

## FOURTH QUARTER AND FULL YEAR 2023 REVENUES

- > REVENUES FOR THE FOURTH QUARTER UP 15%, 18% LIKE-FOR-LIKE
- > FULL YEAR REVENUES AT €100 MILLION, UP 10% AND 12% LIKE-FOR-LIKE
- > 2023 EBITDA EXPECTED BREAK-EVEN
- > 2024 EBITDA OBJECTIVE CONFIRMED AT €10M

Revenue in € thousands	2022	2023	Change	Like-for-like <sup>1</sup>
First 9 months	64,163	69,560	+8%	+10%
Fourth Quarter	26,390	30,471	+15%	+18%
<b>TOTAL</b>	<b>90,552</b>	<b>100,031</b>	<b>+10%</b>	<b>+12%</b>

Revenue in € thousands	2022	2023	Change	Like-for-like <sup>1</sup>
EMEA	31,983	35,275	+10%	+11%
USA / Canada	33,960	40,067	+18%	+19%
Latin America	9,257	11,797	+27%	+33%
Asia Pacific	15,352	12,894	-16%	-13%
<b>TOTAL</b>	<b>90,552</b>	<b>100,031</b>	<b>+10%</b>	<b>+12%</b>

*Figures under audit review.*

MRR in € thousands	Jan. 2023	Jan. 2024
Monthly Recurring Revenue <sup>2</sup>	2,443	2,470

*Alternative performance indicator, not subject to ATEME's statutory auditors' review.*

**Paris, January 25, 2024** - AteME (ISIN: FR0011992700) posted revenues of €30.5 million for the Fourth Quarter of 2023, up 15%, and by 18% like-for-like.

Total revenues for the year to December 31, 2023, stood at €100.0 million, up 10% versus 2022 and by 12% on a like-for-like basis:

<sup>1</sup> At constant exchange rate and perimeter

<sup>2</sup> Alternative performance indicator, not subject to ATEME's statutory auditors' review: Monthly Recurring Revenue is defined as the sum of (1) the monthly revenue from support contracts in hand, and (2) the monthly revenue from multi-year licensing contracts in hand (capex), and (3) the monthly revenue from license lease contracts (OPEX).

- > The USA / Canada region was the largest contributor in 2023, representing 40% of revenues at €40.1 million, up 18% and by 19% like-for-like
- > EMEA finished the year with a strong Fourth Quarter, ending 2023 with €35.3 million in revenues, up 10% and by 11% like-for-like, representing an acceleration following a flat 2022 (up 2% and 1% like-for-like)
- > Asia Pacific was the only declining region in 2023, with €12.9 million in revenues, down by 16% and 13% like-for-like
- > The Latin America region delivered the strongest growth, with respectively €11.8 million in revenues, up by 27% and 33% like-for-like

Monthly recurring revenues (MRR) rose from €2.378m in October 2023 to €2.470m in January 2024, reflecting a good pace of MRR creation in the Fourth Quarter of 2023.

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

### FY 2023 expected EBITDA outturn revised

In the Fourth Quarter, revenue acceleration fell short of initial expectations, primarily influenced by the deferral of certain deal bookings into 2024 and delays in shipping and revenue recognition for specific orders. The combined impact of these effects is worth around €5 million of gross margin.

As a result, EBITDA<sup>3</sup> for FY 2023 is now expected at breakeven.

### Looking ahead

Ateme will reap the benefits of the past three years of investment to continue growing revenues, while at the same time controlling opex in 2024 and beyond.

Revenue drivers include:

- **Recently launched or revamped products:**
  - o Ateme recently released the **7<sup>th</sup> generation of its video compression technology** that powers our solutions such as Titan Live (for streaming) and Titan File (for VOD). This includes more efficient HEVC and AV1 encoding engines, where these 2 standards are set to replace the older H.264 standard in all use cases, as well as the MV-HEVC stereo encoding technology compatible with Apple Vision Pro AR/VR headset,
  - o **NEA Genesis, the new generation Cloud DVR solution** (replacing the former NEA DVR), that was selected by Swisscom in 2023,

<sup>3</sup> EBITDA = earnings before interest, tax, depreciation and amortisation. Underlying EBITDA equals Group pre-tax profit before deduction of interest, depreciation, amortisation and impairment charges on non-current assets, and staff share-based payments, but after impairment of inventories and trade receivables. It shows profit generated by business activities regardless of financing conditions, tax constraints and the upgrading of operating assets. Non-recurring expenses (one-off, unusual or infrequent items) are excluded

- And more generally **all the NEA software family** in which Ateme substantially invested in the past three years, notably NEA Live and Nea CDN for the OTT delivery, and NEA Composer for the dynamic ad insertion and FAST channels markets,
- **Partnerships with major public cloud providers**, including AWS (Amazon Web Services), GCP (Google Cloud Platform) and Microsoft Azure, and a few more, in a world where our clients look after hybrid and multi cloud solutions to launch news services while maintaining operational agility and control on over opex,
- A **more favorable competitive environment** when a major competitor is looking for divesting their video business unit, with the inherent disorganization in such context,
- **Major upcoming global sports events** in Europe and in France and the US elections.

At the same time, opex control measures include:

- **Maintaining a stable headcount**, notably in R&D, for the first time since the IPO,
- **Refocusing opex on the regions that deliver higher margins** (EMEA and USA / Canada), while reducing the investment and exposure in more challenging markets (Asia Pacific and Latin America).

On the strength of our growth ambitions and the lower increase in opex, Ateme confirms its 2024 EBITDA target of €10m.

**Michel Artières, Chairman and CEO of Ateme, commented:** *"The growth of the topline is a great performance and Ateme clearly outperformed the market. Nevertheless, the outcome of the year is a disappointment, particularly in terms of profitability, when Ateme was still on track to deliver on all aspects of our objectives in the last mile. It should not be underestimated that the market environment has significantly evolved since 2021 when our objectives were defined. Consolidation in the media and telco sectors is resulting in cost saving measures or budget freezes at broadcasters and operators, and ultimately in challenges for tech vendors. Navigating through this period will position Ateme more robustly, reducing competition and fostering a stronger market presence.*

*Ateme is now entering a new phase in its development, during which we will reap the rewards of our R&D and commercial investments. This virtuous phase will now result in our revenues growing faster than our opex."*

#### **Upcoming event:**

**March 21<sup>st</sup>, 2024:** Full Year 2023 Results



## About Ateme

Ateme is a global leader of video compression and delivery solutions helping Tier-1 Content Providers, Service Providers and Streaming Platforms to boost their viewership and subscription engagement.

Leveraging a unique R&D task force in the video industry, Ateme's solutions power green sustainable TV services, improve end-users' quality of experience, optimize the total cost of ownership of TV/VOD services and generate new revenue streams based on personalization and ad insertion. Beyond the technology agility, Ateme's value proposition is to partner with his customers by offering a great flexibility in the engagement and business models matching their financial priorities. A consequence is a rapid shift to Recurring Revenues, boosting the company resilience and creating long term value for the shareholders.

Founded in 1991, Ateme has 580 employees spread over its headquarters in France and 20 offices around the world including the USA, Brazil, Argentina, UK, Spain, Germany, the UAE, Singapore, China, Korea, and Australia.

Ateme has been listed on the Paris Euronext market since 2014 and in November 2020 it made the acquisition of Anevia, a provider of OTT and IPTV software solutions. In 2023, Ateme served close to 1,000 customers worldwide with revenues of €100 million, of which more than 90% outside its home market.

Find out more: [www.ateme.com](http://www.ateme.com).

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