advances and prepayments	**18,855**	**4,483**	**14,371**
Prepaid expenses	**1,890**	**1,890**	**0**
TOTAL	**59,791**	**43,571**	**16,220**

4.2 Maturity of debt

4.2.1 Detailed list of borrowings (€ K)

BORROWINGS AND FINANCIAL DEBTS

(Amounts in €'000)

	Name of institution		Due at 31/12/22			
			up to 1 year	from 1 to 5 years	over 5 years	Total payable
Up to 1 year originally	Banks		1,025			1,025
	Accrued interest payable		18	0	0	18
		A	**1,042**	**0**	**0**	**1,042**

	Name of institution		Due at 31/12/22			
			up to 1 year	from 1 to 5 years	More than 5 years	Total payable
	Recoverable advances on Subsidies		0	236	0	236
	PI-FEI with BPI France (€1,000 thousand)		100	0	0	100
	BPI France loan (€1,000 thousand)		200	350	0	550
	BPI France loan (€1,000 thousand)		200	450	0	650
	BPI France DOS0094025/00 loan (€1,000 thousand)		200	550	0	750
	BPI loan France DOS0110973/00 (€4,000k)		1,000	1,500	0	2,500
	Anevia IRB loans (€500k) + (€1,100k)		220	110	0	330
	Anevia IRB loan (€900k)		180	45	0	225
	Anevia IRB loan (€500k)		100	150	0	250
due in more than 1 year at inception	PGE CIC loan (€1000k)		123	877	0	1,000
	Banque Palatine loan (€1,000k)		203	154	0	356
	HSBC loan of 20/07/2017		17	0	0	17
	HSBC loan of 14/11/2017		42	0	0	42
	Hsbc (PGE) loan of 22/12/2021		0	2,000	0	2,000
	SG loan of 09/06/2017		102	105	0	207
	SG loan of 01/10/2018		19	7	0	26
	SG (PGE) loan of 14/04/2020		799	1,874	0	2,673
	SG (Equipéa) loan of 11/12/2020		563	2,337	0	2,899
		B	**4,068**	**10,743**	**0**	**14,812**
Total borrowings and financial debts		**A + B**	**5,110**	**10,743**	**0**	**15,854**

In November 2022, the HSBC PGE of €2M was the subject of an amendment to activate the depreciation option (repayment within 5 years with 1 year deferred).

The company did not take out any new loans during the year. Loans transferred under the universal transfer of assets and liabilities amounted to €2,330k. Repayments of borrowings amounted to €4,549k. The company received a repayable advance of €91k during the year.

Following the implementation of the SG Equipéa loan at the end of 2020, the Company is subject to the following financial ratios:

R1: Consolidated net financial debt/Consolidated Ebitda ≤ 3.5, for the years ended 31 December 2021 and 31 December 2022;
R1: Consolidated net financial debt/Consolidated Ebitda ≤ 2.5, with fiscal years ending after 31 December 2022.

This ratio was respected at year end 2022.

4.2.2 List of other liabilities (€ K)

Other DEBT (Amounts in K €)		**up to 1 year**	**from 1 to 5 years**	**more than 5 years**	**Total payable**
Trade payables	**C**	**14,350**	**0**	**0**	**14,350**
Staff and related accounts		2,960	0	0	2,960
Social security and other social organisations		2,851	0	0	2,851
Income taxes		0	0	0	0
Value added tax		35	0	0	35
Other taxes		145	0	0	145
Debts on property, plant and equipment and related accounts		24	0	0	24
Group and associates (tax consolidation)		528	0	0	528
Other borrowings		0	9,519	0	9,519
Other liabilities		272	0	0	272
Total Tax and social liabilities, and other	**D**	**6,816**	**9,519**	**0**	**16,334**
Deferred income	**E**	**5,614**	**0**	**0**	**5,614**
Total other liabilities	**C + D + E**	**26,780**	**9,519**	**0**	**36,299**

Other borrowings and financial debts concern the mobilisation of CIR's receivables.

