

For translation purposes only

Universel Registration Document

Fiscal year 2020



Transforming **Video Delivery**



AUTORITÉ
DES MARCHÉS FINANCIERS

The Registration Document was approved on 18 June 2021 by the Autorité des marchés financiers (AMF), in its capacity as competent authority under Regulation (EU) No 2017/1129.

The Autorité des Marchés Financiers (AMF) approves this universal registration document after having verified that the information contained in it is complete, consistent and understandable. The universal registration document has the following approval number: R.21-035.

Such approval should not be regarded as a favourable opinion on the issuer that is the subject of the universal registration document.

The universal registration document may be used for the purpose of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a prospectus and, where applicable, a summary and its amendment (s). In such cases, the securities note, the summary and all amendments to the universal registration document since its approval shall be approved separately in accordance with the second subparagraph of Article 10 (3) of Regulation (EU) No 2017/1129.

The Universal Registration Document is valid until 18 June 2022 and, during this period and at the latest at the same time as the Transaction Note and under the conditions of Articles 10 and 23 of Regulation (EU) No 2017/1129, will have to be supplemented by a supplement to the Universal Registration Document in the event of significant new facts or substantial errors or inaccuracies.

Copies of this universal registration document are available free of charge:

- At the Company's registered office or on the Company's website;
- And on the AMF website (www.amf.france.org).

Pursuant to Article 19 of EU Regulation No. 2017/1129 of the European Commission, this universal registration document incorporates by reference the following information, to which the reader is invited to refer:

The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2020, included respectively on pages 66 to 130 and page 156; and the management report for the year ended 31 December 2020 included on pages 4 to 31 of the Annual Financial Report filed with the AMF on April 29, 2021. Lien: https://www.actusnews.com/documents_communiques/ACTUS-0-68967-fy20-ATEME-rapport-financier-2020-fr.pdf

The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2019, included respectively on pages 31 to 66 and page 157; and the management report for the year ended 31 December 2019, included on pages 4 to 31 of the Annual Financial Report filed with the AMF on 29 April 2020. Link:

https://www.actusnews.com/documents_communiques/ACTUS-0-63228-ATEME-rapport-financier-au-31-12-2019-v2904-1600-clean-vdef.pdf

The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2018, included respectively on pages 59 to 118 and page 141; and the management report for the year ended 31 December 2019, included on pages 4 to 27 of the Annual Financial Report filed with the AMF on 29 April 2019. Link:

https://www.actusnews.com/documents_Communication/ACTUS-0-58187-12.2018-rfa-vconso vf 2904-1630.pdf

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Chapitre 1. **PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERT REPORTS AND APPROVAL OF THE COMPETENT AUTHORITY**

1.1. NAME OF THE PERSON RESPONSIBLE

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

Michel Artières, Chairman and Chief Executive Officer of ATEME SA.
6, rue Dewoitine -78140 Vélizy Villacoublay - Tel.: +33 1 69 35 89 89

1.2. DECLARATION BY THE PERSON RESPONSIBLE

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

Done at Vélizy Villacoublay, 18 June 2021

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

1.3. EXPERT REPORTS

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

1.4. INFORMATION FROM THIRD PARTIES

No statement or information from third parties is included in this document.

1.5. APPROVAL BY THE AMF

The universal registration document was approved by the Autorité des marchés financiers (AMF), as the competent authority under Regulation (EU) No 2017/1129.

The AMF only approves this universal registration document as complying with the standards on completeness, understandability and consistency required by Regulation (EU) No 2017/1129.

Such approval should not be regarded as a favourable opinion on the issuer that is the subject of the universal registration document.

Chapitre 2. STATUTORY AUDITORS

2.1. NAME OF THE STATUTORY AUDITORS

2.1.1. PRINCIPAL STATUTORY AUDITORS

BL2A

10, François Villon Park
91600 Savigny sur Orge

Represented by Mrs Mélanie HUS CHARLES

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

Term of office ends: Shareholders' Meeting
called to approve the financial statements
for the year ended 31 December 2020

Cabinet Member of the Compagnie
Régionale des Commissaires aux Comptes
de Paris

ERNST & YOUNG AUDIT

Tour First, TSA 14444
92037 Paris La Défense

Represented by Jean Christophe Pernet

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

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

Cabinet member of Compagnie
Régionale des Commissaires aux Comptes
de Versailles et du Centre

2.2. STATUTORY AUDITORS WHO HAVE RESIGNED, BEEN REMOVED FROM OFFICE OR HAVE NOT BEEN RENEWED

None.

Chapitre 3. RISK FACTORS

3.1. SEGMENTATION AND PRINCIPLE OF RISK PRIORITISATION

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

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

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

Here, the Company only presents the risks specific to it.

For each of the risks set out below, the Company has reviewed the gross risk as it exists in the course of the business of the Company and taken into account the measures taken by the Company for the management of that risk.

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

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

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

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

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

- Summary of risk mapping

Impact Scale	Major		- Risks in relation to the competitive environment - Customer risks - Supplier risk - Liquidity risk - Risks relating to the security of the Company's information systems - Risks associated with Internet regulation and mobile networks - Risks in relation to the protection of confidential information and the Company's intellectual property	
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	Significant		- Currency risk	
	Important		- Risks associated with market growth - Risks associated with growth management - Risks relating to the liability of the Company in the event of damage arising from any of its products	
		Unlikely	Possible	Probable
		Occurrence		

3.2. MARKET AND SECTOR RISKS

3.2.1. RISKS IN RELATION TO THE COMPETITIVE ENVIRONMENT

The Company is evolving in the coding and video delivery solutions market. The company is a provider of software, products, systems solutions and video services that enable its customers to create, prepare, store, broadcast and distribute a full range of high quality video services, including broadcast and over the top (OTT) services, on consumer devices, including TVs, laptops, tablets and smartphones.

In this market, there is strong competition, which could intensify with the emergence of new players.

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

Their long standing presence in the market has enabled them to establish strong relationships with their clients, which could benefit them, in particular by privileged access to information about their clients' future demands and the anticipated evolution of their needs.

The substantial resources of these large competitors enable them to allocate substantial resources to technological competition, achieve economies of scale, enhance their product portfolios and gain greater credibility with the Company's existing and potential customers. Moreover, some competitors may adopt an aggressive pricing policy.

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

The occurrence of one or more of these events, and if the Company is unable to adapt and respond to current and future competitive pressure in its markets, could lead to a decrease in the demand for the services offered by the Company, as well as an adverse impact on the Company's market shares, business, revenues, results, financial position and development.

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

To prevent this risk or limit its impact, the Company has implemented and pursued a research and innovation policy, notably through continued investment in its R & D department. This research and innovation policy allows the Company to offer reliable, high quality products, solutions and services enabling customer loyalty, and therefore effective management of risks associated with the competitive environment.

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

To prevent this risk or limit its impact, the Company has implemented and pursued a research and innovation policy, notably through continued investment in its R & D department. This research and innovation policy allows the Company to offer reliable, high quality products, solutions and services enabling customer loyalty, and therefore effective management of risks associated with the competitive environment.

3.2.2. CUSTOMER RISKS

The Company currently has a clientele of production and digital video delivery players, which account for a large portion of its revenues.

The Company has a fairly balanced spread of revenues between its main customers and thus believes that it currently faces only a limited risk of dependence on its customers.

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

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

Given the high seasonality of the Group's business, with strong year end sales, trade receivables were high at 31 December 2020.

This also explains the high year end customer payment time and working capital requirement.

Finally, the Company's production and digital video delivery market is highly competitive, with customers of a wide range of types and sizes.

The Group's clients are mainly leading international players in their sector. Due to the quality of its main counterparties, the diversification of its customers and its management of customer credit, the Group has never experienced any significant loss arising from non recovery of receivables and considers that it is not exposed to significant credit risk. The Group's largest customer, its five largest customers and its ten largest customers represented, respectively, 6%, 21% and 33% of its consolidated sales for 2020; 8%, 23% and 34% of its consolidated sales for fiscal year 2019.

Monthly Recurring Income (MRR) rose from € 1500 k in January 2021 to € 1560 k in April 2021.

However, particularly in the context of the COVID-19 pandemic, the loss of a major client, a significant reduction in revenues or difficulty in recovering trade receivables could have an adverse impact on the Company's business, revenues, results, financial position and development, it being specified that, as of the date of this Registration Document, the Company does not consider that it is facing such situations.

The fact that the Company has adopted a monthly revenue recurrence strategy (MRR) enables it to prevent the occurrence of a temporary decline in sales performance and to better understand any deterioration in the competitive or macro economic environment.

3.2.3. SUPPLIER RISKS

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

In recent years, the Company has expanded its product offering and increasingly focused on software products.

Today, the 'Titan' and 'Nea' software offer is very preponderant compared to 'Kyrion' and 'Flamingo' material products.

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

The Company is therefore partially exposed to server procurement risk, but only in the event of a general shortage, as the Company's software can be used on any standard datacenter type of servers and, of course, on the servers of a public 'cloud.'

With respect to 'Kyrion' and 'Flamingo' products, the Company is 'fabless,' i.e., it designs its products and subcontractors its entire production. The Company is therefore exposed to the risk of dependency on its suppliers.

However, the Company has taken the usual measures to limit exposure to supplier risk with respect to its strategic components (such as its processors).

The Company's main business is the development and marketing of software as well as customised servers (hardware).

In order to limit supplier risk, the Company:

- Performs due diligence with its suppliers: Careful evaluation of their sustainable production capacities (production capacity over a 6 month period giving reciprocal visibility on orders and their production), quality control, financial health control and compliance with environmental standards;
- Secure its supplies: Establishment of a dual source system for strategic components, as is the case for microprocessors (purchase of microprocessors at Intel and AMD) or servers (HP, Dell and Samsung), supply from local suppliers located in the regions where the Company's customers operate, identification of alternative supply sources for key components as well as assemblies or EMS (Electronics Manufacturing Services), monitoring of price pressure under 'QBR' (Quarterly Business Review or quarterly activity report) under supply contracts in order to anticipate any risk of sudden price fluctuations. The largest supplier out of the company's top 10 key suppliers accounted for approximately 25.33% of the company's budget in 2020, compared with 2.32% for the last supplier. The top five suppliers represent a total of 57.79% of the Purchasing Department's sales.
- As the Company did not have to deal with obsolescence issues in the past, it was not required to write down inventories in its 2020 financial statements.
- Has a stock for single components. The Company does not experience the risk of obsolescence because its inventories are kept at low levels and this issue is mainly encountered in relation to consumers (B to C), whereas the Company's customers are small businesses (B to B). Furthermore, the risk of inventory obsolescence is also reduced because the Company supports sales of support contracts and product warranties, such that products in inventory are used under those contracts.

Therefore, should a supplier risk arise, the Company will have room to devise a replacement solution using the mechanisms in place.

The occurrence of a supplier risk would nonetheless have an impact on operating costs and potentially a reduction in margins for the Company.

3.2.4. RISKS ASSOCIATED WITH MARKET GROWTH

The Company's total addressable market is estimated at 2 billion dollars for 2021.

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

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

This figure is split into two parts:

- One (1) billion dollars for the video treatment and compression portion. This market is growing moderately due to an increase in content and image formats,
- \$ 1 (1) billion for the content dissemination part. This market is growing more strongly as a result of new entry offers from streaming services that have led to an explosion in the consumption of content on all types of screens.

The COVID-19 pandemic crisis had two opposite effects:

- A positive effect, with an increase in video consumption which benefited streaming services in particular,
- A negative effect, with a sharp decline in advertising revenues (many advertisers in sectors hit by the COVID-19 pandemic such as automobiles or travel suspended their advertising campaigns).

The negative effect was more severe and resulted in a decrease of around 10% in technology investment in the overall broadcasting industry (including traditional broadcast broadcasting such as streaming).

Although the video broadcasting industry is not directly affected by this crisis, this slowdown is largely due to the macroeconomic climate, which deprives the industry of part of its usual sources of advertising revenue, when advertisers from other industries (such as automotive or aerospace for example) are themselves directly and severely affected by the crisis.

If the pandemic continues to disrupt the global economy, it could be feared that entire sectors of industry would be affected even more seriously, and that advertisers' revenues, representing, with subscriptions, the Company's two main sources of revenue, would take several years to return to the level that existed before the health crisis.

Aside from this particular context, a reversal of the general growth trend in these markets, observed since TV went digital in the 1990's, seems unlikely, so much so that video consumption is growing globally.

As part of an approach to limiting risks linked to market growth, the company systematically takes three parameters into account.

- 1) The company must understand the needs of its market and how it evolves, and in regular consultation with the members of its Board of Directors, particularly at the budget review meetings held at the beginning of the year, it draws up an ambitious and realistic growth strategy to ensure that the organization is prepared to implement its strategic growth plan while respecting the forecast budgets approved by the Board.
- 2) Imperfect knowledge of market conditions or the preferences of customers, media groups ('content providers') or broadcasting platforms ('service providers'), is a major risk linked to market growth. Many organisations have seen their growth strategy turn short for making a false assessment of the potential market. Management's analysis of competitive strengths and weaknesses and good knowledge of market entry barriers are also part of a proactive strategy to limit risks related to market growth. In addition, negative perception of the quality of a company's current products may be an obstacle to the acceptance of new video products.
- 3) Finally, management must take into account its pricing strategy to determine whether new products and services should be offered at high prices or at competitive prices.

This risk factor is therefore managed through discussions with the strategic governance bodies and quarterly business reviews with all sales teams in all regions or the Group distributes its solutions.

3.3. FINANCIAL RISKS

3.3.1. LIQUIDITY RISK

At the date of publication of this document, the Company has performed a specific review of its liquidity risk and believes that it will be able to meet its maturities within 12 months. The Company will have:

- A total of € 6262 k in available cash as of 31 May 2021; and
- An extension of its State Guarantee Loan (PGE) of € 4000 k with a maturity of 60 months at the interest rate of 0.30% excluding the State guarantee premium, obtained in February 2021. Redemption starts in April 2021. Initially, this zero rate loan included a guarantee premium of 0.5% of the total amount contracted in April 2020 and included a redemption period at maturity in April 2021, with the possibility of a 5 year extension. In accordance with the new schedule obtained in 2021, it has been classified as short- and long term.

The Company has a prudent management of its available cash. Cash and cash equivalents include cash held by the Company. As of 31 December 2020, the cash held by the Company amounted to € 17092 k and is immediately available.

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

For its cash investments, the Company uses leading financial institutions and is therefore not exposed to significant credit risk on its cash position.

All debt is at fixed rates.

Since its creation, the Company has financed its growth through successive capital increases, bank loans, obtaining subsidies and state aid for innovation, and repayment of loans from the Research Tax Credit.

The Company's indebtedness at 31 December 2020 was as follows:

CURRENT AND NON CURRENT FINANCIAL DEBT (Amount in K €)				31/12/2020	
Gross amount	Current portion	Due in 1 to 5 years	Greater than 5 years		
Lease obligations (IFRS 16)	2,696	909	1,655	132	
Repayable advances	2,050	782	1,191	78	
Borrowings from credit institutions	18,734	3,848	13,300	1,586	
Bank overdrafts	3	3	-	-	

Total financial debt	23,483	5,542	16,146	1,796
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The Company is required to comply with financial ratios as from 31 December 2021 on a single loan, the initial amount of which was € 4000 k in December 2020. (See Section 18.01.06 Consolidated Financial Statements in Note 15.1 of this Registration Document and Section 8.3 of this Registration Document for more details).

The Company's operations generate positive operating cash flows to date. These positive operating cash flows amounted to:

- € 6008 k for 2020;
- € 5364 k for 2019;
- € 5379 k for 2018.

Since its creation, the Company has maintained its R & D efforts in order to consolidate its technological lead that can include:

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

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

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

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

Although the Company has achieved significant commercial successes and experienced significant growth in a sector with strong growth prospects (see section 5.2 'Principal markets' and section 5.6. 'Competitive position' of this Registration Document), it has always taken little step back to anticipate trends in a still recent market that is likely to evolve, and to assess the ability of its products to meet customers' future requirements to carry out massive deployments within their operating sites.

Particularly given the uncertainties related to the health and economic crisis related to the COVID-19 which are an aggravating factor of this risk in terms of probability and impact, the Company may not be able to maintain its profitability or may even generate losses in the short or medium term. Such circumstances could have a material adverse effect on the Company, its business, financial condition, results of operations, development and outlook, and consequently on its ability to finance itself.

Other factors may also increase the difficulty of obtaining financing for the Company: Deterioration in economic conditions and/or the closure of banking or capital markets (in particular as a result of the COVID-19 health crisis), deterioration in the Company's financial position or operating income.

An increase in the Company's debt in the future or, conversely, its inability to raise capital to meet its financing needs could undermine its ability to continue its development.

3.3.2. CURRENCY RISK

Foreign exchange risk is the impact on the financial indicators of the Company of exchange rate fluctuations in the course of its business. To this end, the Company is exposed to foreign exchange transaction risk as well as foreign exchange translation risk.

Foreign exchange transaction risk arises from the monetary items in the Consolidated Statement of Financial Position (mainly cash and cash equivalents, trade receivables, operating and financial liabilities) that are denominated in foreign currencies. The Company is exposed to the risk of fluctuations in the exchange rate between the date of recognition and the date of recovery or settlement.

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

- Of its USD product purchases, which in 2020 accounted for around 40% of its commodity purchases,
- Sales in US dollars, which accounted for around 60% of its sales in 2020.

Foreign exchange translation risk arises from the Company's net investment in foreign subsidiaries. In such case, the Company is exposed to the risk of exchange rate fluctuations when the net assets of each subsidiary are translated into euros during the consolidation process.

Changes in the currencies of the Company (SGD, CAD, AUD) are not material at the group level in terms of their impact on profit or loss.

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

If the Company is unable to enter into effective currency exchange rate hedging arrangements in the future, the Company's operating results may be impaired.

3.4. RISKS RELATING TO THE COMPANY

3.4.1. RISKS ASSOCIATED WITH THE SECURITY OF THE COMPANY'S INFORMATION SYSTEMS

The basis for the Company's business is electronic and computer based data.

A failure, termination or hacking in the information systems of the Company may result in a delay in the completion of projects or in the provision of commercial offers the time to repatriate backup data and restore systems to their initial state of operation and could therefore have a negative impact on the image of the Company.

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

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

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

Due to the open nature of Internet networks and the constant evolution of IT security issues, the Company is sometimes exposed to cyber attacks.

Even if the Company has taken steps to protect itself, a malicious attack on its servers could put the Company's IT platform out of service for several hours or even several days, resulting in loss of revenue and commercial and reputational damage.

As of the date of this Registration Document, the Company had no significant cyber attacks.

The Company cannot also exclude the possibility that its servers may inadvertently serve as a vector for the spread of viruses, particularly when a new virus arises that is not yet referenced to providers of anti virus solutions, or may be used by malicious third parties to broadcast spam.

As a result, the Company should be required to make significant investments or to devote significant resources to meet the increased risks related to IT security on the Internet. As a result, AXA has taken out insurance policies to limit cyber attack risks.

The occurrence of a cyber crime could have a negative impact on the Company's business, results and outlook.

The COVID-19 crisis has created new vulnerabilities with the massive use of teleworking by unprepared organizations.

There has been a global upsurge in hacking, such as: Hijacking and hijacking of regulations, snake to the president, or even ransomware.

In 2020, the Company carried out an internal audit and intrusion tests on its IT system, strengthened internal control procedures and raised the awareness of all employees through video training and very regular reminders of the elementary rules of prudence.

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

3.4.2. RISKS ASSOCIATED WITH GROWTH MANAGEMENT

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

In particular, the Company intends to complement its R & D teams to maintain its technological edge and develop its sales force to step up its commercial presence.

For this purpose, the Company shall in particular:

- Train, manage, motivate and retain an increasing number of employees;
- Anticipating the expenses associated with this growth as well as the associated financing requirements;
- Anticipating demand for its products and the revenues they may generate;
- Increase the capacity of its existing operational, financial and management information systems; and
- Increase product inventory levels,
- Monitor the market and anticipate potential acquisitions.

To ensure its growth and renew its key employees, the Company must attract and retain the best talent. The loss of the Group's ability to compete in the labour market could adversely affect the Group's performance. There is also a strong geographical presence where a large proportion of our engineers and developers are considered a talent pool.

To limit the potential impact of this risk, the Group has implemented human resources management and recruitment programs, which include a value proposition for employees to attract talent, an annual review of employees, a career development plan for high potential employees and key employees, and the allocation of stock options, free shares or share warrants.