4.3 Off balance sheet financial commitments

Commitments given:

- Commitments relating to real estate lease payments

The amount of rents recognised at the end of 2022 and the commitments up to the next firm commitment period break down as follows:

Property leases	Expenses at 31/12/2022	Up to 1 year	From 1 to 5 years	Over 5 years
Operating leases - Minimum future payments	741	708	821	0
TOTAL €'000	741	708	821	0

- Lease commitments

Royalties Crédit Bail	Royalties paid at 31/12/22		Fees payable at 31/12/22			
	for the financial year	cumulative	up to 1 year	from 1 to 5 years	over 5 years	Total payable
Total €'000	**46**	**236**	**0**	**0**	**0**	**0**

Assets subject to finance leases concern computer equipment.

- Commercial pledge

- July 2015: Pledge of business assets of Ateme SA of €667k to Société Générale. This pledge is subject to a counter-guarantee by Bpifrance for 60%.
- October 2015: Pledge of business assets of Ateme SA of €600k to Hsbc. This pledge is subject to a counter-guarantee by Bpifrance for 50%.
- July 2017: Pledge of business assets of Ateme SA of €805k to Société Générale. This pledge is subject to a counter-guarantee by Bpifrance for 50%.
- July 2017: Pledge of business assets of Ateme SA of €600k to Hsbc. This pledge is subject to a counter-guarantee by Bpifrance for 40%.
- November 2017: Pledge of business assets of Ateme SA of €600k to Hsbc. This pledge is subject to a counter-guarantee by Bpifrance for 40%.
- September 2019: Pledge of business assets of Ateme SA for €1150k to Banque Palatine. This pledge is subject to a counter-guarantee by Bpifrance for 40%.

- Signed commitment undertaken by Société Générale

Société Générale has undertaken a financial guarantee amounting to €80 thousand in favour of Société Internationales Immobilien Institut GMBH for the lease of offices located in Vélizy-Villacoublay.

Société Générale has taken out a financial guarantee in the amount of €38 thousand in favour of SCI Novalis for the lease of offices located in Rennes.

SOCIETE Generale has taken out various guarantees for customer projects:

- Tender bonds response calls for tenders for € 10 K
- Performance bonds for €272k

- Retention deposits for €12k

4.4 Details of accrued income

4.4.1 Prepaid and deferred expenses

Prepaid expenses amounted to €1890k at 31 December 2022 and break down as follows:

(amounts in €'000)	
Maintenance contract	505
Software in SAAS mode	353
Component purchases	255
Research and services	201
Rent and expenses	196
Conferences	174
Miscellaneous	207
Total	**1,890**

Deferred charges amount to €631k and correspond to the spreading of financial expenses relating to the mobilisation of RCIs.

4.4.2 Deferred income

Income recognised at 31 December 2022 amounted to €5614k relating to maintenance contracts.

4.5 Subsidiaries

Ateme Canada Inc

Sales and 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 compensation based on monthly expenses plus a fixed margin of 5%.

In addition, Ateme SA and Ateme Canada Inc have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Canada Inc if necessary.

Ateme Inc (USA)

Sales 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 have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Inc if necessary.

Ateme Singapore Pte Ltd

Sales and marketing subsidiary based in Singapore, created 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 compensation 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

A sales and marketing subsidiary based in Australia, created in November 2018. It is 100% owned by Ateme SA.
Ateme SA and Ateme Autralia have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Australia if necessary.

The current account advances granted to subsidiaries to cover the deficit are provisioned at 100% in Ateme SA (financial provisions).

Ateme UK

Subsidiary registered on 2 November 2022. No activity in 2022.

Subsidiaries and participating interests in €'000

Financial information in €'000 Subsidiaries and participating interests	Share capital	Reserves and retained earnings before appropriation of income	Share of capital held (as a %)	Carrying amount of shares held		Outstanding loans and advances made by the Company	Guarantees and endorsements given by the Company	Sales revenue (excluding VAT) for the last financial year (12 months)	Results (profit or loss for the last financial year ended (12 months)	Dividends received by the Company during the financial year
				Gross	Net					
Ateme Canada Inc	0	-79	100%	0	0	0	0	914	44	0
615 bd René-Lévesque Ouest										
Montreal, Quebec, CANADA										
Ateme Inc	329	322	100%	264	264	909	0	24,271	439	0
750 W. Hampden Ave., Suite 290										
Englewood, CO 80110, USA										
Ateme Singapore Ldt Pte	35	229	100%	34	34	0	0	4,672	317	0
152 Beach Road										
Singapore 189721										
Ateme Australia Ldt Pty	0	-812	100%	0	0	1,073	0	1,324	-266	0
Suite 402, Level 4, 44 Miller Street, North										
Sydney NSW 2060, Australia										
Ateme UK	0	0	0	0	0	0	0	0	0	0

4.6 Tax loss carryforwards

Ateme SA's tax loss carryforwards amounted to € 55.7 million at the end of this fiscal year. These tax losses can be carried forward indefinitely under current tax legislation.

Tax consolidation

Ateme SA benefited from the tax consolidation regime in 2021 following the consolidation of Anevia SA.
The tax consolidation agreement provides that the tax expense or, where applicable, the tax saving (tax loss carryforwards, etc.) resulting from this regime is the responsibility of the head company of the tax consolidation group.
As of 1 January 2022, a single transfer of assets and liabilities (TUP) between Anevia SA and Ateme SA was completed. Anevia has been delisted since 1 January 2022.

4.7 Headcount

4.7.1 Average headcount of Ateme SA staff in 2022: 277 people

4.7.2 Calculation of the retirement benefit

The amount of the off balance sheet commitment in respect of the IDRs was €1259k at 31 December 2022, compared with €1224k at 31 December 2021.

The commitment is evaluated in accordance with ANC recommendation 2013-02 (method 1).

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

ACTUARIAL ASSUMPTIONS	31/12/2022		31/12/2021	
	Management	Non-management	Management	Non-management
Retirement Age	Voluntary departure (65-67 years of age)			
Collective agreements	SYNTEC			
Discount rate	3.75%		1.25%	
Mortality Table	INSEE 2018		INSEE 2017	
Salary adjustment rates	3.00%		2.00%	
Turnover rate	Strong (see details below)			
Social security rate	47%	43%	47%	43%

The turnover rate was determined from a study carried out by INSEE on the entries and exits by age groups in correlation with the average turnover of the Company.

The rates used can be summarised as follows:

- 20 to 30 years: Declining rate from 18.30% to 10.90%
- From 30 to 40 years of age: declining rate from 10.90% to 6.30%
- From 40 to 50 years of age: declining rate from 6.30% to 4.20%
- From 50 to 60 years of age: declining rate from 4.20% to 1%
- 60 to 67 years: Declining rate from 1% to 0%

4.9 Managers and Directors

The compensation paid to members of the Board of Directors is analysed as follows (in €'000):

Compensation of corporate officers	31/12/2022
Fixed compensation	175
Annual variable compensation	176
Exceptional compensation	0
Attendance fees	62
TOTAL	**413**

No advances or loans have been granted to corporate officers, no pension commitments have been entered into for their benefit.

4.10 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 various types of financial risks: Market risk, credit risk and liquidity risk. Where appropriate, Ateme uses simple means proportionate to its size 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 includes term deposits,
- no variable rate debt has been taken on.

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 established policies to ensure that its clients have an appropriate credit risk history.

Currency risk
The main risks associated with foreign exchange impacts of sales and purchases carried out in foreign currency mainly concern sales of goods and expenses in US dollars and the financing of subsidiaries in their local currencies.
The Company has not, at its development stage, made a hedging provision to protect its business against fluctuations in exchange rates. On the other hand, the Company cannot exclude that a significant increase in its business could force it to have greater exposure to currency risk. The Company will then consider using a suitable hedging policy to cover these risks.

Equity risk
The Company does not hold investments or marketable securities on a regulated market.