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

As part of the acquisition of ANEVIA SA in 2020, by acquiring 100% of the target company's shares, ATEME SA hired 114 ANEVIA employees. Measures were immediately taken by management to standardize human resources policy, in particular by (i) working on the harmonization of telecommuting agreements and profit sharing plans and (ii) allocating resources based on the skills and needs of the two merged companies. The growth in human

resources that could result from this over the coming year will, of course, depend on the market conditions and investment strategy priorities dedicated to research and development needs and the development of competition.

3.5. LEGAL RISKS

3.5.1. RISKS ASSOCIATED WITH INTERNET REGULATION AND MOBILE NETWORKS

The Company's operations in France and abroad are subject to complex and constantly changing regulations, particularly with respect to the switch to 5G.

The Company has a constant and direct relationship with local regulatory bodies in this area in France, and as of the date of the Registration Document, no proceedings are in progress against the Company regarding compliance with all of its legal and regulatory obligations.

Generally, the Company is subject to the risk of changes in legislation, tax policy or regulation that may occur in the various countries in which it operates.

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

The Company is currently developing products and technologies in connection with the move to 5G.

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

However, the Company is protected due to the global scope of its activities which limits its exposure to regulatory risk as described above. The Company operates around 40% of its business in Europe, 40% in the United States, 10 in Latin America and 10% in Asia.

Legislative and regulatory changes (in France and in the countries where the Company operates) also require the Company to incur significant costs of compliance and could require the Company to adapt its services and change its sales policy.

These adjustments may take time to implement and considerable effort on the part of management and may make the Company a target of complaints or other remedies, which could adversely and unexpectedly affect the Company's revenues, results and competitive position.

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

Seeking the Company's liability for breach of domestic or foreign legal provisions would necessarily result in defence costs and potentially the costs of suing him for damages. These actual or potential costs could lead the Company to review its sales policy in line with local requirements. This could require the Company to mobilise significant resources or to cease offering certain services, which would be detrimental to the Company's business, financial position and results.

A portion of the contracts entered into by the Company is subject to foreign law. The majority of the contracts entered into by the Company are subject to European law, which is harmonized in the legal disciplines affecting the Company such as intellectual property, consumer law or competition law.

The Company cannot guarantee that certain clauses of these agreements will not be challenged, nor may it give rise to any action on the basis of the national law concerned, or that provisions of this right will not serve as the basis for an action restricting the conduct of the Company's business in the relevant country, which would have an adverse impact on its revenues, results, financial position and outlook.

In order to limit this risk, the Company seeks to enter into contracts with its customers that are

subject to French law or European legislation.

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

3.5.2. RISKS IN RELATION TO THE PROTECTION OF CONFIDENTIAL INFORMATION AND THE COMPANY'S INTELLECTUAL PROPERTY

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

In the course of its business, the Company shares information relating to the technologies it uses, its processes, know how and data that it does not patent or do not patent to third parties in connection with partnership or commercial contracts.

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

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

The Company has no practical control over the conditions under which its co contractors protect or use this confidential information.

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

Confidentiality clauses do not provide adequate or sufficient protection in certain cases and breach of these clauses is punishable only after the confidential information or industrial secrets have been disclosed to third parties, including competitors of the Company.

The occurrence of risks relating to the confidentiality of the Company's information and the disclosure of the Company's technology, manufacturing processes and know how could have a material adverse effect on the Company's business, outlook, financial position, results and development.

Risk of failure in protecting the Company's intellectual property rights

General

The Company's success is notably dependent on the protection of its patents, brands, domain names, software, databases and copyright ('Intellectual Property Rights').

The Company ensures the filing of its Intellectual Property Rights in France and in the foreign countries in which it operates.

The Company cannot guarantee (i) that all Intellectual Property Rights held by the Company will not be invalidated, circumvented or challenged, (ii) that Intellectual Property Rights will provide competitive advantages to the Company, and (iii) that current or future Intellectual Property Law claims will be issued with the scope of the desired claims.

There can be no assurance that competitors or third parties will not develop technologies similar to or superior to the Company's own technology.

In addition, the protection of Intellectual Property Rights may be unavailable or limited in certain foreign countries in which the Company operates or may be involved in the business of the Company.

Internally created content (content created by the Company's employees) belongs to the Company as a result of clauses on the sale of rights contained in the employment contracts signed with its employees.

However, the Company cannot guarantee that the actions taken will not prevent the illicit appropriation by third parties of its technology.

The Company may defend itself against claims for infringement or disability of its Intellectual Property Rights. Such litigation could result in substantial costs, the diversion of time and resources from the Company's teams to the management of such litigation and could therefore have a material adverse effect on the Company's business, results of operations and financial condition generally.

Special case of patents

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

The Company monitors the filing of patents in France and in the foreign countries in which it operates.

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

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

- Its current patent applications will lead to the granting of patents;
- Its patent applications, even if granted, will not be contested, invalidated or deemed inapplicable;
- The scope of any patent protection will be sufficient to protect the Company against its competitors;
- Its products and technologies will not violate intellectual property rights or patents held by third parties, and will not be required to defend itself against such accusations by third parties;
- Third parties will not be granted or filed with patent applications or have any other intellectual property rights which, even if not encroaching upon the Company's development, would restrict the Company's development.

Moreover, intellectual property litigation is often long, costly and complex.

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

An adverse court decision could seriously affect the Company's ability to continue its business, and, more specifically, could compel the Company to:

- Cease to sell or use certain of its products and technologies;
- Acquire the right to use intellectual property rights owned by third parties at onerous conditions; or
- Change design, delay launch or even abandon some of its products.

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

This cost may be increased if a number of lawsuits are filed by the Company to enforce its rights.

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

In addition, any failure in the protection of its patents could give competitors access to the

technologies developed by the Company in collaboration with partners, which could result in the loss of a competitive advantage for the Company.

The Company also faces patent trolls risk.

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

For example, where one or more companies hold patents similar to those operated by the Company, there is a risk that patent trolls may commence litigation against the Company for patent infringement.

In addition, this risk extends to the Company's customers who may themselves be subject to patent trolls attacks on products sold or granted by the Company. There is therefore a risk that the Company may have to face its own patent infringement litigation and also be called as collateral in legal actions involving its customers.

To mitigate intellectual property risks, the Company uses external consulting services to manage its patent portfolio.

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

Dependence of the Company on the use of licenses owned by third parties

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

Moreover, the licensees of the patents granted to the Company do not grant the Company guarantees with respect to these patents.

Accordingly, the Company cannot guarantee (i) that the validity of such patents will not be challenged by a third party, (ii) that patents are not dependent on other previous patents or (iii) that patents do not affect a patent held by a third party.

If these patents are rejected or canceled, dependent on a prior patent being applied, or if a Company product is infringed as a result of its use, the Company will not be able to claim any refund of the amounts paid to third parties under the licence.

In addition, the Company is subject to a number of obligations when granting licenses by third parties.

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

Dependence on third party technologies and intellectual property

In developing certain products and technologies, the Company may enter into technology development agreements or licenses with third parties.

There can be no assurance that all technological development agreements or any licenses that the Company intends to negotiate will be entered into on terms that are favourable to the Company.

The absence or delay in entering into technological development or licensing agreements with third parties, where necessary, could limit the Company's ability to develop and market new products and could have a material adverse effect on its business.

The Company incorporates third party technologies into its own products. Problems with these technologies could lead to a substantial delay in the development and marketing of the Company's products until an alternative solution is identified, terminated or developed and integrated into its products.

Such delays could have a material adverse effect on the Company's business, results of operations and financial condition generally.

The use of free software

In connection with the development of certain products and technologies, the Company uses certain 'open source' systems and software.

These systems and software are freely available to the public by their authors under a licence that allows the user to access, use, copy, amend, incorporate and redistribute the source code.

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

As a result, the Company cannot guarantee the origin, safety, quality and origin of the 'free' software that it uses, or the non infringement of third party intellectual property rights.

3.5.3. RISKS RELATING TO THE LIABILITY OF THE COMPANY IN THE EVENT OF DAMAGE ARISING FROM ANY OF ITS PRODUCTS

The risk of the Company incurring liability with respect to defective products is inherent in the development, manufacture, marketing and sale of its products.

The Company may be held liable as a manufacturer for damage caused by a failure to produce a product made available by the Company.

A product is considered defective when it does not offer the security that one can legitimately expect.

Compensation could be sought from the Company for damage resulting from damage to a person or property.

It would, however, be up to the applicant to prove the damage, the defect and the causal link between the defect and the damage.

In addition, the Company may be held liable if it demonstrates that the state of scientific and technical knowledge, at the time the product was made available, was not sufficient to detect the existence of the defect or that the defect in the product was due to the compliance of the product with mandatory legislative or regulatory rules.

Any accident involving the Company's products could impact the demand for products developed by the Company. The Company's financial position, results and outlook could be adversely affected.

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

In order to reduce the potential consequences of risks related to presenting a liability arising from damage arising from one of its products, the Company has taken out civil liability insurance to cover any damage caused by its products.

Chapitre 4. INFORMATION ABOUT THE ISSUER

4.1. LEGAL AND COMMERCIAL NAME - ARTICLE 3 OF THE BYLAWS

The Company's name is: ATEME

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

4.2. PLACE OF REGISTRATION AND LEGAL ENTITY IDENTIFIER

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

4.3. DATE OF INCORPORATION (ARTICLE 1 OF THE ARTICLES OF ASSOCIATION) AND TERM (ARTICLE 5 OF THE ARTICLES OF ASSOCIATION)

The Company was incorporated with the Registry of the Commercial Court of Evry on 20 June 1991 as a société anonyme for a period of 99 years ending on 20 June 2090, except in the case of early dissolution or extension decided by the Extraordinary General Meeting. Its commencement of business is dated 20 June 1991.

4.4. OTHER INFORMATION ABOUT ATEME

4.4.1. REGISTERED OFFICE (ARTICLE 4 OF THE ARTICLES OF ASSOCIATION), LEGAL FORM, COUNTRY OF INCORPORATION, ADDRESS AND TELEPHONE NUMBER OF ITS REGISTERED OFFICE AND WEBSITE

The Company was incorporated as a société anonyme.

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

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

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

Information on the website does not form part of this Universal Registration Document, unless this information is incorporated by reference in this Universal Registration Document.

4.4.2. LEGISLATION GOVERNING THE ACTIVITIES OF THE COMPANY

ATEME is a French public limited company (société anonyme) governed by the laws and regulations in force in France, including the provisions of the French Commercial Code (Code de Commerce) applicable to commercial companies, as well as the Company's bylaws. Please also refer to Chapter 9, 'Regulatory environment.'

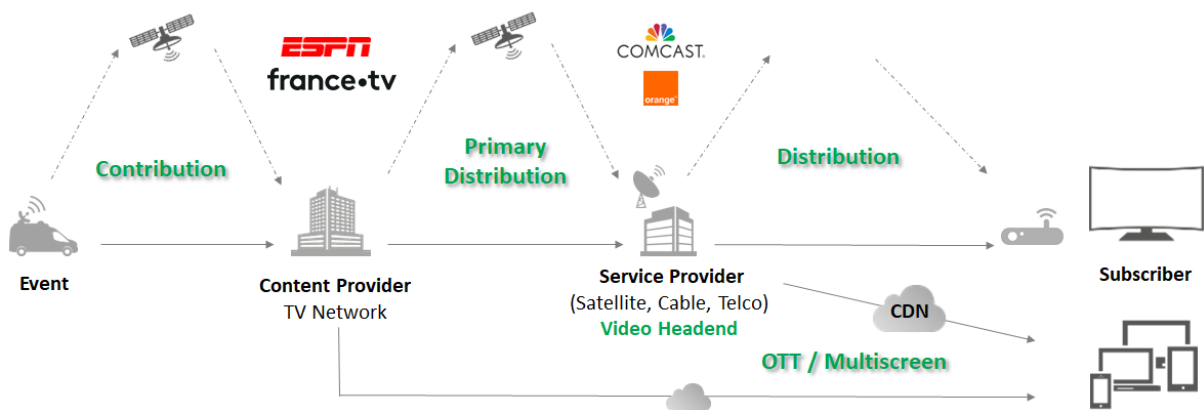
4.4.3. FISCAL YEAR - ARTICLE 6 OF THE ARTICLES OF ASSOCIATION

‘The financial year shall begin on 1 January and end on 31 December of each year.’

Chapitre 5. BUSINESS OVERVIEW

5.1. PRINCIPAL ACTIVITIES

ATEME provides software processing and video delivery solutions to content providers and TV service providers. Applications cover any type of transmission network (Satellite, Cable, Terrestre, IP, OTT) from the capture of field or studio- to multi screen broadcasting



ATEME addresses all of these applications:

- **Contribution:** This is the most upstream application of the treatment chain. A known example - but it is not the seul- is the capture of an event on the ground and the sending to a regulated one.
- **Primary Distribution:** This is the application where a content provider (Content Provider) distributes its content - whether domestically or internationally - to an entity in charge of distribution to the viewer. The most common case is the television broadcaster providing the signal to a service provider (e.g.: TF1, which supplies Orange, ESPN, which sends a signal to Comcast). At times, the 2 entities - suppliers and distributors of content - are shared (e.g. TF1 is a content supplier that distributes via terrestrial networks).
- **Distribution:** This is the historic distribution to the end user. This distribution is made via terrestrial networks on television (DTT) or Satellite/Cable/IPTV or a Set Top Box TV set box).
- **'Head to Consumer':** This is the latest development in the distribution methods to the end user. This distribution has appeared as a result of the proliferation of high speed Internet networks (xDSL, Fibre, 2/3/4/5G) and the emergence of new screens such as smartphones and tablets. Instead of going through a controlled network, the content provider is moving away from the traditional distribution infrastructure and using the Internet to deliver its content directly to the end user. In this sense, it is moving above the top of the distributor and hence the term Over- The Top. This distribution method has been adopted by content providers, since it allows them to generate returns on their content by eliminating an intermediary (the service provider). Quickly, service providers followed suit, so that their subscribers could enjoy the rights of their subscription on any screen

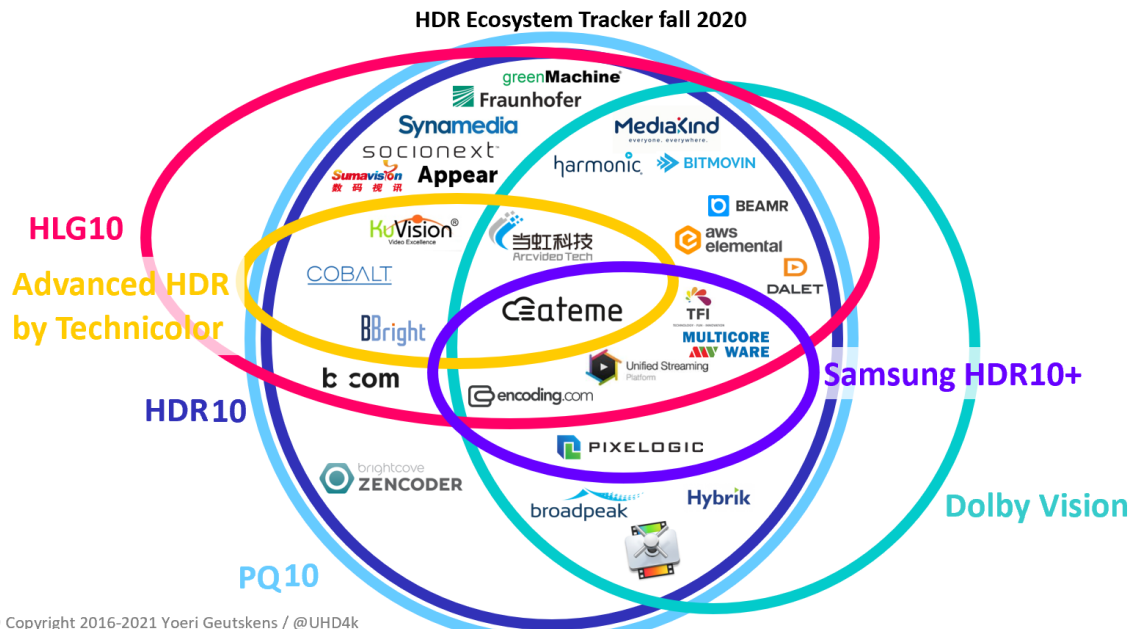
For each application, ATEME provides software solutions:

- At issue/receipt: Welders/multiplexer/bundler/decoder to capture the content and put it in the right format for the next transmission
- Transport: Streaming/CDN software adapting to audience and content popularity for an OTT broadcast

ATEME's competitive advantages are:

- The superior video quality and bandwidth efficiency seen from 2 angles:
 - On going research, ATEME is able to deliver the best visual quality. As a result, ATEME wins blind tests in client testing. This is also reflected in ATEME's ability to meet all standards that improve visual quality, for example the High Dynamic Range (HDR), which controls colour dynamics.

Video delivery component vendors (encoding, packaging, playout)



ATEME is the only company to support all HDR formats

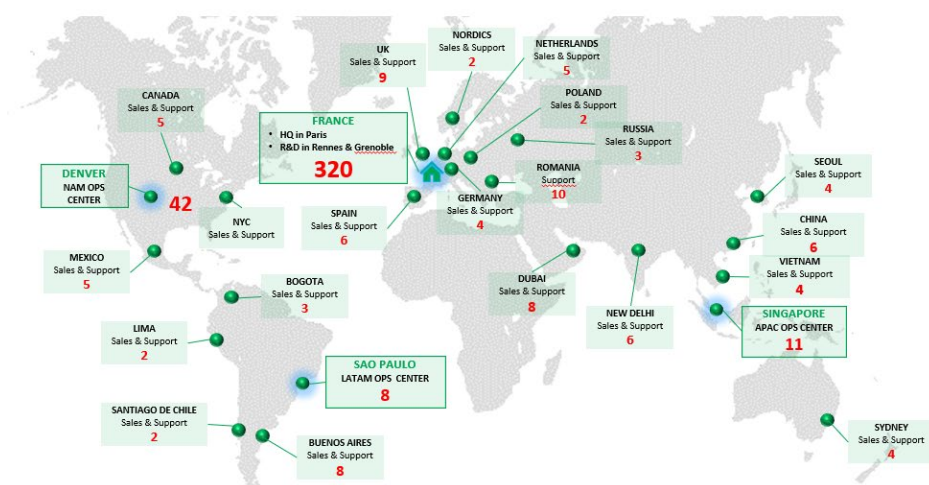
- And the ability to maintain competitive visual quality but lower transmission speed. This allows a Service Provider to transmit more chaines/content in the same distribution network. The ATEME reduces operating and distribution costs while ensuring user experience
- Unique OTT delivery/streaming solutions for value added services such as step up TV, direct control, Cloud DVR, multi screen consumption while still keeping operating costs low.
- ATEME is one of the few companies in the industry to provide a end to end software solution controlling both processing and delivery.

	TITAN ~\$1b TAM					NEA ~\$1b TAM				
	Contribution	Distribution	File Prod	File VOD	D2C Dist.	Channel Origination	Origin	Cloud DVR	CDN	Analytics
Ateme	X	X	X	X	X	X	X	X	X	X
harmonic	X	X	X	X	X	X	X	X	X (Public)	
MediaKind	X	X		X	X	X	X	X	X (Broadpeak)	
Synamedia	X	X			X	X	X	X	X	
aws elemental	X			X	X		X	X	aws Cloudfront	aws Analytics
broadpeak							X	X	X	X
VECIMA				X (igolgi)	X (igolgi)		X	X	X	
VELOCIX							X	X	X	X

Ateme has a global presence and clients across all continents.

At the beginning of 2021, the Group's full time equivalent employees (ATEME and Anevia and their subsidiaries) are represented as follows:

Ateme Global Presence (April 2021)



The registered office and R & D are in France. The Group operates in around 20 other countries, including marketing, sales and pre sales and after sales technical support. Denver, Sao Paulo and Singapore are the largest offices outside Europe and have the technical facilities to support other offices in their respective regions for pre sales and after sales operations.