6. Events subsequent to closing

On 10 January 2023, Ateme and ENENSYS Technologies, the leading provider of media broadcasting solutions, combined their considerable expertise in video distribution to enable Rai Way, the operator of the RAI television network, to start the Refarming project that will end with the transition to the DVB T2 standard

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

On 31 January 2023, Ateme announced that Cyta (Cyprus Telecommunications Authority), the leading provider of integrated electronic communications in Cyprus, has recently installed a low latency solution for Ateme encoding and packaging, reducing latency for its premium OTT channels beyond initial expectations.

On 7 February 2023, Ateme announced that its innovative video processing and delivery solutions can now be purchased via AWS Marketplace, strengthening Ateme's global partnership with AWS by making Ateme 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, the presentation to the MWC Barcelona 2023 of video broadcasting solutions that enable communication service providers, broadcasters and content providers to increase their profitability. Visitors to the Ateme stand will discover solutions to increase their reach, improve the monetisation of networks and offer new immersive and high quality experiences to users, while reducing energy consumption.

On 21 February 2023, Ateme 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 (Cloud Native Functions or CNF) validated on Red Hat OpenShift. As a result, Ateme's complete low latency OTT live video compression and broadcast suite can now be reliably deployed in any cloud using Red Hat OpenShift, the industry leading enterprise Kubernetes platform.

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

On 7 March 2023, Ateme announced that Gulfsat Communications, the leading provider of satellite communications and media services in MENA, has installed Ateme's convergent video network head solution to power its London and Kuwait sites, serving 100 channels mainly in Arabic. The new infrastructure allows Gulfsat to transmit SD and HD DTH services, while ensuring the future of the system with OTT capabilities as well as UHD technologies.

On 14 March 2023 , Ateme announced the completion of AWS ISV Accelerate, a highly selective joint sales programme for independent software providers providing software solutions that run or integrate with AWS. Accreditation ensures that Ateme solutions meet AWS standards and reinforces Ateme's global partnership with AWS.

On 21 March 2023, 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 the experience. The combination of an audience friendly encoding and an elastic CDN provides a powerful tool to optimise resources to reduce energy consumption while increasing the quality of experience.

On 23 March 2023, Ateme announced its participation in the 2023 NAB Show, 100th edition of the name in Las Vegas, USA, from 15 to 19 April 2023, to present its end to end solutions for video processing and broadcasting, which increase profits. This year's new solutions offer unrivalled experience, new monetisation opportunities and greater efficiency that reduces costs and energy consumption.

On 30 March 2023, Ateme announced its partnership with Six Floor Solutions and Pushologies to offer an end to end automated solution that allows rights holders on sports content and streaming services to increase fans' engagement by attracting more viewers to their OTT apps. The common solution is presented on NAB Show 2023, enabling broadcasters and service and content providers to increase the monetisation of their flows by connecting next generation video experiences to e commerce

6. Statutory Auditors' reports

1. Statutory Auditors' report on the financial statements

BL2A
10, parc François Villon
91600 Savigny sur Orge
S.A.S. with share capital of €34400
403,136,351 R.C.S. Evry

Statutory Auditor
Member of the Compagnie
régionale de Paris

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

Statutory Auditor
Member of the Compagnie
Of Versailles and the Centre

Ateme

Year ended 31 December 2022

Statutory Auditors' report on the financial statements

To the Ateme General Meeting,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Ateme for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December, and of the results of its operations for the financial year then ended in accordance with French accounting principles.

The opinion expressed-above is consistent with 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 audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in relation to the audit of the annual financial statements" section of this 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 2022 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 points of the audit

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made as part of our audit of the financial statements as a whole and in forming our opinion thereon-prior to this meeting. We do not express an opinion on any items of these financial statements taken individually.