For the full year 2020, sales were distributed as follows:

- USA and Canada: € 26.5 M, or 37% of total sales
- EMEA (Europe, Middle East, Africa): € 24.9 M, or 35% of total sales
- Asia Pacific: € 11.5 M, or 17% of total sales
- Latin America: € 7.5 M, or 11% of total sales

ATEME's total addressable market is estimated at 2 billion dollars for 2021. This figure is consolidated by 2 market studies carried out by recognised industry analyst firms:

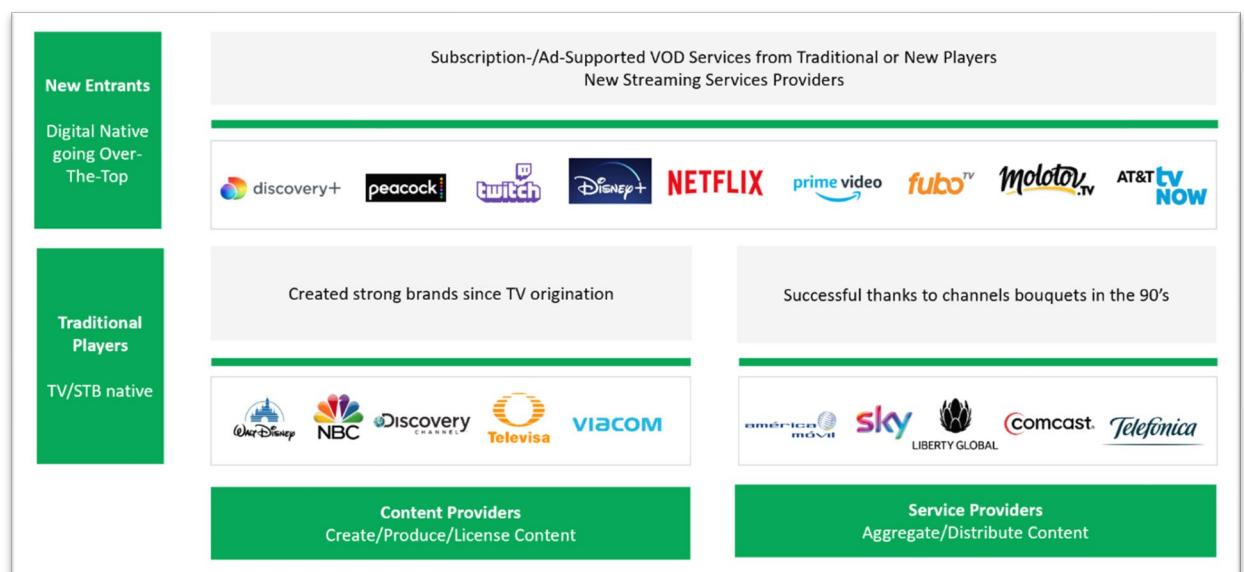
- Stone & Sullivan: <https://ww2.frost.com/>
- Devoncroft: <https://devoncroft.com/>

This figure breaks down into 2 portions:

- 1 billion for the treatment and video compression portion. The market is expected to grow moderately by following a transition to software and cloud
- 1 billion for content dissemination. This market is expected to grow strongly in with the entry of new entrants offering streaming services combined with the explosion in the consumption of content on any type of screen.

5.2. PRINCIPAL MARKETS

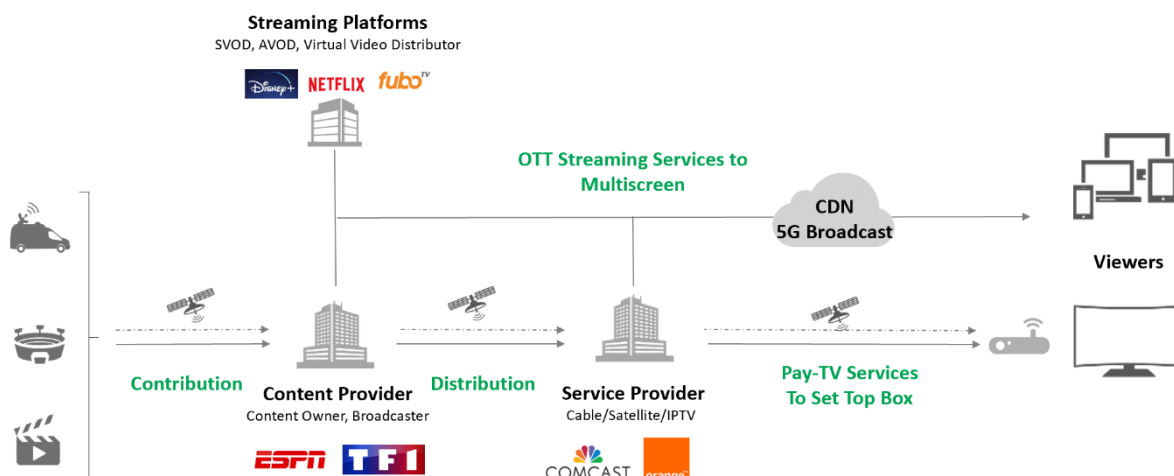
The following synoptic shows a segmentation of customers.



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

New entrants (upper part of synoptics) are Internet players who are now multiplying streaming offers. This category also includes North American giants such as Netflix, Disney + and Amazon Prime, as well as a large number of new local entrants such as Salto, Molotov and alchemy in France.

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



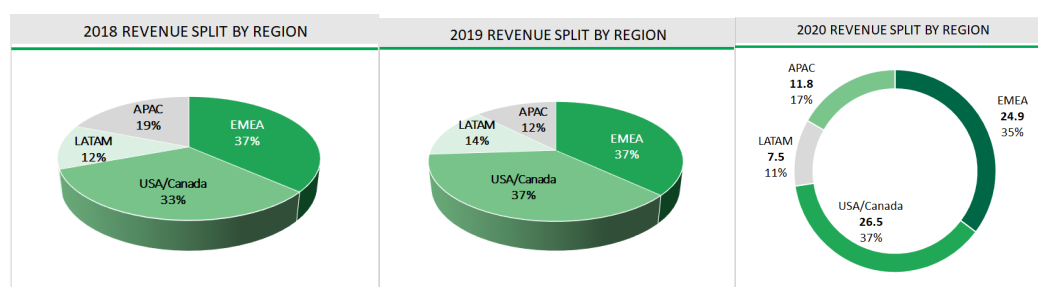
The core businesses are Contribution, Distribution and Offering through Cable, Satellite (DTH) and IPTV managed networks.

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

The company has thus established links with major players such as Content Provider and Major Service Provider, which also include: British Telecom (UK), Canal + (France), CH Hello (Korea), Direct (USA), DU (UAE), EBU (Switzerland), Enlam (USA), Fox Sports (USA), FPT (Vietnam), France Télévision (France), Huawei (China), LGU (Korea), Mediapro (Spain), NEP (Norway), Nilesat (Egypt), NPC (Australia), Nuuday (Denmark), Proximus (Belgium), RTL (Luxembourg), SES (Luxembourg), Sinclair Broadcast (USA), Telecom Malaysia (Malaysia).

5.2.1. BREAKDOWN OF SALES BY REGION AND COUNTRY

The following synoptics show the breakdown of ATEME revenues (excluding the Anevia scope) in 2018, 2019 and 2020:



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

We note the relative stability of this distribution, although the two smallest regions, LATAM and APAC, show greater volatility due to their lesser granularity.

Revenue by business is described in Section 7.2.1 of this unique Registration Document.

5.2.2. CONSUMER EXPECTATIONS AND CHALLENGES FOR PRODUCTION AND BROADCASTING PLAYERS

In the last 10 years, the arrival of tablets and smartphones has completely revolutionized broadcasting architectures. Before that, pay TV operators broadcast every chain of their

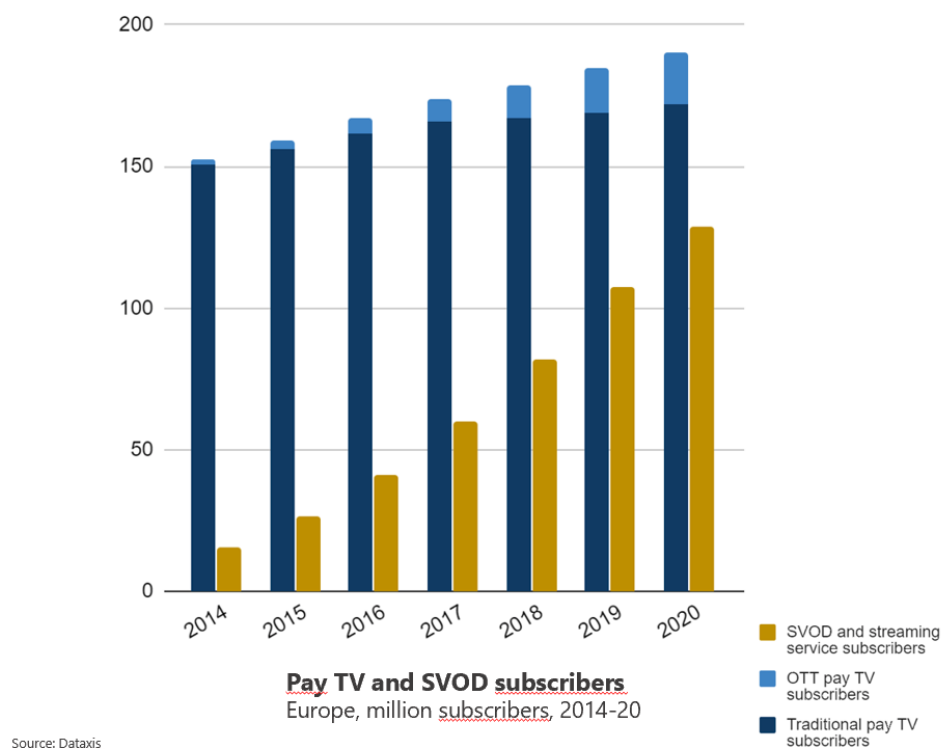
bundle in a single format, and controlled the decoder, since it was only the box they themselves equipped with their subscribers. The broadcasting infrastructure, and in particular the video network head responsible for preparing (and compressing) all content for transmission, therefore did not need to be scalable. Only high reliability was expected, and hardware (dedicated electronics) architectures were perceived as much more reliable than software solutions.

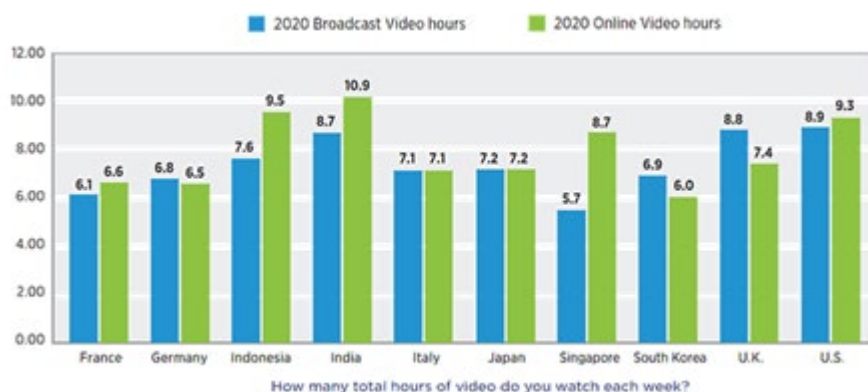
The arrival of tablets and smartphones therefore upset this established order, with growing demand from subscribers to be able to watch their content on their nomadic screens. Operators had difficulty meeting this expectation since by their very nature video heads did not easily offer the possibility of offering new exit formats, compatible with nomadic set top boxes.

All of them have thus moved towards much more scalable software infrastructure, and are able each year to respond to the exit of new nomadic screens.

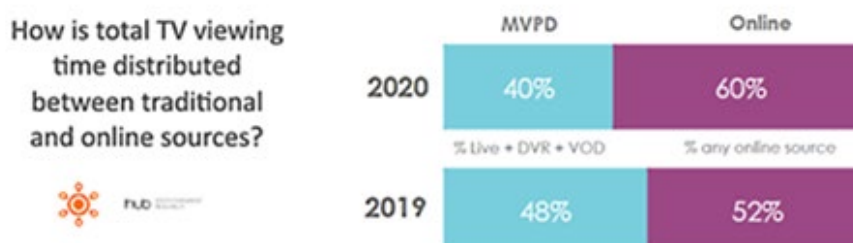
5.2.3. FUTURE DEVELOPMENTS

As the charts below show, OTT offers take precedence over conventional TV.





Source: Market Research: The State of Online Video 2020, Limelight Networks



Source: <https://nscreenmedia.com/avod-svod-continuum/>

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

To offset this, two trends are emerging

- Service Providers, which still have access to the end user via Internet access, acts as an aggregate of OTT offers. Through a single subscription and search portal, they seek to gather all major offerings. In this way, consumers do not need to tie up several subscriptions and applications. All the major Service Providers worldwide - Comcast, Liberty Global, Sky - have adopted this strategy. In France, Canal plus has strategic partnerships, in addition to offering its own content, and in certain exclusive cases with Netflix, Disney + and OCS.
- Content Providers and streaming Platforms are trying to differentiate themselves by creating a customised experience. By drawing on their large library of contents, as well as the data they can hold on the end user (gout, preference, location, etc.), these platforms offer content that will be adapted to the end consumer.
 - o For example, The Weather Channel launched an OTT chaine "Stream your city" where content is adapted to each city
 - o Pluto TV has the functionality to adjust its chaine grid to major external events.
 - o The Tennis Channel offers the possibility of seeing chains dedicated to certain players during major tournaments, based on the user preference parameters.

By extension, all market participants are investing in the dynamic integration and customization of advertising, known as targeted advertising. Besides the increased commitment effect mentioned above, targeted advertising generates more revenue. The business model is based on a CPM (cost per thousand). When advertising is targeted, MPC is more important because targeting guarantees clients a better return on investment.

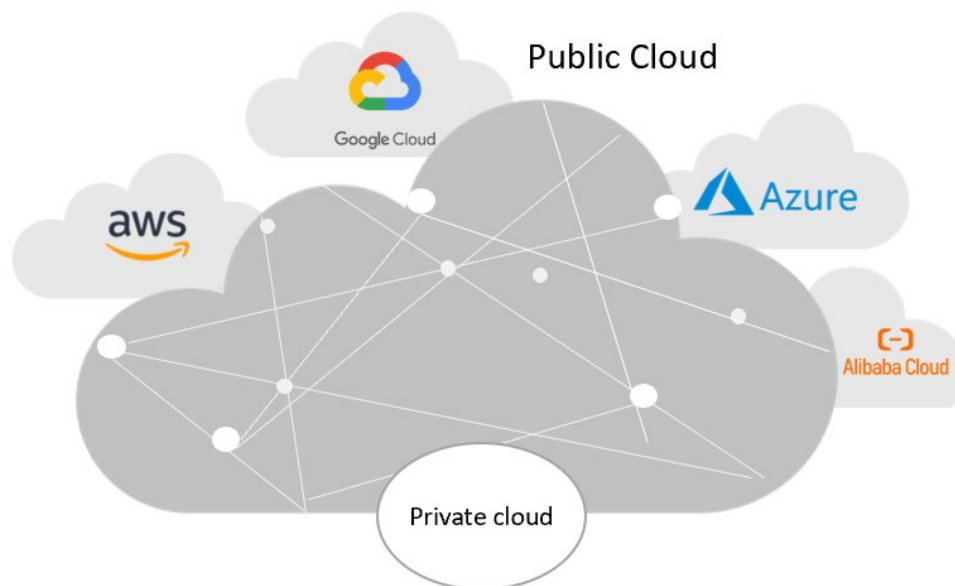
In addition to the development of offerings, market players are also reviewing the management of their operations and CDN and cloud infrastructure.

The cloud migration started around 2015 and has accelerated since. The Cloud offers advantages of flexibility, customization and ease of cutting adapted to the speed demanded by the OTT world. However, in some cases, the Cloud is not the right answer: For some historic Service providers with already datacenters, it is not appropriate to migrate the 24/7 chains to the Cloud. This would lead to a higher cost than deploying these chains in the private datacenter.

The industry will therefore continue to mature on the subject by investing in a multi/hybrid cloud choice, i.e. a combination of on site and on site services hosted in the Cloud even at several cloud providers: Amazon Web Services, Alibaba Cloud, Google Cloud Platform, Microsoft Azure were the most popular providers in 2021.

This multi hybrid cloud approach has several advantages:

- Cutting costs.
- Limited dependence on a limited supplier.
- Ease of deployment and accessibility, especially in a globalized context



According to the 'Flexera 2020 State of the Cloud Report,' companies use on average 4.5 clouds (50 private, 50% public).

In a similar approach, market participants use several distribution networks called CDN, Content Delivery Network. Historically, this CDNs market was dominated by service providers

(Akamai being the leader). For the same benefits of cost, flexibility and accessibility as the water/Multi Cloud approach, ATEME clients now use several CDNs, including by building their own CDN (Private CDN), which provides a market opportunity for NEA solutions.

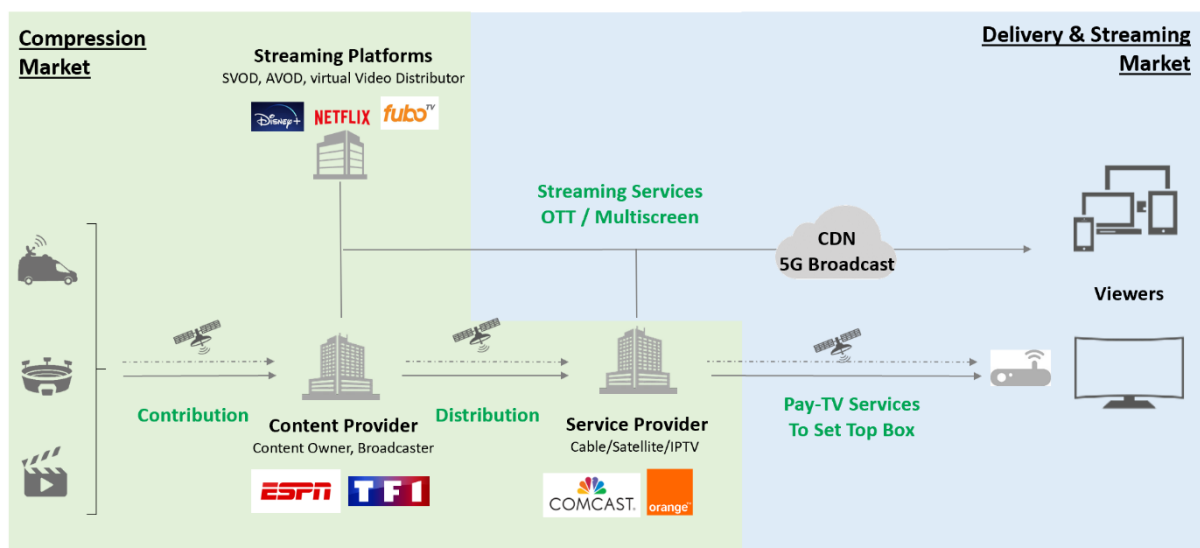
Segmentation and market size

ATEME's total addressable market is estimated at 2 billion dollars for 2021. This figure is consolidated by 2 market studies carried out by recognised industry analyst firms:

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

This figure breaks down into 2 portions:

- 1 billion for the treatment and video compression portion.
 - o This is the green part called 'Compression Market' in English in the diagram below.
 - o Moderate growth in this market will come from a transition to software and cloud
 - o For sale in this market, ATEME uses TITAN software solution, a software component package to deliver compression, compression and statistical multiplexing.
- 1 billion for the distribution of content by NEA.
 - o This is the blue section called 'Delivery & streaming Market' in English in the drawing below
 - o This market is expected to grow strongly in with the entry of new entrants offering streaming services combined with the explosion in the consumption of content on any type of screen.
 - o For sale in this market, ATEME uses the NEA software solution, a combination of software components, to produce the right format, recording and distribution solutions



5.3. IMPORTANT EVENTS IN THE DEVELOPMENT OF THE BUSINESS

5.3.0. HISTORY ATEME:

1991 - 2000: Creation of ATEME in 1991, which develops for 10 years a service delivery model.

2000 - 2005: Financed by capital development funds and driven by a partnership with Texas Instruments, ATEME is developing a software brick offer for audio/video compression and is beginning to develop internationally.

2005 - 2014: Financed by venture capital funds, ATEME is strategic repositioning, selling its historical services and video surveillance activities, and launching its two product ranges Kyrion (in 2007) and Titan (in 2009).

2014 - 2020: Following the listing on Euronext in July 2014, the company grew rapidly and became profitable from 2016. It has done a great deal of work on its sales models and rapidly increased the share of recurring revenues from 2019 onwards.

5.3.1. HISTORY ANEVIA:

2003: Société Anevia was founded in 2003 by four alumni at École Centrale Paris who all participated, in the early 2000's, in the VideoLAN project. The purpose of the programme was to create software for the distribution of videos through the computer network of the School. This led to the creation of VLC Media Player, a free, world known free multimedia reader, which has exceeded 3 billion downloads since it was made available in 2001. Based on their experience in computerized video processing and the emergence of Free and France Telecom/Orange's first boxes in the pioneering market of France, they decided to develop a software solution for the Internet broadcast of video flows.

2011: Anevia launches ViaMotion product line, now renamed EA Live and NEA CDN

2014: Having been financed in 2005 and 2009 by venture capital funds, Anevia made its IPO on Alternext.

5.3.2. RECONCILIATION:

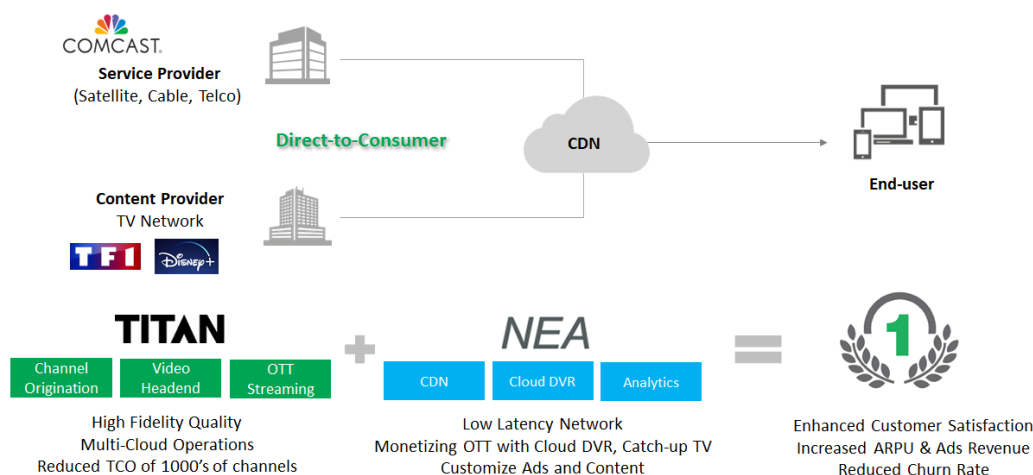
At the end of July 2020, ATEME and Anevia announced they had entered into exclusive talks. The deal received the unanimous support of Anevia's senior executives, founders and board of directors.

At the end of October 2020, ATEME became the majority shareholder of Anevia, holding 87% of its share capital, then 98% after a friendly takeover bid launched in December 2020 with the aim of merging the two companies.

5.4. STRATEGY AND OBJECTIVES

5.4.0. END TO END PROCESSING SOLUTION POSITIONING

As the following synoptic illustrates, the ATEME products (below in green) and Anevia products (below in blue) offer an end to end solution for the OTT broadcast of video content, whether it is run by a historic broadcaster (Orange type) or by a media group (TF1 type).



The TITAN software package, including TITAN Live, is used upstream to carry out video compression operations and prepare content for distribution. Then the video flows are decoupled into data packages that are distributed in the network by NEA Live. NEA CDN also routes them to subscribers.

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

5.4.1. BUSINESS STRATEGY

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

Tier1 operators have significant scale and technical expertise, and generally have an approach to defining their diffusion infrastructure, selecting the best available technologies in the market and steering their integration.

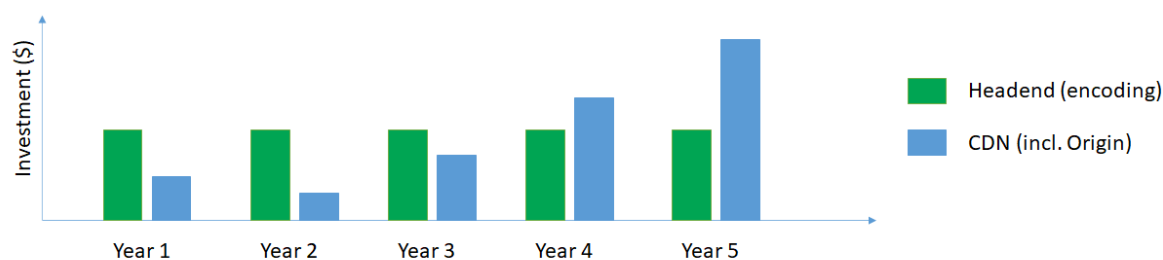
Conversely, Tier3/Tier4 operators are looking for a turnkey solution, and assume the responsibility of an integrator or a service platform to provide a complete solution.

ATEME addresses Q1/T2 clients directly, and Q3/Q4 clients via partnerships with integrators or service platforms.

Additionally, broadcasters are increasingly seeking to use a public cloud to support their broadcasting infrastructure. This is even more true in response to the 2020 pandemic, which has shown the limits of relying only on a broadcaster's own datacenter. Hybrid cloud strategies (private data center combined with a public data center) or multi cloud strategies (a combination of several public cloud services) all move in this direction to greater resilience to an unpredictable context.

5.4.2. EVOLUTION OF BUSINESS MODELS TOWARDS MORE RECURRING REVENUES

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



Video Headend (encoding) business

- Investments driven by the amount of content (live channels, VOD catalogue)
- Typically generating flat repeat business

CDN / OTT video delivery business

- Investments driven by the growth of the traffic
- Successful OTT services face a X2 traffic every year

For the Titan software (the traditional ATEME green product), the business volume is in proportion to the number of chaînes on the website, whereas for the NEA CDN (the traditional Anevia product, in blue), the volume will be proportional to the consumption of streaming content by subscribers. This leads to a very interesting complementarity, as the Titan product helps to win the customer's confidence in the initial phase of the deployment of a service and thus position itself on the longer term but potentially more important income of the roll out of its network infrastructure (the NCD).

Since the beginning of 2019, one of the pillars of the company's growth strategy has been to shift towards more recurring incomes.

The industry's traditional and still dominant business model, inherited recently or video heads were made of electronic equipment, is a 'capex' model. For example, ATEME often sells Titan software in the form of perpetual licenses, and even sells the standard servers (Dell, HP, etc.) on which the software will turn. In addition, ATEME sells a software support contract for 10 to 20% of the value of the software according to its commitments. Although not contractual, there is often a de facto recurrence as customers who fit a Titan software network head regularly recommend new licences to process new content.

Recognizing this 'de facto' recurring revenue, ATEME has offered its clients, particularly since early 2019, a commitment to multi year contracts, which the market has accepted.

In addition, some customers, particularly new entrants that do not yet have an installed subscriber base, apply for a licence lease model (with variable terms of commitment that can be traded against a rebate on the cost of a lease).

The three components described above (annual renewals of support contracts, multi year capex contracts and licence leases) constitute the 'KPI MRR' (key monthly recurring income indicator) on which ATEME has begun to report since early 2020. This indicator increased from € 570 k in January 2019 to € 880 k in January 2020 and € 1.5 M in January 2021 (including Anevia support contracts).

The business models which have enabled the rapid development of ATEME products in the market are now adapted to and extended to Anevia products with a view to increasing MRR's share of revenue.

The company expects to benefit from this strategy from a better forecasting of revenues, more effective management of the company's growth, an improvement in gross margin (as these MRR do not include any sales of hardware), and finally an improvement in operating margin due to a better rationalization of commercial investment.

5.4.3. GEOGRAPHIC EXPANSION

ATEME currently has operations in approximately 20 countries. The last additions were Australia (2019) and Russia (2020). This coverage now seems complete, and there is no shortage of major countries on the map. Geographic expansion will now focus on strengthening the presence in major markets, especially in the US, where growth potential remains considerable.

5.4.4. ACQUISITIONS

The market in which ATEME operates remains fragmented and there are close to 3000 companies, suppliers of products and services combined. As a result of recent events - merger and acquisition among clients, acceleration of cloud migration, pandemic, there are many opportunities for consolidation in the sector.

ATEME is planning to accelerate its development through one or more external growth operations, which will have to provide complementary technology and products, a complementary client base, and be in a healthy financial position (quickly profitable if not pro forma). The sectors identified include:

- Workflow management
- Analytical
- Integration of advertising, compatible with multi screen broadcasting, which ensures that content is monetized,
- And more generally, any application software technology linked to ATEME's compression and video delivery products that would be a vertical solution enabling its customers to launch new revenue generating services.

It was with this in mind that the company acquired ANEVIA SA in the fourth quarter of 2020. Anevia is a software developer specialized in OTT and IPTV distribution of live, deferred and on demand video (VOD), the company offers a comprehensive portfolio of video compression solutions, multi screen IPTV, Cloud DVR and CDN. This merger is a key step in the implementation of the Group's external growth strategy.

5.5. EXTENT TO WHICH THE ISSUER IS DEPENDENT ON PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTACTS OR NEW MANUFACTURING PROCESSES

5.5.0. DEPENDENCE ON PATENTS OR LICENCES

Video compression standards:

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

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

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

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

While compression tools are in principle the same, significant differences to reduce compressor flow have been brought. For example, from one standard to another, the number of directions in which the movement of an object into the image is to be sought is substantially increased. The tools defined in the HEVC standard therefore require around 10 times more calculation power than the MPEG-4 standard, which is about 3 times more complex than the MPEG-2 standard.

The best efficiency therefore has a cost in terms of the quantity of calculations to be made to benefit from the compression gains.

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

Alongside the MPEG group, a consortium of private companies, the Alliance for Open Media (AOM), which includes Google and Netflix among its founding members in 2015, launched the AV1 standard in 2018 and works on the AV2 standard. These standards deliver performance comparable to MPEG group standards, but the authors of these standards guarantee the sale of all royalties.

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

Other standards

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

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

Cable Labs, a research and standardization organization created by US cable operators.

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

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

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

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

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

ATEME patent policy

ATEME has an active intellectual property protection policy and currently holds 50 international patents, including 12 filed in 2020.

Third party software

The Company's software packages include a few third party software modules limited to non critical functions that may be replaced or redeveloped where appropriate.

They also include third party software bookshops such as Dolby audio coding bookshops, which are terminated and for which there is no risk of being unable to distribute these functions in our software releases.

5.5.1. DEPENDENCE ON INDUSTRIAL CONTRACTS

There is no such dependence.

5.5.2. DEPENDENCE ON COMMERCIAL CONTRACTS

The Group 's largest customer, its five largest customers and its ten largest customers represented, respectively, 6%, 21% and 33% of its consolidated sales for 2020; 8%, 23% and 34% of its consolidated sales for fiscal year 2019.

The Group has a fairly balanced spread of revenue between its main customers and thus believes that it currently faces only a limited risk of dependence on its customers.

5.5.3. DEPENDENCE ON FINANCIAL CONTRACTS

There is no such dependence.

5.5.4. DEPENDENCE ON MANUFACTURING PROCESSES

There is no such dependence.

5.6. COMPETITIVE POSITION OF THE COMPANY

It is well known that few competitors have such a comprehensive offer of treatment, as the following analysis shows.

	TITAN ~\$1b TAM					NEA ~\$1b TAM				
	Contribution	Distribution	File Prod	File VOD	D2C Dist.	Channel Origination	Origin	Cloud DVR	CDN	Analytics
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X (Public)	
	X	X		X	X	X	X	X	X (Broadpeak)	
	X	X			X	X	X	X	X	
	X			X	X		X	X	aws Cloudfront	aws Analytics
							X	X	X	X
				X (igolgi)	X (igolgi)		X	X	X	
							X	X	X	X

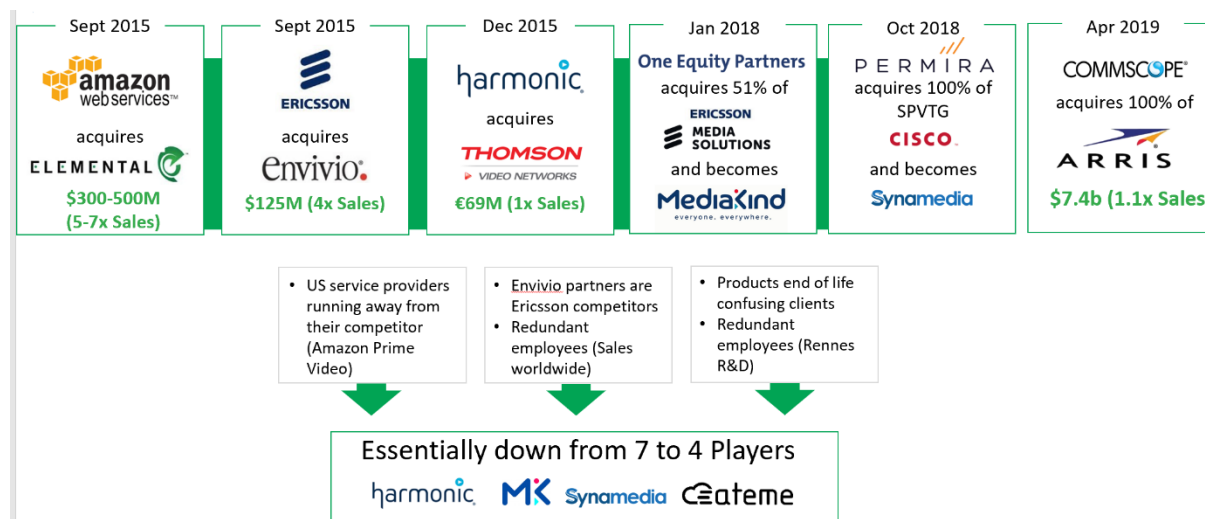
This table is the aggregation of several sources:

- Analysis of the websites of all companies which helps to clarify the offer of the competitor in question
 - o Harmonic: <https://www.harmonicinc.com/>
 - o Mediakind: <https://www.mediakind.com/>
 - o Synamedia: <https://www.synamedia.com/>
 - o AWS Elemental: <https://aws.amazon.com/media/>
 - o Broadpeak: <https://broadpeak.tv/>
 - o Vecima: <https://vecima.com/>
 - o Velocix: <https://velocix.com/>
- These companies are listed at trade shows, which are used by visitors to the trade show to find a company.
 - o Example: ATEME classifies itself as a compression provider, others do not
 - o The list of sellers and categories for the IBC 2019 (last major face to face trade show) is available here https://ibc19.mapyourshow.com/8_0/#/
- Scrutation of product/solution press releases to help understand the lines of communication and construction of the pipe for the coming year.
- Lends listed companies to financial communications analysis which shows how companies view their medium to long term development
 - o Harmonic: <https://investor.harmonicinc.com/investor-overview>
 - o AWS Elemental: <https://ir.aboutamazon.com/overview/default.aspx>
 - o Vecima: <https://vecima.com/investor-relations/>

We can distinguish between two types of competitors:

- End to end competitors offering both processing solutions (TITAN competitors) and delivery solutions (NEA competitors) for end to end offers. Some of these competitors are Harmonic, Mediakind, Synamedia and AWS Elemental.
- Anevia's 'pure player' competitors on the delivery side: Broadpeak, Vecima, Velocix

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



Historical competitors have been repurchased by other competitors

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

Other companies are bought back by larger groups:

- Elemental has been acquired by AWS, AWS 's cloud division,
- Arris was acquired by Comscope, Infrastructure suppliers.

As a result, ATEME's competitive landscape has been clarified since 2015. This has created favourable conditions for ATEME's growth which was subsequently able to achieve external growth through the acquisition, which has strengthened its product offering. In the following paragraphs, we identify competitive advantages by product range

Kyrion's main advantages and competitors

The Kyrion range is for video processing in field operations, often in real time: News duplex, sporting events. Kyrion set top/decoder are so called material products, i.e. ATEME:

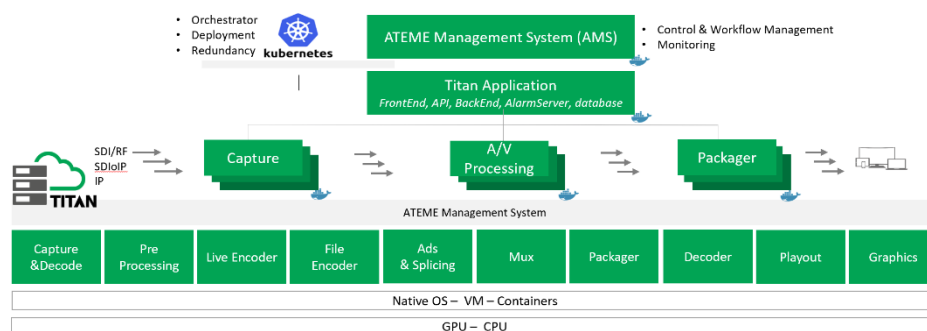
- Means compression/relief software,
- Means the equipment for hosting the software. This equipment is built on shelf components
- Sell all.

ATEME's gain lies in its ability to design the best software that benefits from hardware's performance. The range, like all the others described below, builds on ATEME's expertise in video quality, bandwidth efficiency and simplified operations.

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

Main benefits and competitors of Titan and Flamingo

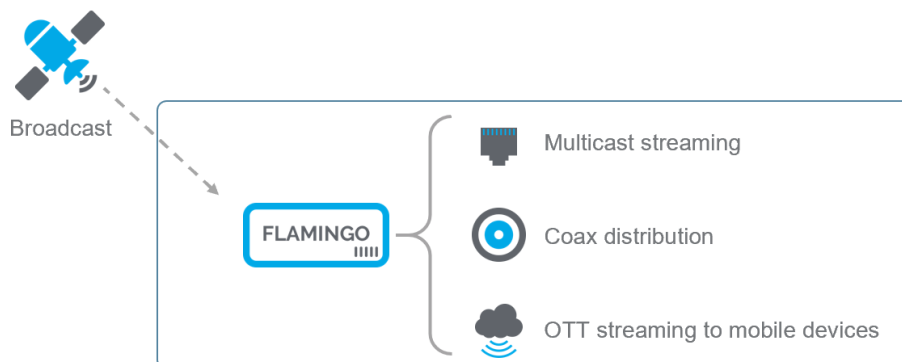
Titan is ATEME's standard solution for everything that affects video compression. It is a full software suite covering content/signal acquisition and/or streaming, including playout modules for the creation and addition of chains. This solution is intended for both Content Providers and Service Providers.



The competitive advantages of this solution are:

- ATEME bandwidth efficiency and quality to achieve economies of scale in transmission
- The ability to support all resolutions from the smallest to 4 K HDR
- The ability to support all industry entry/exit standards and compression/compression standards allowing TITAN to be used in a large number of applications, thereby simplifying customer operations
- Adding key functions to manage everything around video: Subtitles, level of its
- Fully infrastructure independent software range:
 - o Any type of PC on site
 - o Any type of Cloud
 - o Any kind of virtualized environment

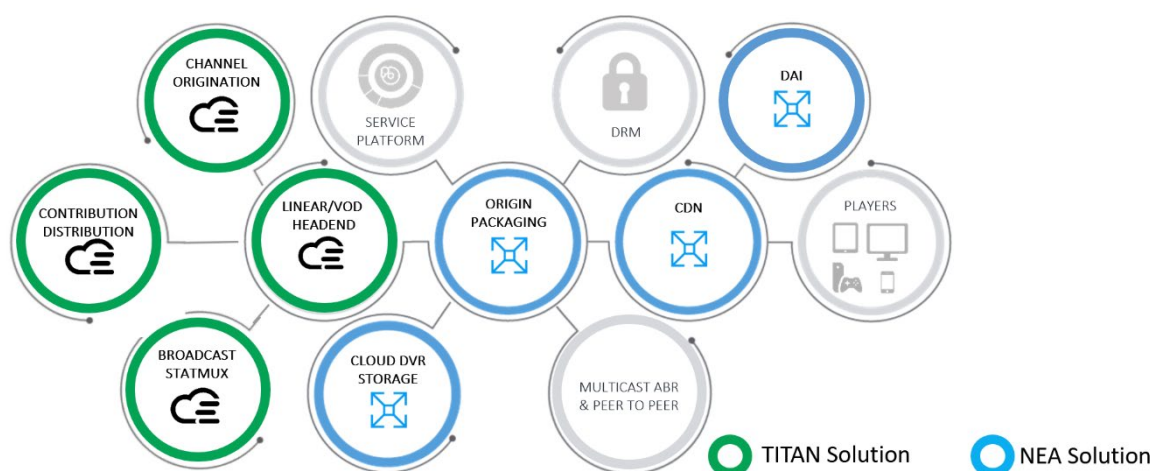
The TITAN range was complemented by Anevia's gateway Flamingo products, which can be used for distribution worldwide of Enterprise/Hospitality



Flamingo has the advantage of being an enriched solution with not only all the interfaces required for reception, but also software management to enable applications such as VOD and interactive services on the television screen. In addition, Flamingo integrated the management of a range of remote equipment, enabling Accor Hotels type chains to better manage all of their roll out

NEA's main competitors and advantages

The NEA range is ATEME's software suite for the delivery of OTT content. This range comes from the acquisition of Anevia. It covers numerous components from Origin (the network entry point) to NCD. The design below shows the NEA range and its complementarity with the TITAN range



The competitive advantages of this solution are:

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

Glossary:

ATSC: Advanced Television Systems Committee, US Standardization Committee

AVOD service: Advertising Video On Demand service, a video on demand service financed by advertising

Catch up TV: Catch up Television

CDN: Content Delivery Network, Content distribution networks

Cloud DVR: Cloud Digital Video Recording, cloud recording

CPM: Cost Per Mille, cost per thousand

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

DTH: Directorate to Home, Satellite Television

DVB: Digital Video Broadcasting, European Standardization Committee

HDR: High Dynamic Range, high range dynamic (colours)

IPTV service: Internet Protocol TeleVision, an online television service

OTT service: Over The Top service, service by bypass

SVoD service: Subscription Video On Demand service, on demand video service by subscription

VIDEO headend: Head of video network

5.7. INVESTMENTS

5.7.0. PRINCIPAL INVESTMENTS OVER THE LAST THREE FISCAL YEARS

(Amounts in € k)	31 Dec 2020	31 Dec 2019	31 Dec 2018
Capitalization of development expenditure	(582)	(497)	(534)
Purchases of intangible assets	(308)	(251)	(192)
Purchases of property, plant and equipment	(1,588)	(1,020)	(2,102)
Total Acquisitions	(2,478)	(1,768)	(2,828)

The Company's investments in intangible assets over the past three years mainly relate to the development costs of the TITAN File, TITAN Live OTT and TITAN Playout projects.