Measurement of intangible assets

Identified risk	Our response
your Company and its subsidiary Anevia carried out a universal transfer of assets and liabilities to your Company on January 1, 2022, generating a loss of confusion of K €22452 as mentioned in Note 1.3 'Significant events of the year' to the financial statements. This loss was allocated K €7830 to Telco technology amortised over a 11 year period, with the balance of K €14622, presented in goodwill. As mentioned in Note 2.1.1 'Intangible assets' to the financial statements, these intangible assets are tested for impairment in the event of an indication of impairment and at least 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 less costs to sell and value in use. The determination of value in use is sensitive to the discount rate, the estimated future cash flows and the long term growth rate used. Given their significance in the financial statements and their sensitivity to estimates, we considered the valuation of intangible assets to be a key audit matter.	Our work consisted mainly in examining the justification provided by management in respect of the valuation method used and the figures used. In particular, we have: ► Obtaining an understanding of the process implemented by management to estimate the recoverable amount of intangible assets and the documentation of management's choices with respect to 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 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 financial statements.

Impairment of inventory

Identified risk	Our response
The gross value of your company's inventories amounted to K €7327 at 31 December 2022 and was written down by K €162. These inventories consist mainly of goods for resale. As disclosed in Note 2.2 'Inventories and work in progress' to the annual financial statements, the provision for inventory	Our audit procedures included: ► Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment;

impairment concerns components or goods that are subject to internal loan, testing or repair.

Components or goods for which technological advances are beginning to render obsolete inventories or those with little or no movement during the year are scrapped.

We considered that the impairment of inventories was a key audit matter due to the relative importance of inventories in the company's financial statements and due to management's judgement in identifying inventories to be impaired.

- Analysing the data and assumptions used by management to identify inventories to be impaired;
- attending year-end physical inventories;
- Perform a retrospective analysis of inventories not transferred 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 other documents on the financial position and the annual financial statements addressed to the shareholders**

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 provided 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 the payment terms mentioned in Article D. 441-6 of the French Commercial Code.

- **Information on corporate governance**

We attest that the section of the Board of Directors' management report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-09 of the French Commercial Code.

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 remunerations and benefits received 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 are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information relating to items that your company considered likely to have an impact in the event of a public tender or exchange offer, provided in accordance with the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the documents from which they are sourced and which have been communicated to us. On the basis of our work, we have no matters to report on this information.

- **Other information**

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, the identity of shareholders and holders of voting rights and reciprocal shareholdings has been properly disclosed in the management report.

Other verifications or information required by law and regulations

- **Presentation of the annual financial statements for inclusion in the annual financial report**

We have also verified, in accordance with the professional standard on the Statutory Auditor's procedures 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 conducted our work.

- **Appointment of statutory auditors**

We were appointed Statutory Auditors of Ateme by your Annual General Meeting of 30 June 1997 for BL2A and 11 April 2014 for ERNST & YOUNG Audit.

As at 31 December 2022, BL2A was in the twenty sixth year of its uninterrupted engagement (including nine years since the company's shares were admitted to trading on a regulated market) and ERNST & YOUNG Audit in the ninth year.

Responsibilities of management and of the persons making up the corporate governance structure for the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a true and fair view in accordance with French accounting rules and principles and to implement the internal control that it considers necessary to prepare annual financial statements that are free of material misstatement,- whether due to fraud or errors.

At the time of preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, presenting in those financial statements, where applicable, the necessary information relating to the continuity of operations and applying the going concern accounting policy, unless it is planned to liquidate the company or to cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors in relation to the audit of the annual financial statements

Audit objective and approach

Our role is to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards systematically allows any material misstatement to be detected. Misstatements may arise from fraud or errors and are considered material when it can reasonably be expected that they could, individually or cumulatively, influence the economic decisions that consolidated financial statement users make on the basis of the consolidated financial statements.-

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of its management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor shall exercise their professional judgement throughout this audit. In addition:

- They identify and assess the risks that the annual financial statements contain material misstatements, whether due- to fraud or errors, define and implement audit procedures to address these risks and obtain evidence that they consider sufficient and appropriate to provide a basis for their opinion. The risk of non-detection- of a material misstatement arising from fraud is higher than the risk of a material misstatement arising from an error, as fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumvention of internal control;
- they take note of the internal control relevant for the audit in order to define the audit procedures appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the annual financial statements;
- they assess whether management's application of the going concern accounting policy is appropriate and, depending on the evidence collected, whether or not there is a significant uncertainty as a result of events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of their report, it being noted that subsequent circumstances or events could jeopardise the ability to continue as a going concern. If the auditor concludes that there is significant uncertainty, they draw the attention of the readers of their report to the information provided in the annual financial statements about this uncertainty or, if the information is not provided or is not relevant, they formulate a qualified certification or a refusal to certify;
- they assess the overall presentation of the annual financial statements and whether the annual financial statements reflect the underlying transactions- and events so as to present them fairly.

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 of our audit. Where applicable, we also bring to its attention the significant weaknesses of the internal control that we have identified with respect to the procedures relating to the preparation and processing of financial and accounting information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period 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 defined in particular by Articles L. 822-10 to L. 822-14 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 related safeguards.

Savigny sur Orge and Paris La Défense, 28 April 2023

The Statutory Auditors

BL2A	Ernst & YOUNG Audit
Mélanie Hus	Franck Sebag

2. Statutory Auditors' report on the consolidated financial statements

BL2A
10, parc François Villon
91600 Savigny sur Orge
S.A.S. with share capital of €34400
403,136,351 R.C.S. Evry

Statutory Auditor
Member of the Compagnie
régionale de Paris

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

Statutory Auditor
Member of the Compagnie
Of Versailles and the Centre

Ateme

Year ended 31 December 2022

Statutory Auditors' report on the consolidated financial statements

To the Ateme General Meeting,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Ateme for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December, and of the results of its operations for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed-above is consistent with 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 audit 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 set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from 1 January 2022 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 points of the audit

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and as part of our opinion expressed-above. We do not express an opinion on any elements of these consolidated financial statements taken individually.

Recognition of sales revenue

Identified risk	Our response
An analysis is carried out for contracts with multiple components to recognise revenues separately for each item when they are separately identifiable and the client can benefit from them separately. Where a contract contains more than one performance obligation, the price is allocated to each obligation on the basis of its individual sale price. The selling price is determined based on the catalogue price 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 as specified in Note 3 'Revenue' to the consolidated financial statements. For licenses in particular, sales revenue is recognised when the contractual service obligation is satisfied (static licence) or as it is satisfied (dynamic licence). 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 used to account for contracts of this type require a degree of judgement in the interpretation to be given to the contracts. An error in the analysis of the obligations of this type of contract and their realization may lead to Incorrect recognition of revenue. As a result, we considered revenue recognition in accordance with IFRS 15 to be a key point of the audit.	We familiarised ourselves with the procedures and, where applicable, specific information systems contributing to the formation of consolidated revenue. We examined the compliance of the revenue recognition rules with IFRS 15 on new key contracts signed in 2022. We familiarised ourselves with the internal control procedures implemented to account for sales revenue. 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: ► 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 for each service corresponds to the fair value of consideration received or receivable for goods sold in the ordinary course of business of your company; ► We verified that each service is then accounted for in accordance with applicable accounting rules and methods; ► We also examined the relevance of Note 3 to the consolidated financial statements.

Measurement of goodwill

Identified risk	Our response

At 31 December 2022, goodwill amounted to €12.9 in net value, or 12.7% of consolidated assets.

As disclosed in Note 11 'Business combinations and goodwill' to the consolidated financial statements, *goodwill* is not amortised but is tested for impairment annually or more frequently if there is an indication of impairment. These *goodwill* are tested at the level of cash generating units (CGUs), which constitute homogeneous groups generating cash flows that are largely independent of the cash flows generated by the other CGUs.

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 less costs to sell and value in use. The determination of value in use is sensitive to the discount rate, the estimated future cash flows and the long term growth rate used.

As a change in these assumptions may affect the recoverable amount of goodwill, and given their importance in the consolidated financial statements, we considered the measurement of goodwill to be a key audit matter.