Investments in property, plant and equipment over the past three years correspond to acquisitions of IT equipment used in the course of its research and development activities and improvements to its premises.

5.7.1. PRINCIPAL INVESTMENTS IN PROGRESS

The Company continues its research and development activities and will be required to capitalise on development costs if the criteria are met and to renew its IT fleet and will be financed primarily through equity.

5.7.2. PRINCIPAL FUTURE INVESTMENTS

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

The planned investments for 2021 are mostly related to product launches and/or product upgrades and will be financed primarily through equity.

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5.7.3. INFORMATION CONCERNING JOINT VENTURES AND UNDERTAKINGS IN WHICH THE ISSUER HOLDS AN EQUITY INTEREST

Investments are primarily made by ATEME SA and its subsidiary ANEVIA. The other major subsidiaries are involved in commercial rather than production activities.

5.7.4. USE OF PROPERTY, PLANT AND EQUIPMENT AND ENVIRONMENTAL ISSUES

With regard to the social responsibility and use of fixed assets, the Group has not yet presented a comprehensive report on ATEME SA's social and environmental responsibility, but at the social level, it is developing a human resources policy focused on (i) the continuous development of talent, (ii) equal treatment of women, (iii) the absence of discriminatory measures at recruitment, and (iv) compliance with ethical rules.

At the global level, ethical charters are ratified with most partners (suppliers and clients) and society is developing a policy of contributing to NGOs specialized in the humanitarian and educational fields.

In environmental terms, the innovations introduced to the TITAN and NEA product ranges have reduced energy impacts by 65% in 3 years while improving the user experience in terms of the quality of visionable videos. The Group intends to pursue its strategy of improving its energy consumption by an additional 50% over the next three years, making telecommuting at 50% of time the new operating method to help reduce the Group's carbon footprint.

5.8. IMPORTANT EVENTS IN THE DEVELOPMENT OF THE BUSINESS

1991

Creation of the Company by Dominique Edelin and Michel Artières, initially as developer of flow processing software (development of coding/decoding algorithms for audio and video flow). These software products are sold under the white label and the Company does not fire its software.

2004

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

2007

Strategic change initiated with the launch of the first generation Kyron decoder. Instead of designing and selling white brand software, the Company now has its own servers embedded in its proprietary encoding/decoding software solutions.

2008

Opening of a US subsidiary with an office in Hollywood, CA (USA)

2009

Launch of the Titan (file transcoder) for the VoD/SVoD/catch up TV + first MPEG-4 decoder/decoder 4: 2: 2 10-bit worldwide, intended for the high quality/upscale contribution segment.

2011

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

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

2012

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

2013

The high quality contribution box Kyrion CM5000 was awarded the TV Technology Award at the Las Vegas NAB trade show.

TITAN set top boxes now support the new generation compression standard HEVC/H.265 (High Efficiency Video Coding), which delivers a 50% improvement in performance compared to AVC/H.264 and supports the Ultra HD/4 K. definition.

Participation in the launch of the 1st UHD TV (Ultra HD) channel by Eutelsat.

2014

The company successfully completed its initial public offering on Euronext, Eurolist C. The Company's shares are now referred to under ISIN code: ATEME (FR0011992700). At the time of this listing, the company raised approximately € 13.3 M per share capital increase, bringing its valuation in 2014 to 44.7 million euros.

2015

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

2018

Opening of a subsidiary in Australia: Australia PTY Ltd has sales and support activities dedicated to Australian clients.

2020

Acquisition of ANEVIA SA, software developer for OTT and IPTV distribution of live, deferred and on demand video (VOD), which offers a comprehensive portfolio of video compression solutions, multi screen IPTV, Cloud DVR and CDN.

Anevia is developing innovative technologies that enable us to watch television everywhere, at any time and at any terminal, including in 4 K Ultra HD. Anevia is the world renowned telecommunications and pay TV operator market, content broadcasters and video service providers in the hospitality, healthcare and corporate, public and private sectors. Founded in 2003, Anevia is a pioneer in developing flexible and scalable software solutions. The company actively contributes to a number of television, health and business associations of which it is a member. Based in France, with regional offices in the US, Dubai and Singapore.

Chapitre 6. ORGANIZATIONAL STRUCTURE

6.1. BELONGING TO A GROUP

At the date of filing this Registration Document, the ATEME Group is made up of 7 entities: ATEME SA, ATEME Inc. (USA) ATEME Canada Inc., ATEME Japan KK, ATEME Singapore PTE. Ltd., ATEME Australia PTY and Anevia S.A. Ltd., all fully consolidated.

The parent company ATEME SA concentrates part of the Group's R & D operations, management, sales and marketing functions.

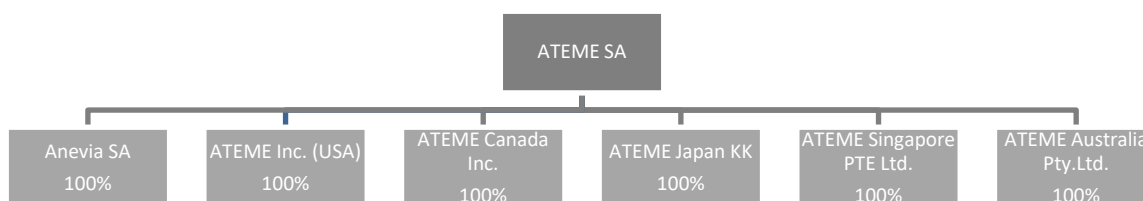
ATEME Canada, ATEME USA, ATEME Australia ATEME Singapore derives revenue from services billed to the Company and from sales of products and services to local clients.

Since the installation of its head office in Vélizy Villacoublay in January 2015, the company has held three secondary schools in France: Rennes, Gentilly and Meylan.

On 26 October 2020, the Company acquired Anevia SA, whose registered office is located at Gentilly, itself held (i) Anevia Inc, a US company, whose registered office is located at Newark, United States of America, and Anevia Asia Pacific Pte. Ltd., a Singaporean company whose registered office is located in Singapore, which is not active and is not consolidated.

Anevia SA has its own R & D activities and invoices products and services.

ATEME Group Organizational Structure



6.2. MAIN SUBSIDIARIES

At the date of filing this Registration Document, the ATEME Group consists of 7 entities: ATEME S.A., ATEME Canada Inc., ATEME Inc. (USA), ATEME Japan KK, ATEME Singapore PTE Ltd., ATEME Australia PTD Ltd., and Anevia S.A., all fully consolidated.

- ATEME, Inc. located at 750 W. Hampden Ave., Suite 290 in Englewood, Colorado USA. ATEME Inc. Is responsible for sales and customer support activities in the Americas region. ATEME Inc. had 41 employees at the end of 2020 (including external service providers) as of 31 December 2020. This subsidiary does not have any interests in ATEME SA or any other company.

- Anevia SA carries out software publishing and customer support activities, whose registered office is located at 79 rue Benoît MALON, 92450, Gentilly and had a workforce of 92 people at 31/12/2020.
- ATEME Canada Inc., located at 2800-630 Boulevard René-Lévesque, at Montreal, Quebec H3B1S6, performs customer support activities and had a workforce of 5 people as of 31/12/2020.
- ATEME Japan KK. has been dormant since 2010 pending a recovery in business activity.
- ATEME Singapore PTE LTD Ltd located at 152 Beach Road, Singapore. ATEME Singapore PTE LTD carries out sales and customer support activities. As of 31 December 2020, ATEME Singapore PTE Ltd's workforce increased from 10 people at the end of 2020 (including service providers). This subsidiary does not have any interests in ATEME SA or any other company.
- ATEME Australia PTY Ltd., located at Suite 402 Level 4, 44 Miller Street, North Sydney NSW 2060, Australia, has a sales and support business and comprised 4 staff as of 31/12/2020.

The financial information for subsidiaries and affiliates at 31 December 2020 (equity, revenue, income and value of shares) is presented in Note 22 'List of subsidiaries and affiliates' of the 2020 audited historical financial information presented for the year ended 18.01.01. 'Audited Historical Financial Information' of this Universal Registration Document.

List of the issuer's significant subsidiaries

Company	Country of establishment	% capital	% of voting rights
ATEME	France	Parent company	
ANEVIA	France	100%	100%
ATEME Canada	Canada	100%	100%
ATEME USA	United States	100%	100%
ATEME Singapore	Singapore	100%	100%
ATEME Japan KK	Japan	100%	100%
ATEME Australia	Australia	100%	100%

Chapitre 7. OPERATING AND FINANCIAL REVIEW

The following published financial information has been taken from the consolidated financial statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at the balance sheet date and mandatorily applicable at that date.

Pursuant to Article 19 of EU Regulation No. 2017/1129 of the European Commission, this universal registration document incorporates by reference the following information, to which the reader is invited to refer:

- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2020, included respectively on pages 66 to 130 and page 156; and the management report for the year ended 31 December 2020, included on pages 4 to 31 of the Annual Financial Report filed with the AMF on 29 April 2021
Link: https://www.actusnews.com/documents_communiqés/ACTUS-0-68967-fy20-ATEM-rapport-financier-2020-en.pdf
- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2019, included respectively on pages 31 to 66 and page 157; and the management report for the year ended 31 December 2019, included on pages 4 to 31 of the Annual Financial Report filed with the AMF on 29 April 2020.
Link: https://www.actusnews.com/documents_communiqés/ACTUS-0-63228-ATEME-rapport-financier-au-31-12-2019-v2904-1600-clean-vdef.pdf
- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2018, included respectively on pages 59 to 118 and page 141; and the management report for the year ended 31 December 2018, included on pages 4 to 27 of the Annual Financial Report filed with the AMF on 29 April 2019.
Link: https://www.actusnews.com/documents_Communication/ACTUS-0-58187-12.2018-rfa-vconso vf 2904-1630.pdf

7.1. FINANCIAL POSITION

7.1.1. RESULTS OF OPERATIONS AND CHANGE

2020: IFRS financial statements

2020 revenue (for the year ended December 31) amounted to 70.7 million euros, up 7% on 2019 revenue of 66.3 million euros (17% at constant exchange rates). ATEME thus recorded a ninth year of consecutive growth (average annual growth of 21% over 2011-2020).

In EMEA, revenue, representing 35% of total revenue, increased by 2%. North America (37.4% of sales) reported growth of 8%, with revenue of 26.5 million euros. On a comparable basis, revenue increased by 7%.

Latin America was down 16% to 7.5 million euros. On a like for like basis, revenue fell 41%.

Surpassing Latin America, Asia Pacific took third place in the podium thanks to soaring revenues of 43% to 11.8 million euros. Revenue rose by 45% on a like for like basis.

ATEME continued to invest in R & D and sales & marketing, increasing its workforce from 298 to 332 at the end of October 2020 and then to 453 with the integration of Anevia from November

On a full year basis, operating expenses amounted to € 37 M, compared to € 31.3 M in 2019, reflecting an increase of approximately € 3.1 M in R & D and € 1.6 M in sales & marketing. General and administrative expenses rose by € 0.9 M.

The financial result resulted in a € 1.4 M loss, mainly related to foreign exchange losses (US dollar/euro).

Net income for the year came to € -0.3 million, of which 0.7 million euros was attributable to one off costs related to the acquisition of Anevia, compared to 4.6 million euros one year earlier, with net income reaching 2.3 million euros in the second half.

Shareholders' equity stood at 35.6 million euros at 31 December 2020, compared with 27.1 million euros in 2019.

Given the sustained activity, cash flow increased by 6.8 million euros. Cash and cash equivalents totaled 17.1 million euros, compared with 10.3 million euros in 2019.

As of 31 December 2020, net financial debt (excluding rental debt) stood at 3.7 million euros.

Newly consolidated company, Anevia

At 31 December 2020, Anevia's contribution from its acquisition (i.e. for a two month period) to Group sales amounted to 5.3 million euros. The contribution in terms of net income amounted to a profit of 1.8 million euros. It has been consolidated since 31 October 2020.

Had Anevia's acquisition taken place on 1 January 2020, Anevia's contribution to Group sales at 31 December 2020 would have been 14.7 million euros, compared with recurring operating income of (1,168) K € and net income of (1,553) K €.

All alternative performance indicators are described in Section 7.2.1 of this Registration Document. A detailed analysis of the results is set out in section 7.2.2 of this Registration Document.

Full operational continuity during the crisis

In this period of uncertainty, ATEME's priorities have been twofold: Protect the health and well being of its employees and partners, in strict compliance with official guidelines to stop the spread of the virus, and provide all possible support to customers. Containment has been imposed in most areas where we do business. Fortunately, we have a well proven and active working culture and a well established business continuity plan to ensure the full continuity of all our operations, including R & D, 24/7 support and supply chain functions.

In particular:

- TITAN demonstrations, deliveries and facilities, the ATEME software, can be carried out remotely.
- ATEME continues to provide video conferences and other webinars to clients around the world including through a 24 hour webinar in mid April where our experts from all continents shared their views on market trends and emerging technologies and presented ATEME solutions to 1,500 clients.
- Our research and development team continues to file new patents

Impact of the Covid-19 crisis on the financial perspectives

In terms of revenues, the immediate impact of the Covid crisis was the cancellation of certain orders from Kyrion due to the postponement of sporting events such as the UEFA football championship and the Olympic Games. In addition, certain clients have deferred their investments, particularly those most exposed to a decline in advertising revenues or revenues generated by sports activities. Conversely, there was a surge in on demand video consumption per subscription and pressure on network capacity.

On 14 April 2020 ATEME benefited from a loan contract guaranteed by the French State, 90% guaranteed by the French State, with Société Générale for an amount of € 4000 k, with a guarantee premium of 0.5% per year.

At the end of 2020, the Company's repayment period was extended from 12 months to 60 months. The redemptions will start in April 2021.

2019: IFRS financial statements

2019 revenue (at December 31) was 66.3 million euros, up 17% on 2018 (up +14% at constant exchange rates). ATEME posted an eighth year of consecutive growth (average annual growth of 23% over 2011-2019).

Revenue in the EMEA region increased by 19% and North America increased by 32%, both of which now account for 37% of total revenue. In contrast to 2018, Latin America reported revenue growth of 37%, while Asia Pacific was down 23%, following a surge of 70% in 2017; over the past two years, sales in Latin America have increased.

As indicated previously, the acceleration in software sales in the second half was significant. This more favorable product mix translated into gross margin of 60.8% in the second half and an overall margin of 54.4% for fiscal year 2019, five points higher than in 2018.

ATEME continued to invest in its development. Operating expenses amounted to 31.4 million euros, compared to 26.5 million euros in 2018, up 18% but well below the increase in software sales as reflected in a 30% increase in gross margin. About half of the additional operating expenditures represent investment in research and development, particularly in the new capabilities of the TITAN Playout software which is expected to generate significant additional revenues in 2020.

Net financial expense amounted to € -0.2 million.

Net income came out at 4.6 million euros, compared with 1.7 million euros a year earlier; in the second half, net income came to 5.8 million euros. As a result, the net margin more than doubled, reaching 6.9% against 3.0% in 2018.

Shareholders' equity stood at 27.1 million euros at 31 December 2019, compared with 21.5 million euros in 2018.

Given the sustained activity, cash flow increased by 4.1 million euros. Cash and cash equivalents totaled 10.3 million euros, compared with 6.2 million euros in 2018.

As of 31 December 2019, net financial debt (excluding rental debt) stood at -3.7 million euros (cash surplus).

All alternative performance indicators are described in Section 7.2.1 of this Registration Document. A detailed analysis of the results is set out in section 7.2.2 of this Registration Document.

2018: IFRS financial statements

Group revenue for 2018 (ended December 31) amounted to € 56.5 M, up 16.2% compared to 2017 (18.1% at constant exchange rates). ATEME posted seventh consecutive year of growth (average annual growth of 24.3% over 2011-2018).

The EMEA region, which accounts for 37% of total revenue, generated growth of 10.9%. North America (33% of sales) reported a 18% increase in sales. Revenues in the Asia Pacific region rose 70.2%, while Latin America dropped 17.4%, after surging 90% in 2017.

In the first half of 2018, ATEME's gross margin was penalized by an exceptional product mix (less software, more servers), in addition to the investments made over the past year in customer support teams aimed at developing and supporting projects on client sites. As a result, gross margin stood at 45% in the first half of the year. In the second half, a more favourable product mix enables us to generate a gross margin of 52.3%, resulting in a gross margin of 49.3% for 2018 as a whole. However, it remains below 2017 levels, reflecting our customers' interest in buying servers through their preferred video solutions provider.

ATEME continued to invest in R & D and sales & marketing, increasing its workforce from 220 to 260 during the first half of. A break observed in the second half stabilised the headcount at around 250 employees. On a full year basis, operating expenses amounted to € 26.5 M, compared to € 24.2 M in 2017, reflecting mainly an increase of approximately € 1 M in R & D and sales & marketing. General and administrative expenses remained stable.

Net financial expense, primarily related to foreign exchange gains (US dollar/euro), amounted to € 0.4 M.

Net income came out at € 1.7 M, compared with € 3.8 M in 2017, and included net income for the second half of € 4.9 M.

All alternative performance indicators are described in Section 7.2.1 of this Registration Document. A detailed analysis of the results is set out in section 7.2.2 of this Registration Document.

Key figures

Income statement

Consolidated income statement for the last 3 financial years

Condensed income statements in euros IFRS (in K €)	31/12/2020 Audited 12 months	31/12/2019 Audited 12 months	31/12/2018 Audited 12 months
Gross profit	38,903	36,102	27,855

O/w revenues	70,739	66,325	56,487
O/w sales	(31,836)	(30,223)	(28,632)
Operating expenses	(36,997)	(31,372)	(26,533)
O/w research and development costs	(12,693)	(9,570)	(7,246)
O/w marketing & sales	(20,171)	(18,588)	(16,745)
O/w overheads	(4,133)	(3,214)	(2,542)
Recurring operating income	1,906	4,730	1,323
Of which other recurring operating income and expenses	(713)	-	-
Operating income	1,193	4,730	1,323
Net financial expense	(1,382)	(199)	(448)
Income tax expense for the period	(86)	76	(64)
Net income	(275)	4,607	1,706
Earnings per share (in euros)	0.03	0.44	0.16

Balance sheet

Consolidated balance sheet over the last 3 years

Simplified balance sheets in euros IFRS	31/12/2020 Audited 12 months	31/12/2019 Audited 12 months	31/12/2018 Audited 12 months
TOTAL ASSETS	93,472	57,135	44,275
Non current assets	31,942	8,931	6,757
O/w Goodwill	13,186	-	-
Of which intangible assets	10,850	1,716	1,821
Of which property, plant and equipment	2,889	2,435	3,283
O/w other non current financial assets	1,198	823	1,005
O/w deferred tax assets	1,203	1,328	647
Of which right of use related to rental obligations (1)	2,616	2,631	-
Current assets	61,530	48,204	37,518
Inventories	4,436	3,065	3,625
O/w trade receivables	31,665	29,333	21,865
O/w other receivables	8,335	5,462	5,774
Of which cash and cash equivalents	17,095	10,345	6,254
TOTAL LIABILITIES	93,472	57,135	44,275
Shareholders' equity	35,560	27,127	21,537
Non current liabilities	19,234	8,217	5,629
O/w employee benefit obligations	1,223	749	607
Of which provisions for expenses	41	36	-
O/w non current borrowings	16,154	5,420	5,022
O/w lease obligations (1)	1,788	1,971	-
Of which deferred tax liabilities	28	42	-
Current liabilities	38,678	21,791	17,108
Of which debt on ANEVIA acquisition	3,738	-	-
Of which, current financial debt	4,633	1,252	1,444
O/w lease obligations (1)	909	719	-
Of which provisions	-	-	11
Of which trade payables	14,605	10,399	8,738
O/w accrued taxes and payroll costs	6,490	3,105	2,197
Of which other creditors and miscellaneous liabilities	8,303	6,317	4,718

(1) As stated in Note 2.1 to the financial statements presented in Chapter 18 of this Registration Document, the ATEME group has applied IFRS 16 using the simplified retrospective method, which has led to no change in the comparative accounts. Lease related assets and liabilities are presented in operating rights and lease obligations (current and non current), respectively.