After reviewing and assessing the process developed by management to estimate the recoverable amount of goodwill, we obtained the CGU's impairment test from management. On the basis of this information, with the help of our evaluation experts integrated into the audit team, we conducted our work with particular attention to the following elements:

- 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 Group's historical performance and the operating budgets established by management for the coming financial year including forecasts for the following five years;
- Regarding 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 inventory

Identified risk	Our response
The gross value of your company's inventories amounted to K €10435 at 31 December 2022 and was written down by K €430. These inventories consist mainly of goods for resale. As presented in Note 17 'Inventories' to the consolidated financial statements, the provision for inventory impairment concerns components or goods that are subject to internal loan, testing or repair. Components or goods for which technological advances are beginning to render obsolete inventories or those with little or no movement during the year are scrapped. We considered that the impairment of inventories was a key audit matter due to the relative importance of inventories in the company's financial statements and due to management's judgement in identifying inventories to be impaired.	Our audit procedures included: ► Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment; ► attending 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; ► Analysing the data and assumptions used by management to identify inventories to be impaired; ► performing a retrospective analysis of the disposal of inventories based on movements in inventories during the financial 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 Grouppresented 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 of the consolidated financial statements for inclusion in the annual financial report

We have also verified, in accordance with the professional standard on the Statutory Auditor's procedures 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 the consolidated financial statements, our procedures include verifying that the marking of these financial statements complies with the standards set out in 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 marking 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 returned 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 conducted our work.

Appointment of statutory auditors

We were appointed Statutory Auditors of Ateme by your Annual General Meeting of 30 June 1997 for BL2A and 11 April 2014 for ERNST & YOUNG Audit.

As at 31 December 2022, BL2A was in the twenty sixth year of its uninterrupted engagement (including nine years since the company's shares were admitted to trading on a regulated market) and ERNST & YOUNG Audit in the ninth year.

Responsibilities of management and of the persons making up the corporate governance structure for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted by the European Union, and to implement the internal control that it considers necessary to prepare consolidated financial statements that are free of material misstatement,- whether due to fraud or errors.

At the time of preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, presenting in those financial statements, where applicable, the necessary information relating to the continuity of operations and applying the going concern accounting policy, unless it is planned to liquidate the company or to cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors in relation to the audit of the consolidated financial statements

Audit objective and approach

Our role is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards systematically allows any material misstatement to be detected. Misstatements may arise from fraud or errors and are considered material when it can reasonably be expected that they could, individually or cumulatively, influence the economic decisions that consolidated financial statement users make on the basis of the consolidated financial statements.-

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of its management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor shall exercise their professional judgement throughout this audit. In addition:

- They identify and assess the risks that the consolidated financial statements contain material misstatements, whether due- to fraud or errors, define and implement audit procedures to address these risks and obtain evidence that they consider sufficient and appropriate to provide a basis for their opinion. The risk of non-detection- of a material misstatement arising from fraud is higher than the risk of a material misstatement arising from an error, as fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumvention of internal control;

- they take note of the internal control relevant for the audit in order to define the audit procedures appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;

- they assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;

- they assess whether management's application of the going concern accounting policy is appropriate and, depending on the evidence collected, whether or not there is a significant uncertainty as a result of events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of their report, it being noted that subsequent circumstances or events could jeopardise the ability to continue as a going concern. If the auditor concludes that there is significant uncertainty, they draw the attention of the readers of their report to the information provided in the consolidated financial statements about this uncertainty or, if the information is not provided or is not relevant, they formulate a qualified certification or a refusal to certify;

- they assess the overall presentation of the consolidated financial statements and whether the consolidated financial statements reflect the underlying transactions- and events so as to present them fairly.

- With regard to the financial information provided to persons or entities included in the scope of consolidation, they collect information that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and auditing of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

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 results of our audit. Where applicable, we also bring to its attention the significant weaknesses of the internal control that we have identified with respect to the procedures relating to the preparation and processing of financial and accounting information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, 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 defined in particular by Articles L. 822-10 to L. 822-14 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 related safeguards.

Savigny sur Orge and Paris La Défense, 28 April 2023

The Statutory Auditors

BL2A	Ernst & YOUNG Audit
Mélanie Hus	Franck Sebag