Cash flow statement

Consolidated statement of cash flows for the last 3 fiscal years

Simplified Cash Flow Statements IFRS	31/12/2020 Audited 12 months	31/12/2019 Audited 12 months	31/12/2018 Audited 12 months
Net cash from operating activities	6,008	5,364	5,379
O/w cash flow from operating activities	5,110	8,587	4,487
Of which change in WCR	(898)	3,224	892
Net cash used in investing activities	(9,312)	(1,850)	(2,915)
Net cash from financing activities	9,949	583	1,253
Change in cash and cash equivalents	6,751	4,135	3,767
Cash and cash equivalents at beginning of year	10,341	6,206	2,439
Effect of exchange rate changes	106	39	50
Cash and cash equivalents at end of year	17,092	10,341	6,206

7.1.2. PROBABLE FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT ACTIVITIES

Probable future changes in the issuer's activities

Please refer to Chapter 10. 'Trend information.'

Research and development activities

The Company maintained its R & D activity and continued its patent policy over the past year. This R & D mostly covers solutions based on our H264 and HEVC video compression technology. It also plays an active role in setting a new standard (AV1) in the Alliance for Open Media.

The high level of investment in R & D maintains the Group's reputation and know how in terms of the reliability and quality of video encoding.

The R & D effort is mainly concentrated in 4 core businesses and 1 new business lines following 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,
- Binders and decoders of the broadcast contribution, Kyrion range,
- TITAN software solution for multiscreen transcoding for broadcasting content to boxes or streaming on the Internet or on mobiles or tablets,
- Network processing and video management software solutions,
- Video delivery technologies.

The net research and development costs incurred by CIR in recent periods are shown in the table below:

Research and development costs

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Research and development costs	16,469	12,800	10,617
Research tax credit and innovation tax credit	(3,361)	(2,535)	(2,093)
Subsidies	(415)	(695)	(1,278)
Total research and development expenses	12,693	9,570	7,246

2020

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

Between 2018 and 2020, the Company invested significantly in research and development to ensure its future development in terms of robustness and performance. (See Section 5.5.1 of this Registration Document).

7.2. CONSOLIDATED OPERATING INCOME

7.2.1. ALTERNATIVE PERFORMANCE INDICATORS

EBIDTA restated

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

Current EBITDA, in English, refers to earnings before interest, taxes, depreciation, and amortization. It includes the Group's profit from recurring operations before it is excluded, depreciation, amortization and impairment of fixed assets, and share based payment expenses. It highlights the profit generated by the business independently of the conditions of its financing, tax constraints and the renewal of the operating tool. Non recurring expenditure (unusual, abnormal, and infrequent items) is excluded.

Restated EBITDA (Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Recurring operating income	1,906	4,730	1,323
(-) DPA on fixed assets *	(3,756)	(2,891)	(2,243)
(-) IFRS 2 share based payment *	(1,208)	(715)	(215)
Restated EBITDA	6,870	8,447	3,781

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

Gross profit

The second half was marked by a sharp acceleration in software sales, with a consequent improvement in the product mix. As a result, gross margin was 58% of sales in the second half, compared to 50% in the first half, resulting in a margin of 55% for the year, one point higher than in 2019.

Monthly Recurring Sales (MRR)

Recurring monthly revenues¹ increased sharply, from € 880 k in January 2020 to € 1500 k in January 2021, including Anevia's contribution. The Group intends to extend its business models, which generate recurring monthly revenue to Anevia's product ranges, and to increase the share of recurring monthly revenue in overall revenue each year.

7.2.2. FORMATION OF OPERATING INCOME AND NET INCOME

Revenue

Consolidated revenue over the last 3 years

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
France	5,011	5,730	4,841
Rest of the world	65,728	60,594	51,648
Total revenue	70,739	66,325	56,489

Group revenue for 2020 (ended December 31) amounted to € 70.7 M, up 7% compared to 2019 (17% at constant exchange rates). ATEME thus recorded a ninth year of consecutive growth (average annual growth of 21% over 2011-2020).

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

BREAKDOWN OF REVENUE (Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Static licences, equipment	55,399	53,487	50,487
Dynamic licenses	3,363	4,077	-
Maintenance	11,977	8,760	6,000
Total revenue	70,739	66,325	56,487

As of 1 January 2018, the group has recognised revenue in accordance with IFRS 15 as follows:

Static licences, equipment

These perpetual licenses (without limitation in time) transfer to the customer:

- A right to use intellectual property as it exists at the specific time the licence is granted (static license), These licenses are only subject to corrective updates
- A right of access to intellectual property as exists throughout the period covered by the licence (dynamic licence). These licenses benefit from upgrades supplied by the Group.

Dynamic licenses

Since 1 January 2019, the company has offered dynamic license offerings to its customers, this multi year offer enables the customer to benefit from unlimited licenses 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 license that was initially sold and that immediately provides profits to the customer, revenue is recognized when the license is granted. An analysis of the amount to be recognised is performed contract by contract to identify the fair value of the licence;
- One adjustment is recognized on a straight line basis over the life of the contract (in line with the ramp up rate).

The Group has no contracts that fall within the scope of IFRS15's backlog definition. 120-122.

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

Maintenance

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 customer can benefit from it separately.

When these activities transfer to the customer control a separate service or good from which the customer may benefit independently of the recurring services, they are treated separately and revenue is recognized 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 bond, the price is allocated to each bond based on its individual sale price. This selling price is determined based on the 'catalogue' price. 'Catalogue price' is the observable price when an entity sells the service separately in similar projects. The main contracts relate to the 'distribution' business, which includes the delivery of a right to use a TITAN licence, which is separated from the hardware, a maintenance contract (which is optional and independent from the sale of licenses), in certain cases a delivery of hardware on which the licence will be installed and, in certain cases, a provision of service for the configuration of the solution.

Cost of sales

Cost of sales was € 28.6 M in 2018, € 30.2 M in 2019 and € 31.8 M in 2020. Cost of sales includes goods purchased for resale, personnel costs, indirect production costs and transport costs.

Indirect production expenses include a share of overheads, production costs, impairment of goods inventory and impairment of receivables.

Gross profit

Gross margin over the last 3 years - IFRS standards

(In € thousands)	31/12/2020	31/12/2019	31/12/2018
Gross profit	38,903	36,102	27,855
Of which net sales	70,739	66,325	56,489
O/w cost of sales *	(31,836)	(30,223)	(28,632)
Gross margin (%)	54.99%	54.43%	49.31%
* Of which, DPA on fixed assets	(546)	(346)	(395)

** Including IFRS 2 share based payments	(112)	(52)	0
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Operating expenses by function

Research and development costs

Research and development costs over the last 3 financial years

(In € thousands)	31/12/2020	31/12/2019	31/12/2018
Personnel expenses	(12,697)	(9,866)	(8,160)
Other	(361)	(154)	(174)
Amortization of capitalized R & D expenses and technology ranges	(810)	(590)	(597)
Fees	(95)	-	(31)
Depreciation, amortization and provisions	(1,621)	(1,380)	(1,019)
Taxes and training	(142)	(153)	(168)
Leases	(567)	(517)	(530)
Purchases not held in inventory	(300)	(216)	(166)
Travel, Missions and perception	(25)	(142)	(133)
Share based payments	(372)	(202)	(2)
Capitalization of R & D costs net of disposals	520	421	362
Research and Development expenditure	(16,469)	(12,800)	(10,617)
Research tax credit and innovation tax credit	3,361	2,535	2,093
Subsidies	415	695	1,278
Research and Development expenditure, net	(12,693)	(9,570)	(7,246)

Subsidies amounting to € 415 k are recognized in the income statement and correspond to operating subsidies with the following main characteristics:

- The grant relating to the EFIGI project granted by the Ile de France Region in the amount of € 487 k. Income recognized in the income statement amounted to € 111 k over the period.
- The grant relating to the CONVERGENCE TV project granted by MINEFI in the amount of € 426 k. Income recognized in the income statement amounted to € 64 k over the period.
- The grant for the TVSND project from MINEFI in the amount of € 480 k. No income was recognized in the income statement during the period.
- The grant relating to the TITANEDGE project awarded by the Ile de France Region in the amount of € 563 k. No income was recognized in the income statement during the period.
- The IA4SEC project grant from MINEFI in the amount of € 473 k. Income recognized in the income statement amounted to € 172 k over the period.
- The grant for the 3EMS project awarded by the UK Region in the amount of € 118 k. Income recognized in the income statement amounted to € 24 k over the period.

Over the past three years, the Company has recorded € 12.7 M in research and development costs in 2020, € 9.6 M in 2019 and € 7.2 M in 2018, due to two factors: An increase in R & D recruitments and the newly consolidated company ANEVIA). R & D expenses thus increased

32% between 2020 and 2019, and 32% between 2018 and 2019. These amounts are net of the research tax credit (CIR) and the innovation tax credit (CII) of € 3.4 M in 2020, € 2.5 M in 2019 and € 2.1 M in 2018.

Marketing and sales expenses

Marketing and sales expenses over the last 3 financial years

(In € thousands)	31/12/2020	31/12/2019	31/12/2018
Personnel expenses	(16,199)	(13,490)	(12,011)
Travel expenses	(563)	(1,851)	(1,899)
Other	(646)	(282)	(377)
Trade fairs	(289)	(938)	(820)
Depreciation, amortization and provisions	(540)	(460)	(164)
Taxes and training	(259)	(279)	(306)
Leases	(1,035)	(944)	(1,009)
Share based payments	(638)	(343)	(159)
Marketing and sales	(20,171)	(18,588)	(16,745)

Sales and marketing expenses include the costs of employees dedicated to the marketing and sale of the Company's products, participation in trade fairs, the organization of seminars and demonstrations for potential customers, marketing tools such as brochures and animated films, and travel and travel expenses.

Marketing and sales expenses amounted to € 20.2 M in 2020 compared to € 18.6 M in 2019 and € 16.7 M in 2018. These increases are mainly due to the increase in marketing and sales staff.

General and administrative expenses

General and administrative expenses over the last 3 fiscal years

(In € thousands)	31/12/2020	31/12/2019	31/12/2018
Personnel expenses	(2,099)	(1,731)	(1,313)
Fees	(1,149)	(1,027)	(785)
Travel expenses	(14)	(47)	(54)
Depreciation, amortization and provisions	(239)	(115)	(68)
Leases	(118)	(107)	(112)
Other	(429)	(67)	(155)
Share based payments	(86)	(118)	(54)
General and Administrative Expenses	(4,133)	(3,214)	(2,542)

General expenses increased from € 2.5 M in 2018 to € 3.2 M in 2019 and to € 4.1 M in 2020, representing an increase of 26% between 2018 and 2019 and an increase of 28% between 2019 and 2020. These increases are explained by the rapid development of the Company and the growth driven need for structuring.

General and Administrative Expenses comprise:

- Wages and social security charges;
- Lease payments;
- Fees;
- Banking and insurance costs;
- Other administrative expenses.

Other operating income and expenses

Other operating income and expenses correspond to capital increase fees not eligible to be deducted from the issue premium, amounting to € 723 k, and an impact of the exit of Anevia Inc of € 9 k.

Share based expense

Share based expense

Type (in € K)	31/12/2020	31/12/2019	31/12/2018
Total SO	(234)	(252)	(153)
Total equity warrants	(277)	(96)	(7)
Total AGM	(697)	(366)	(54)
Share based payment expense	(1,208)	(715)	(215)

All the criteria of the plans are described in the annexes to Chapter 18 of this Universal Registration Document.

Net financial expense

Net investment result

(In € thousands)	31/12/2020	31/12/2019	31/12/2018
Amortized cost of borrowings	(313)	(187)	(130)
Other financial expenses	(14)	(1)	(9)
Financial income	34	26	12
Foreign exchange (losses) and gains	(1,090)	(37)	574
Net investment result	(1,383)	(199)	448

The net financial expense for 2020, 2019 and 2018 amounted to respectively (1,383) K €, (199) K € and € 448 k. Financial expenses primarily consist of the unwinding of discounting of repayable advances and interest on finance leases.

It is mainly impacted by exchange differences for each period presented.

The increase in finance costs from 2018 to 2020 is mainly due to the impact of IFRS 16.

Income tax

At 31 December 2020, the income tax expense borne by the group amounted to € 86 k. In 2019, the Group recorded a net income tax benefit of € 76 k, compared to a net expense of € 64 k at 31 December 2018.

Net income for the year

Over the last three fiscal years, the Group recorded a loss of € (275) million in 2020, compared to a profit of € 4.6 M in 2019 and € 1.7 M in 2018.

Earnings per share

Basic earnings per share is calculated by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting profit or loss 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

Amount in K €	31/12/2020	31/12/2019	31/12/2018
Net income (in € thousands)	(275)	4,607	1,706
Weighted average number of shares outstanding for basic earnings per share	10,585,138	10,437,124	10,472,558
Weighted average number of shares outstanding for diluted earnings per share	11,027,161	10,708,902	10,793,013
Basic earnings per share (€/share)	(0.03)	0.44	0.16
Diluted earnings per share (€/share)	(0.03)	0.43	0.16

7.2.3. BALANCE SHEET ANALYSIS

Non current assets over the last 3 fiscal years

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Goodwill	13,186	-	-
Intangible assets	10,850	1,716	1,821
Property, plant and equipment	2,889	2,435	3,283
User rights	2,616	2,631	-
Deferred tax assets	1,203	1,328	647
Other non current financial assets	1,198	823	1,005
Total non current assets	30,739	7,603	6,110

Goodwill amounted to € 13186 k at 31 December 2020. They correspond to goodwill recognized following the acquisition of Anevia on 26 October 2020 and break down as follows:

Fair value of identifiable assets and liabilities at transaction date (in thousands of euros)

Intangible assets (1)	9,354
Property, plant and equipment	406
User rights	382
Other non current assets	438
Other current assets	4,668
Cash and cash equivalents	2,530
BSA exercised between October 26 and 31 December 2020	702
Borrowings	(3,059)
Lease obligations	(403)
Other non current liabilities	(261)
Other current liabilities	(5,264)
Deferred income	(1,533)
Net assets acquired	7,960
Purchase price	21,145
Goodwill	13,186

Intangible assets do not include any assets with indefinite useful lives. On the acquisition of Anevia, a gross technology value of € 9350 k was recognized under the royalty method on the Telco and Enterprise product lines. They are amortized over 9 to 10 years.

Property, plant and equipment as well as office equipment mainly concern the development of the ATEME SA and Anevia SA premises

Rights to use arise from the first time application of IFRS 16 from 1 January 2019. The application of this standard from 1 January 2019 led to an increase in the Company's financial liabilities of € 2,419 thousand and an increase in property, plant and equipment of € 2,419 thousand. The weighted average marginal borrowing rate applied by the Company to lease liabilities recognised in the consolidated financial statements as of 1 January 2019 was 1.50%.

Financial assets mainly consist of guarantee deposits related to commercial leases of the French company, withholding of guarantees paid in connection with financing with the BPI France, and loans.

Current assets over the last 3 fiscal years

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Inventories	4,436	3,065	3,625
Trade receivables	31,665	29,333	21,865
Other receivables	8,335	5,462	5,774
Cash and cash equivalents	17,095	10,345	6,254
Total current assets	61,530	48,204	37,518

Inventories of raw materials consist mainly of electronic components used to manufacture Kyrion and Titan products.

Provisions for customer impairment are calculated on a case by case basis based on the estimated risk of non recovery and the statistical component determined in accordance with IFRS 9. In addition, the amounts of net receivables maturing after 12 months are not material at Group level over the periods presented.

In Other receivables, VAT receivables mainly concern deductible VAT and requested VAT refund. Prepaid expenses correspond mainly to insurance premiums and software maintenance costs.

Short term bank loans are not material in terms of cash and cash equivalents and the Group no longer has term accounts at 31 December 2020.

Shareholders' equity over the last 3 fiscal years

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Share capital	1,548	1,465	1,457
Additional paid in capital	25,137	17,307	16,983
Translation reserve	111	104	118
Other comprehensive income	(217)	(115)	(73)
Retained earnings - Group share	9,257	3,760	1,346
Net income - Group share	(275)	4,607	1,706
Total equity	35,560	27,127	21,537

As of 31 December 2020, the share capital amounted to 1548480 €. It is divided into 11,060,569 fully subscribed and paid ordinary shares with a nominal value of 0.14 €.

No dividend was paid in 2020, 2019 or 2018.

Non current liabilities at December 3

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Employee benefit obligations	1,223	749	607
Provisions	41	36	-
Deferred tax liabilities	28	42	-
Non current borrowings	16,154	5,420	5,022
Financial debt on lease obligations	1,788	1,971	-
Non current liabilities	19,206	8,176	5,629

Employee benefit obligations consist of the provision for retirement indemnities, which varies according to the number of employees (an increase over the periods presented). The discount rate between 2018 and 2020 increased the provision.

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

Current liabilities

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Liabilities related to the ANEVIA acquisition	3,738	-	-
Current borrowings	4,633	1,252	1,444
Lease obligations (IFRS 16)	909	719	-
Provisions	-	-	11
Trade payables	14,605	10,399	8,738
Accrued taxes and payroll costs	6,490	3,105	2,197
Other creditors and miscellaneous liabilities	8,303	6,317	4,718
Current liabilities	36,678	21,791	17,108

The debts relating to the acquisition of Anevia correspond to the amount outstanding at 31 December 2020 following the acquisition of Anevia on 26 October 2020 for a total amount of € 21 145 k and recognised under current liabilities.

Changes in financial debt (repayable advances and other financial debt) are described in Section 8.3.2 'Financing needs and funding structure' of this Universal Registration Document.

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

Changes in accounts and notes payable, tax, social security and other payables are due to changes in the company's business.

Chapitre 8. CAPITAL RESOURCES

The following published financial information has been taken from the consolidated financial statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at the balance sheet date and mandatorily applicable at that date.

Pursuant to Article 19 of EU Regulation No. 2017/1129 of the European Commission, this universal registration document incorporates by reference the following information, to which the reader is invited to refer:

- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2020, included respectively on pages 66 to 130 and page 156; and the management report for the year ended 31 December 2020, included on pages 4 to 31 of the Annual Financial Report filed with the AMF on 29 April 2021
Link: https://www.actusnews.com/documents_communiq  s/ACTUS-0-68967-fy20-ATEM_rapport_financier-2020-en.pdf
- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2019, included respectively on pages 31 to 66 and page 157; and the management report for the year ended 31 December 2019, included on pages 4 to 31 of the Annual Financial Report filed with the AMF on 29 April 2020.
Link: https://www.actusnews.com/documents_communiq  s/ACTUS-0-63228-ATEME-rapport_financier-au-31-12-2019-v2904-1600-clean-vdef.pdf
- The consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2018, included respectively on pages 59 to 118 and page 141; and the management report for the year ended 31 December 2019, included on pages 4 to 27 of the Annual Financial Report filed with the AMF on 29 April 2019.
Link: https://www.actusnews.com/documents_Communication/ACTUS-0-58187-12.2018-rfa-vconso_vf_2904-1630.pdf

8.1. CONSOLIDATED SHAREHOLDERS' EQUITY AND FINANCIAL DEBT

Since its creation, the Group has been financed by:

- Capital increases;
- Repayments received in respect of the research tax credit;
- Innovation aid and BPI subsidies, COFACE prospecting insurance;
- Bank borrowings.

The most significant capital increase took place in July 2014 following the initial public offering on Euronext Paris, which allowed it to raise a net amount of € 42661 k.

The company has not paid any dividends since its creation.

The company's financial debt has grown since 2018, from € 6466 k on 31 December 2018 to € 20787 k on 31 December 2020 (excluding the impact of IFRS 16). In contrast, IFRS debt totaled € 23484 k, in line with lease commitments.

Current and non current financial debt over the last three fiscal years

CURRENT FINANCIAL LIABILITIES AND NON CURRENT (Amount in K €)	31/12/2020	31/12/2019	31/12/2018
Lease obligations (1)	1,788	1,971	386
Repayable advances	1,268	993	1,476
Bank borrowings	14,886	4,427	3,160
Non current borrowings	17,942	7,391	5,022
Lease obligations (1)	909	719	306
Repayable advances	782	564	548
Borrowings from credit institutions	3,848	684	541
Bank overdrafts	3	4	48
Current borrowings	5,542	1,971	1,444
Total financial debt	23,484	9,361	6,466
Due within -1 year	5,542	1,971	1,444
O/w due between 1 and 5 years	16,146	6,414	4,396
Due beyond 5 years	1,796	975	700

(1) As stated in Note 2.1 to the financial statements presented in Chapter 18 of this Registration Document, the ATEME group has applied IFRS 16 using the simplified retrospective method, which has led to no change in the comparative accounts. Lease related assets and liabilities are presented in operating rights and lease obligations (current and non current), respectively.

Current and non current borrowings by maturity as of 31/12/2020

(Amounts in K €)	Gross amount	Current portion	Due in 1 to 5 years	More than 5 years
Lease obligations (IFRS 16)	2,696	909	1,655	132
Repayable advances	2,050	782	1,191	78
Bank borrowings	18,734	3,848	13,300	1,586
Bank overdrafts	3	3	-	-
Total financial debt	23,484	5,542	16,146	1,796

The increase in debt between 2019 and 2020 is due in part to the receipt of bank financing, including a loan guaranteed by the State, on the following terms at the date of the Registration Document:

- **SOCIETE Generale: PGE**

On 14 April 2020, ATEME benefited from a loan secured by the French government, with a 90% State guarantee, to Société Générale for an amount of € 4000 k, designed to deal with the financial consequences of the COVID-19 pandemic, under the following conditions:

- Duration: 12 months then 60 months
- Rate: 0.5%;
- Repayment: Monthly

At the end of 2020, the Company's repayment period was extended from 12 months to 60 months. The redemptions will start in April 2021.

The fair value of this loan was calculated using an estimated 2.50% annual interest rate as of 31 December 2020. The impact of € 78 k was considered a financial grant. Borrowings and debt are measured at amortized cost.

- **BPIFRANCE: Atout loan**

On 7 April 2020, ATEME received an asset loan from Bpifrance for an amount of € 4000 k, designed to strengthen its financial position, under the following conditions:

- Duration: 5 years;
- Rate: 2.5%;
- Repayment: 4 quarters deferred amortisation followed by 16 quarterly payments starting 31 July 2021

- **SOCIETE Generale: Equipéa Optima loan**

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

- Term: 7 years;
- Rate: 1.49%;
- Repayment: 84 monthly instalments;

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

- R1: Consolidated net financial debt/Consolidated EBITDA $\leq$ 3.5 for the years ending 31 December 2021 and 31 December 2022;
- R1: Consolidated net financial debt/Consolidated EBITDA $\leq$ 2.5 for financial years ending after 31 December 2022.

Available cash (cash and cash equivalents less short term bank borrowings) stood at € 17092 k at 31 December 2020, compared with € 10341 k and € 6206 k, respectively, at 31 December 2019 and 2018.

The table below shows changes in shareholders' equity between 2018 and 2020.

Consolidated statement of changes in equity

(Amounts in K €)	Share capital	Share premium	Retained earnings and other reserves	Translation adjustments	Actuarial gains and losses	Shareholders' equity
At 31 December 2017	1,439	16,202	1,301	141	(167)	18,917
Impact of the application of IFRS 9	-	-	(126)	-	-	(126)
Balance at 1 January 2018 after application of IFRS 9	1,439	16,202	1,175	142	(167)	18,791
Net income 2018	-	-	1,706	-	-	1,706
Other comprehensive income	-	-	-	(23)	94	70
Total comprehensive income	-	-	1,706	(23)	(94)	1,777
Exercise of stock options	18	781	-	-	-	799
Cancellation of treasury shares resulting from the liquidity agreement (change)	-	-	(44)	-	-	(44)
Share based payments	-	-	215	-	-	215
At 31 December 2018	1,457	16,983	3,052	118	(73)	21,537
Net income 2019	-	-	4,607	-	-	4,607
Other comprehensive income	-	-	-	(14)	(42)	(56)
Total comprehensive income	-	-	4,607	(14)	(42)	4,550
Vesting of free shares	1	(1)	-	-	-	-
Exercise of stock options	7	325	-	-	-	332
Cancellation of treasury shares resulting from the liquidity agreement (change)	-	-	(9)	-	-	(9)
Share based payments	-	-	715	-	-	715
At 31 December 2019	1,465	17,307	8,366	104	(115)	27,127
Net income 2020	-	-	(275)	-	-	(275)
Other comprehensive income	-	-	-	7	(102)	(95)
Total comprehensive income	-	-	(275)	7	(102)	(370)
Issue of new shares	70	7,390	-	-	-	7,460
Vesting of free shares	4	(4)	-	-	-	-
Exercise of stock options	9	444	-	-	-	453
Cancellation of treasury shares resulting from the liquidity agreement (change)	-	-	132	-	-	132
Share based payments	-	-	1,208	-	-	1,208
Capital increase costs	-	-	(450)	-	-	(450)
At 31 December 2020	1,549	25,137	8,981	111	(217)	35,560

8.2. CONSOLIDATED CASH FLOWS

The impacts of IFRS 16 on the 2020 cash flow statement are detailed in table 33 of section 7.2.1 of this universal Registration Document.

Simplified Cash Flow Statements

(Amounts in K €)	31/12/2020 Audited 12 months	31/12/2019 Audited 12 months	31/12/2018 Audited 12 months
Net cash from operating activities	6,008	5,364	5,379
<i>O/w cash flow from operating activities</i>	5,110	8,587	4,487
<i>Of which change in WCR</i>	(898)	3,224	(892)
Net cash used in investing activities	(9,312)	(1,850)	(2,915)
Net cash from financing activities	9,949	583	1,253
Change in cash and cash equivalents	6,751	4,135	3,767
Cash and cash equivalents at beginning of year	10,341	6,206	2,439
Effect of exchange rate changes	106	39	50
Cash and cash equivalents at end of year	17,092	10,341	6,206

8.2.0. CASH FLOW FROM OPERATING ACTIVITIES

Cash flows from operating activities for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 amounted to € 6008 k, € 5364 k and € 5379 k, respectively.

8.2.1. CASH FLOW USED IN INVESTING ACTIVITIES

The cash used in investing activities for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 amounted to respectively (9,312) K €, (1,850) K € and (2,915) K €.

Changes mainly concern the capitalization of R & D expenses, acquisitions of intangible assets and property, plant and equipment (detailed in section 5.7. of this Registration Document) and Anevia's entry into the Group's scope of consolidation (see section 7.2.3 of this Registration Document)

8.2.2. CASH FLOW FROM FINANCING ACTIVITIES

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

Cash flow from financing activities

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Exercise of stock options	453	332	799
Offset of share issue costs	(450)	-	-
Proceeds from new borrowings	12,078	2,067	2,094
Gross interest paid	(242)	(101)	(75)
Repayment of borrowings and conditional advances	(975)	(1,189)	(1,363)
Redemption of IFRS16 debt	(859)	(783)	(337)
Changes in assets related to financing activities	(56)	257	136
Cash flows from financing activities	9,949	583	1,253

In 2020, the Company increased its debt as it obtained 3 loans for € 12 M, which increased its cash position (see Section 8.1. of this Registration Document, 'Consolidated shareholders' equity and Group debt' for more details).

8.3. FINANCING REQUIREMENTS AND FUNDING STRUCTURE

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

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

As from 2019, following application of IFRS 16, the company reports a lease obligation. (See Section 8.3.3 of this Registration Document)

8.3.0. RESEARCH TAX CREDIT

Research tax credit over the last 3 fiscal years

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Research tax credit	3,361	2,535	2,093

The Company has benefited from the research tax credit ('CIR') since its creation. The Company receives public financing to which all innovative companies have access, in particular the research tax credit ('CIR'). Research expenses eligible for the CIR include salaries and salaries, consumables, operating expenses, patent maintenance costs and technological intelligence expenses. Until 31 December 2019, she was entitled to the immediate restitution of the CIR.

Since the company is no longer considered a Community SME as from 31 December 2020, and if there is no possibility of charging its 'CIR' against its corporate tax due within the same year,

the repayment will be made after three years. To this end, the company will have to find alternative pre financing.

8.3.1. FUNDING THROUGH REFUNDABLE ADVANCES AND GRANTS

Change in repayable advances and loans at reduced rates

(Amounts in K €)	31/12/2020	31/12/2019	31/12/2018
Repayable advances and other reduced rate loans	2,050	1,557	2,024

The Group benefited from six repayable advances programmes over the years presented. Details of these advances are set out in Chapter 18.01.06 of this Registration Document.

8.3.2. LEASE FINANCING

Following the application of IFRS 16, lease liability financing is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The right to use the asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or provisioned payments relating to the lease recognized in the statement of financial position immediately.

Lease obligations under finance leases totaled € 2696 k in 2020, compared with € 2689 k in 2019 and € 692 k in 2018 (in accordance with IAS 17). The increase between 2018 and 2019 is mainly due to the application of IFRS 16, which amounted to € 2419 k as of 1 January 2019.

8.4. POSSIBLE RESTRICTION ON THE USE OF CAPITAL RESOURCES

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

8.5. ANTICIPATED SOURCES OF FUNDS

As mentioned in paragraph 3.3.1. 'Liquidity risk,' as of the date of publication of this document, the Company conducted a specific review of its liquidity risk and retained the principle of going concern on the basis of the following items:

- Available cash of € 17092 k as at 31 December 2020, including a PGE loan obtained for € 4000 k from Société Générale, a € 4000 k asset loan from Bpifrance and a € 4000 k 'Equipéa Optima' loan from Société Générale. The Equipéa Optima loan is subject to compliance with certain covenants detailed in 8.1 in this Universal Registration Document.
- Cost structure under control in 2020,

The financial statements for the year ended 31 December 2020 have been approved by the Board of Directors in accordance with the going concern principle based on business and cash

flow forecasts for a period exceeding 12 months and as of the date of this Registration Document, the Company considers that the financial statements may be prepared for a period of 12 months.

The Company has not received any additional financing since 31 December 2020.

In addition, the Company continues to explore additional financing solutions to support its development strategy and accelerate its transformation.

Chapitre 9. **REGULATORY ENVIRONMENT**

9.1. REGULATIONS APPLICABLE TO ATEME'S ACTIVITIES

The Group operates in a complex, evolutionary and multi judicial regulatory environment. This chapter presents the main applicable regulations, focusing on the geographic areas where the Group is most active. The rules applicable to all types of companies (company law, labour law, taxation) are not mentioned here, although of course they apply to the various Group companies. As part of the harmonisation process within the European Union, the rules applicable in the various Member States of the Union tend to come closer and on many issues the differences are now minor.

9.1.1. STOCK MARKET REGULATIONS

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

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

9.1.2. ELECTRONIC WASTE REGULATION

The products marketed by the Group consist mainly of various electrical and electronic compounds that offer significant potential for recycling their materials. The Group must comply with waste recovery rules (in France these rules are defined in the French Environmental Code) and in particular the ROHS directive 'Restriction of the use of certain Hazardous Substances in electrical and electronic equipment.' 'This system aims at' Restriction of the use of certain hazardous substances in electrical and electronic equipment 'the RoHS Directive is increasingly used in the electrical and electronic industries. This directive was officially adopted by the European Union in July 2006 with the aim of protecting people and the environment from hazardous chemical substances found in electronic and electrical products.

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

- Lead: This material is frequently used in the production of batteries, televisions and screens. RoHS limits the use of lead to 1000ppm (Part Per Million).
- Mercure: Mercury was used in the manufacture of fluorescent lamps, printed circuit, aluminium galvanization, steam bulbs, thermostats and fuel cells. The RoHS Directive limits the use of mercury to 1000ppm.
- Cadmium: Cadmium, which has been limited to 100ppm, can act as a stabilizer for a few plastics and is used in nickel cadmium batteries, galvanisation, pigments, soude production, cutting alloys, alarm systems, automatic waiters as well as in nuclear protection.
- Chrome Exavalent: Used in photography, paints, plastics and stainless steel products, this material is restricted by the RoHS Directive to 1000ppm.

- - polybromophenyls (PBB): They are used in plastic foams, flame retardant products and some plastics used in household appliances. The RoHS Directive limits the use of polybromobiphenyls to 1000ppm.
- Polybromodiphenyl ether (PBDE): They are used in household appliances, in printed circuits and condensers. The RoHS Directive limits the use of polybromodiphenyl ether to 1000ppm.

The Group ensures that its electronic component suppliers comply with this regulation.

9.1.3. LOCAL AND SECTOR REGULATION

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

The Group may have to face substantiated or unsubstantiated allegations that it did not comply with applicable national or international regulations. This could tarnish its reputation, potentially damage its growth prospects and weigh on its financial performance. Any substantial change in these laws and regulations may have an impact on the Group's business.

The Group ensures that all these standards are complied with and consequently limits its exposure to this type of risk with its legal department and external advisors.

9.1.4. INTELLECTUAL PROPERTY REGULATIONS

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

The Group, which specialises in the development and manufacture of video compression equipment and software, is subject to certain intellectual property regulations and, in particular, the rules relating to the audiovisual sector, in particular following the inclusion of SMAD in the scope of broadcasting 42, which was made effective by Act No. 2009-258 of 5 March 2009 on audiovisual communication and the new public service for television and related decrees.

Directive 2001/29/EC of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society This directive aims to harmonise the legal protection of copyright and related rights with a particular focus on the information society.

9.1.5. REGULATIONS ON PERSONAL DATA PROTECTION

The Group may, as part of its business and business solutions, process information that is subject to personal data protection laws and regulations in Europe and in other regions where it does business. These personal data are only processed by the Group's customers using the technology produced by the Group and its subsidiaries in their capacity as processing manager.

The RGPD introduced the new regulatory framework for personal data protection in Europe when it entered into force on 25 May 2018.

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

- strengthening the rights of natural persons, in particular through the creation of a right to portability of personal data and provisions specific to minors;
- empowering data processing operators (processing managers and subcontractors);
- make regulation credible by means of enhanced cooperation between data protection authorities, which will, in particular, be able to adopt common decisions when data processing is transnational and stronger sanctions. For this purpose, the RGPD:
 - introduces data protection principles 'from design' and 'by default';
 - provides for less reporting to the supervisory authority and greater responsibility for processing managers and subcontractors, requiring them to be able to demonstrate, at any time and on an ongoing basis, compliance with RGPD rules, in particular by implementing technical and organisational measures and mandatory documentation (the principle of responsibility);
 - reinforces the rights of the persons affected by the treatment, including the introduction of additional information references relating, for example, to the legal basis of the treatment, the legitimate interests pursued by the person responsible for the processing, the right to limit the processing of data and the portability of data and when the processing is based on consent, the right to withdraw his consent;
 - requires the keeping of a record of processing implemented;
- strengthen the security obligations of treatment officials;
- requires the notification of data violations to the supervisory authority and the persons concerned;
- order, for high risk treatments that handle sensitive data, to conduct a full impact study showing the characteristics of the treatment, the risks and the measures adopted;
- provides for specific obligations for subcontractors. The RGPD also offers EU member states (the 'Member States') the opportunity to adopt local specificities. In France, this faculty was used in the context of the Law of 20 June 2018 amending Law no. 78-17 of 6 January 1978 on information technology, files and freedoms. Therefore, in addition to the RGPD, it is appropriate to take into account local data protection laws in the countries where the Group is established or offers services. For example, the RGPD

provides an opportunity for Member States to lower the age of digital majority, provided that this age is not less than 13 years. In France, the legislator has set the digital majority at 15 years and has laid down specific rules for the processing of data relating to minors. French law also allows group actions in the area of data protection: An association or organization may be mandated for the purpose of making a claim on its behalf to the CNIL, a legal appeal against the National Commission for Data Protection and Freedoms (CNIL) or against a processing officer or subcontractor. The Group has adopted a compliance approach, which is being deployed in the Group's various regulatory entities, and which is constantly evolving in accordance with the spirit of regulation. For example, the Group updated its policy for protecting the personal data of its services and set up a dedicated email address. As of the date of the Registration Document, the actions in the process of being finalised within the Group relate in particular to the data security policy, updating the data mapping, improving data security and including clauses relating to personal data in the Group's various contracts.

The RGPD compliance approach across Group subsidiaries is harmonised from the parent company, as the primary manager in charge of collecting, storing and processing all Group data. Depending on the breaches, failure to comply with the RGPD could lead to a penalty of up to 20 million euros or 4% of the Group's annual global revenue, it being specified that the highest amount will be taken into account. The Group expects that it will be able to comply with significant RGPD provisions by the end of 2020.

9.1.6. EXPORT RELATED REGULATIONS

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

Chapitre 10. TREND INFORMATION

10.1. KEY TRENDS

10.1.1. MOST SIGNIFICANT TRENDS SINCE 31 DECEMBER 2020

Recent trends

In 2019 ATEME embarked on a strategic shift towards a business model aimed at generating recurring monthly revenues in addition to support contracts, combining multi year investment contracts (based on capital expenditures) and subscription contracts (based on operating expenses). The resulting KPI in terms of recurring monthly revenue was 880000 euros in January 2020, up 55%, and 1.5 million euros in January 2021, up 70% (up 36% to 1.2 million euros excluding Anevia).

The extension of this business model is largely applicable to Anevia's Nea solution.

Monthly recurring revenues are set to grow further in the coming years, reaching 3 million euros in 2024 and 4 million euros in 2026. Based on our investment plan, these recurring monthly revenues would cover approximately 50% of the company's cost base in 2024 to reach 60% in 2026, leading to EBITDA in excess of 10 million euros in 2024 and 30 million euros in 2026.

Meanwhile, ATEME expects total revenue growth to be between 10 and 15% per year, with EBITDA projected to be in the 5 to 10 million euros range, while the focus on strong growth in recurring monthly revenues.

Going forward, ATEME will report on its monthly recurring income growth in quarterly publications.

Press release of 6 May 2021 on first quarter sales

EMEA reported revenue growth of 77% to 6.875 million euros. The solid performance was driven equally by organic growth of 30% and the contribution of Anevia's sales. This strong growth reflects a large scale contract with a leading content provider (Tier 1) in the UK (not fully recognised in Q1). It should be noted that 2 multi year contracts were also signed in the region.

The United States/Canada region reported revenues of 5.290 million euros, up 9% or 11% on a comparable basis, reflecting a combination of organic growth and currency effects.

Latin America's sales increased by 37% to 1.725 million euros, thanks to a very significant contribution from Anevia's revenues. On a like for like basis, revenue declined by 9% as a result of the pandemic. In this region, the Group nevertheless managed to sign 3 multi year contracts.

Revenues in the Asia Pacific region fell 31% to 1.631 million euros, reflecting the unfavorable basis of comparison (+62% in 2020). Anevia's contribution to this region is minor.

Monthly Recurring Income (MRR) rose from € 1500 k in January 2021 to € 1560 k in April 2021. Due to seasonal factors (the first quarter is usually the least active in the year) as well as Anevia's very recent adoption of the business model designed to generate recurring revenue (MRR), this performance should not be extrapolated over the full year.

Emerging technologies and growth opportunities

ATEME has continued to invest in R & D, leveraging the complementary technologies and solutions of ATEME and Anevia to position the group on multiple market opportunities:

- Dynamic advertising insertion requires a combination of direct file encoding software (TITAN) and a digital diffusion solution (NEA). ATEME is now uniquely positioned to meet the needs of this market segment. Dynamic advertising integration is, by nature, a variable cost activity and therefore fits perfectly into our strategy of transition to recurring income.
- The video sector is moving from an engineering approach to a data approach, such as measuring the return on investment of a customised channel. Leveraging its pioneering expertise in virtualization technologies, ATEME launched Pilot, a new solution that supports automation and flow analysis, thereby confirming the addition of decision tools to its value proposition. Pilot aims to control TITAN and NEA video processing engines, while collecting data to improve the quality of viewer experience.
- ATEME works closely with streaming Video Alliance and supports the Open caching initiative. This technology facilitates the interoperability of NCD networks by enabling ISPs to monetize their NCD network with content providers.
- As telecoms operators roll out their 5G networks, ATEME is anticipating the latter's impact on video usage by transforming its product range and contributing to the 3GPP definition of global standards for streaming with the 5G.
- Lastly, Anevia's Flamingo product line, intended for the hospitality sector, is attracting growing interest from some of ATEME's leading video distributors and customers (Tier1) in countries where the end of the Covid-19 pandemic is already underway.

Revenue growth will accelerate

These and many other factors support our confidence that sales growth will accelerate in the coming months:

- Anevia's NEA software solution is being assessed by ATEME's key clients, with the effect of increasing the commercial pipeline.

Improving the situation on the Covid-19 front should give a boost to trade decisions in the US and Europe in the coming months.

10.2. AREAS THAT COULD INFLUENCE ATEME'S PROSPECTS

Looking ahead, there remains a level of unpredictability in 2021, as the pandemic situation is not expected to improve until the second half of the year. There can be no doubt about the potential to expand sales of NEA, Anevia's flagship product, thanks to ATEME's global sales organisation and its installed customer base, although validation and sales cycles could continue to be slowed down by the impact of the COVID-19 crisis in 2021. However, we hope to realize our ambition to double Anevia's NEA sales figures over the next two years.

Chapitre 11. **PROFIT FORECASTS OR ESTIMATES**

11.1. PREVIOUS PUBLICATIONS OF FORECASTS OR ESTIMATES

The outbreak of the COVID 2019 crisis in 2020 led to a risk of revenue mismatches whose impact the Company is unable to accurately estimate. As a result, it suspended its revenue and financial equilibrium targets in 2020.

11.2. NEW FORECAST OR ESTIMATE

ATEME does not wish to publish earnings forecasts or estimates. The outbreak of the COVID crisis in 2019 gave rise to a risk of revenue mismatches for 2020 in respect of the 2021 financial year, for which the Company is unable to accurately estimate the impact.

Monthly recurring revenues are set to grow further in the coming years, reaching 3 million euros in 2024 and 4 million euros in 2026. Based on our investment plan, these recurring monthly revenues would cover approximately 50% of the company's cost base in 2024 to reach 60% in 2026, leading to EBITDA in excess of 10 million euros in 2024 and 30 million euros in 2026.

11.3. FORECAST OR ESTIMATE STATEMENT

None.

Chapitre 12. ADMINISTRATIVE BODIES, MANAGEMENT, SUPERVISORY EXECUTIVE MANAGEMENT

12.1. GENERAL INFORMATION

12.1.1. BOARD OF DIRECTORS AND COMMITTEES OF THE COMPANY

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

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

Article 18 of the Company's Articles of Association provides for the possibility for the Board of Directors to appoint non voting Directors. The composition and functioning of the Board of Non Voting Directors are described in section 14.4 'The Board of Non Voting Directors' of this Registration Document.

Name	Mandate/Operational function in the Company	Principal positions and activities held in the last 5 years	Directorships and positions held in the Company's Committees
Michel Artières	Chairman & Chief Executive Officer	Chairman of ATEME Inc. Chairman of ATEME Canada Manager of Sereitra Chairman of ANEVIA SA	Member and Chairman of the Strategic Committee
GAUDETTO sprl represented by Jacques Galloy	Director	No other office or significant activity outside the Company	Member and Chairman of the Audit Committee Member of the Nominations and Compensation Committee Member of the Strategic Committee
Benoit Fouchard	Director	Head of the European Automotive Market at MSC Software	Member of the Nominations and Compensation Committee

Name	Mandate/Operational function in the Company	Principal positions and activities held in the last 5 years	Directorships and positions held in the Company's Committees
		simulation software developer Regional Director, Western Europe, of Peak Scientific SARL	Member of the Strategic Committee
Joanna Darlington	Director	Director of Financial Communication and Director of Transformation at Eutelsat Director of Eutelsat Ltd Director of EBI (Euro Broadcast Infrastructure)	Member of the Audit Committee Member and Chairwoman of the Nominations and Compensation Committee

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

ATEME management

Michel Artières (58 years old), Chairman and Chief Executive Officer since 27 March 2002

Michel Artières is co founder, Chairman and CEO of ATEME.

Previously, at the French Defence Weapons Department, Michel Artières headed a research team in image processing. In particular, it carried out work on compression without loss of very large resolution images, and on the restoration of high noise images. Michel Artières graduated as an engineer in Supélec Paris, with a specialization in signal treatment and telecommunications.

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

ATEME Board of Directors - members on the URD record date

GAUDETTO sprl, independent Director since 23 January 2015 represented by his permanent representative Jacques Galloy (50 years old)

GAUDETO sprl is a foreign company whose registered office is located at 46 chemin du Frise (4671) Blegny in Belgium. GAUDETO sprl is an investment and advisory company specialized in media and technology.

It is represented by Mr. Jacques Galloy, founder and Managing Partner of GAUDETO sprl. He has more than twenty (20) years of corporate management experience and of international expansion in the capital and business markets. He served for twelve (12) years and until 2014 as a member of the Board of Directors and CFO of EVS, the world leader in a technological niche in television, a listed company, top 30 in Belgium. He co founded and chaired the Board of Directors of Dcinex for eight (8) years until 2013.

Mr Benoit Fouchard (50 years old), Director since 23 December 2005

Benoit Fouchard is responsible for the European automotive market at simulation software developer MSC Software, which he joined in 2016. From 2001 to 2015, Benoit Fouchard was successively Head of sales and marketing at ATEME and then Head of strategy from 2010 until 30 June 2015, when he left the company, in charge of defining the company's positioning and growth drivers. Before joining ATEME in 2001, Benoît Fouchard held international business development positions with IT specialist in ModusLink logistics and was a major artist in the group's expansion in Southern and Eastern Europe.

Benoît Fouchard is a graduate of HEC Paris and CEMS.

Mrs. Joanna Darlington (59 years old), an independent Director since 9 June 2015

Joanna Darlington is Financial Communications Director and Transformation Director at Eutelsat, the leading satellite operator in Europe.

Before joining Eutelsat, Joanna was a consultant at KPMG Makinson Cowell. Previously, she held management positions at BNP Paribas where she was head of European equity research and at ABN AMRO in similar positions.

Joanna Darlington is a British national and a graduate of Cambridge University.

Members who resigned from 1 January 2020 on the date of registration of the URD

No member of the Company's administrative, management, supervisory and executive management bodies resigned between 1 January 2020 and the date of registration of the URD.

12.1.2. COMPANY STATEMENTS

To the Company's knowledge:

- There are no family ties between the persons mentioned above in section 12.1. 'General information';
- No conviction for fraud has been issued in the last five (5) years for the persons mentioned above in section 12.1. 'General information';
- No bankruptcy, receivership, liquidation or placement of companies under judicial administration concerns the persons mentioned above in section 12.1. 'General information';

- No statutory or regulatory authority has issued an official public accusation or sanction against the persons mentioned above in section 12.1. 'General information'; and
- No person mentioned above in section 12.1. 'General information,' has not been deprived, in the last five (5) years, by a court of the right to hold the position of a member of an administrative, management or supervisory body of an issuer or to intervene in the management or conduct of the business of an issuer.

12.2. CONFLICTS OF INTEREST AT THE LEVEL OF THE BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT

12.2.1. CONFLICTS OF INTEREST

At the time of his appointment, each member of the Board of Directors is made aware of the responsibilities incumbent upon him: They are encouraged to observe the rules of ethics relating to their obligations as a result of their office, to comply with the legal rules on multiple directorships, to inform the Board of Directors in the event of a conflict of interest arising after their appointment, to prove their regular attendance at Board meetings, to ensure that they have all the necessary information on the agenda of Board meetings before making any decision and to respect professional secrecy (recommendation R1 of the MiddleNext Code).

Each member of the Board of Directors endeavours to avoid any conflict that may exist between his/her moral and material interests and those of the Company. In cases where it cannot avoid the conflict of interest, it shall abstain from participating in discussions and all decisions on the matters concerned (recommendation R2 of the MiddleNext Code).

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

12.2.2. ARRANGEMENT OR ARRANGEMENT

To the best of the Company's knowledge, there are no agreements or arrangements or agreements entered into with the main shareholders or with customers, suppliers or others pursuant to which any of the persons referred to in paragraph 12.1. 'General information' has been appointed as a member of an administrative, management or supervisory body or as a member of Executive Management.

12.2.3. RESTRICTIONS ON THE SALE OF ATEME SHARES BY MEMBERS OF A MANAGEMENT OR SUPERVISORY BODY OR EXECUTIVE MANAGEMENT

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

Chapitre 13. **COMPENSATION AND BENEFITS**

In accordance with Article L. 22-10-08 of the French Commercial Code, the Board of Directors sets the compensation policy for Corporate Officers.

The tables in this chapter were drawn up in accordance with the format recommended by AMF position - recommendation 2021-02.

13.1. COMPENSATION PAID AND BENEFITS IN KIND

13.1.1. 2020 AND 2021 COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND COMPENSATION PRINCIPLES 2021

The remuneration policy for the Chairman & Chief Executive Officer for 2020 includes the following items:

- A fixed annual remuneration. The remuneration 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 purpose of the fixed compensation of the Chairman and Chief Executive Officer is to reward the duties and responsibilities assigned to this function by law. 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 180,000 euros. Annual variable compensation depends on quantifiable criteria that are dominant and qualitative criteria.

These compensation principles will also be applicable for fiscal year 2021.

From 1 January 2020 to 30 June 2020, Michel Artières was paid compensation based on the terms of the service agreement signed with its holding company SEREITRA.

13.1.2. COMPENSATION PAID TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR THE 2019 AND 2020 FISCAL YEARS

We remind you that Michel Artières received fixed compensation for his term of office as Chairman and Chief Executive Officer of the Company during the year under a corporate office agreement approved by the Company's Board of Directors on 23 September 2020 and retroactive to 1 July 2020, on the recommendation of the Nominations and Compensation Committee.

From 1 January 2020 to 30 June 2020, Michel Artières' s compensation was based on the terms of the service agreement signed with its asset holding company SEREITRA.

The Board of Directors decided unanimously to grant Michel Artières fixed gross annual compensation of 175,000 euros, payable monthly over a period of 12 months, for the period from 1 July 2020 to 31 December 2020, i.e., a monthly amount of 14,583 euros.

Variable compensation paid to Michel Artières for 2020 amounted to 63195 euros.

This variable compensation was based on performance criteria, which apply as follows: Variable compensation, capped at 180,000 euros gross, depending on the achievement of quantitative objectives as follows:

- A maximum of 60,000 euros for objectives based on gross margin.
- A maximum of 60,000 euros related to objectives based on the company's net income.
- A maximum of 30,000 euros linked to a Monthly recurring revenues (MRR) target which can be triggered from a threshold of 900,000 euros up to a ceiling of 1.5 million euros.

Lastly, variable compensation of 30,000 euros will be awarded subject to the achievement of qualitative objectives related to the integration of ANEVIA into the ATEME group. These qualitative objectives notably concern (i) achieving maximum control over the company, (ii) retaining talents at Anevia, (iii) and the successful operational integration of ANEVIA within ATEME.

Details of the criteria underlying the CEO's variable compensation are provided in the Company's annual financial report.

Insofar as Michel Artières first receives compensation for his position as executive director and in accordance with the provisions of Article L. 225-37-3 I 6° of the French Commercial Code, it is specified that the Chairman and Chief Executive Officer's compensation for 2020 may be compared for this first fiscal year with the following data on the average and median compensation paid within the company on a full time basis in 2020:

- (i) Average: 81586 euros
- (ii) Median: 61146 euros

Pursuant to Article L. 225-37-3 I 6° of the French Commercial Code, the ratio for the 2020 fiscal year between the level of the Chairman and Chief Executive Officer's remuneration and the average remuneration as defined above is 4.5, and the ratio between the level of the Chairman and Chief Executive Officer's remuneration and the median remuneration is 6.

Summary of compensation, stock options and shares awarded to Michel Artières (in euros)

Table 1 (AMF position - recommendation 2021-02)

(In euros)	Fiscal year 2019	Fiscal year 2020
Compensation awarded in respect of the fiscal year (see breakdown in Table 2)	321,600	366,759
Value of multi year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares granted	0	0

during the year		
Valuation of other long term compensation plans	0	0
TOTAL	321,600	366,759

Compensation paid to Michel Artières

Table 2 (AMF position - recommendation 2021-02)

	2019		2020	
(In euros)	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Fixed compensation	321,600	258,000	274,340	274,340
Annual variable compensation <i>Variable compensation as compared to fixed compensation</i>	0 0%	0	63,195 23%	15,790
Multi year variable compensation	0	0	0	0
Exceptional compensation <i>Exceptional portion compared to fixed compensation</i>	0 0%	0	29,224 11%	0
Compensation allocated due to directorship	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL <i>Fixed portion</i> <i>Variable portion</i>	321,600 100%	258,000	366,759 75% 25%	290,130

13.1.3. COMPENSATION PAID TO DIRECTORS IN RESPECT OF 2019 AND 2020

The remuneration allocated to directors falls within the scope of an overall allocation approved by the shareholders at a Shareholders' Meeting.

At its meeting on 10 June 2020, the Annual General Meeting authorized the allocation of 100000 euros in attendance fees to be distributed among the directors until the Board of Directors' meeting approving the annual financial statements for the current financial year.

Pursuant to the terms of the decisions dated 28 January 2021, after consultation with the Remuneration Committee, the Board of Directors decided to allocate 77000 euros in Directors' fees.

In accordance with recommendation R10 of the Middlednext Code, the Board of Directors determined the allocation of Directors' fees based on the attendance rate of Directors at Board Meetings and, if applicable, the Committees and the time they spend on their duties. More specifically, the conditions for the allocation of Directors' fees are as follows: Attendance requirement and condition of attendance (preparation of the meeting, attendance at the meeting and preparation of minutes); application of a flat scale by type of meeting (CA, Committees, etc., Chairman or not).

It will be determined for the financial year ended 31 December 2021 in the same manner.

None of the company officers listed below and members of the Company's Board of Directors has an employment contract.

Directors (Non executive corporate officers)	2019		2020	
	Amount awarded	Amount paid	Amount awarded	Amount paid
(Gross amounts in euros)				
Gaudeto Sprl	18,375	18,375	28,000	28,000
Fixed portion	100%	100%	100%	100%
Variable portion	0%	0%	0%	0%
Benoit Fouchard	14,875	14,875	24,500	24,500
Fixed portion	100%	100%	100%	100%
Variable portion	0%	0%	0%	0%
Johana Darlington	15,750	15,750	24,500	24,500
Fixed portion	100%	100%	100%	100%
Variable portion	0%	0%	0%	0%

13.01.04 INCENTIVE PLAN AND BONUSES

History of allocations of stock options

Information on stock options												
Date of Shareholders' Meeting	12.03.10	11.05.11	11.05.11	20.02.13	20.02.13	02.06.14	02.06.14	02.06.14	08.06.17	08.06.17	08.06.17	TOTAL
Date of Board of Directors' meeting	04.05.10	11.05.11	07.03.13	07.03.13	24.03.14	20.01.16	04.05.16	28.03.17	05.11.18	18.07.19	06.05.20	
Total number of shares that can be subscribed or purchased	152,000	42,000	92,400	117,500	92,500	80,000	30,000	106,500	69,000	82,000	87,000	863,900
Michel Artières, Chairman & Chief Executive Officer and Director	-	-	-	-	-	-	-	-	25,000	-	-	25,000
Dominique Edelin, Senior Executive Vice President and Director	-	-	-	-	-	-	-	-	-	-	-	0
Siparex Proximité Innovation, represented by Dominique Agrech, Director	-	-	-	-	-	-	-	-	-	-	-	0
Benoit Fouchard, Director	-	-	-	-	-	-	-	-	-	-	-	0
Ventech, represented by Jean Bourcereau, director	-	-	-	-	-	-	-	-	-	-	-	0
Joanna Darlington, Director	-	-	-	-	-	-	-	-	-	-	-	0
Gaudeto, represented by Jacques Galloy	-	-	-	-	-	-	-	-	-	-	-	0
Xavier Niel, Director	-	-	-	-	-	-	-	-	-	-	-	0
Start date for exercising options	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	
Expiry date	04.05.17	11.05.18	07.03.20	07.03.20	24.03.21	19.01.24	03.05.24	27.03.25	04.11.26	17.07.27	05.05.24	
Subscription or purchase price	€ 5.60	€ 5.60	€ 5.60	€ 5.60	€ 5.60	€ 4.00	€ 3.75	€ 9.45	€ 10.80	€ 12.60	€ 12.60	
Exercise conditions (where the plan has several tranches)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	
Number of shares subscribed at 31.12.2020	92,000	40,000	65,400	50,000	62,781	34,375	16,875	49,062	5,000	5,000	0	420,993
Cumulative number of lapsed or cancelled subscription or purchase options	60,000	2,000	27,000	67,500	20,594	45,625	7,500	54,313	18,000	0	0	322,532
Subscription or purchase options outstanding at year end	0	0	0	0	9,125	0	5,625	3,125	46,000	77,000	87,000	227,875

(2) These share subscription plans have been structured in thirteen tranches: A first tranche with a term of one year representing one quarter of the grant, followed by twelve tranches every three months, each representing 6.25% of the grant. The exercise of the subscription options is possible as from the first day following the expiry date of each tranche.

(3) These share subscription plans have been structured into 4 tranches with a duration of one year, representing one quarter of the allocation. The exercise of the subscription options is possible as from the first day following the expiry date of each tranche.

History of free share awards

	AGM plans				
	AGA 2016-1	AGA 2016-2	AGA 2016-3	AGA 2016-4	AGA 2019-1
Date of Shareholders' Meeting (authorisation)	09.06.16	09.06.16	09.06.16	09.06.16	06.06.19
Date of Board of Directors meeting (allocation)	27.07.16	26.07.17	05.11.18	18.07.19	06.05.20
Total number of free shares granted	29,500	8,000	33,000	53,500	56,000
Vesting date	26.07.17	27.07.19	06.11.20	19.07.21	06.05.22
End date of holding period	26.07.18	27.07.19	06.11.20	19.07.21	06.05.22
Number of shares vested as of 31/12/2020	29,500	6,500	32,000	0	0
Total number of shares cancelled or lapsed	0	1,500	1,000	1,000	0
Free shares outstanding as of 31/12/2020 (in vesting period)	0	0	0	52,500	56,000
Number of actual beneficiaries (subject to presence conditions)	31	11	24	42	35

13.2. PROVISIONED OR STATEES BY ATEME OR ITS SUBSIDIARIES FOR THE PAYMENT OF PENSIONS, RETIREMENT OR OTHER BENEFITS

For persons referred to in paragraph 12.1. 'General information' does not exist for their benefit:

- (i) No obligation to provide pension or other benefits of the same nature, other than those offered in respect of the mandatory basic and supplementary pension plan,
- (ii) No indemnity or benefits due or likely to be due upon termination or change of offices,
- (iii) No compensation relating to a non competition clause.

Table 11 (AMF position - recommendation 2021-02)				
	Employment contract	Supplementary pension plan	Indemnities or benefits due or likely to become due upon termination or change of	Indemnities relating to a non compete clause

					offices			
	YES	No	YES	No	YES	No	YES	No
Michel Artières	-	No	-	No	-	No	-	No

Chapitre 14. BOARD PRACTICES

14.1. TERMS OF OFFICE (EXPIRATION DATE AND EXPIRATION DATE OF TERM OF OFFICE)

14.1.1. ATEME MANAGEMENT

In accordance with the decisions made by the Company's shareholders on 9 June 2015, Michel Artières was appointed to the Board of Directors for a 6 year term expiring after the Annual General Meeting called to approve the financial statements for the year ended 31 December 2020 to be held on 9 June 2021.

On 27 March 2002, the Board of Directors appointed Michel Artières as Chief Executive Officer for a renewable six year term.

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

Name	Mandate/Operational function in the Company	Expiry date and term of office	Directorships and positions held in the Company's Committees	Expiry date and term of office
Michel Artières	Chairman & Chief Executive Officer	<u>Directorship:</u> Expires at the close of the Shareholders' Meeting Ruling on the financial statements for the year ended 31 December 2020 Term of office as Chairman and Chief Executive Officer: Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2020	Member of the Strategy Committee	Expires at the close of the Shareholders' Meeting Ruling on the financial statements for the year ended 31 December 2020

Name	Mandate/Operational function in the Company	Expiry date and term of office	Directorships and positions held in the Company's Committees	Expiry date and term of office
GAUDETTO sprl represented by Jacques Galloy	Director	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2022	Member of the Audit Committee	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2022
			Member of the Nominations and Compensation Committee	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2022
			Members of the Strategy Committee	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2022
	Director	Expires at the close of the	Member of the Nominations and	Expires at the close of the

Name	Mandate/Operational function in the Company	Expiry date and term of office	Directorships and positions held in the Company's Committees	Expiry date and term of office
Benoît Fouchard		Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2023	Compensation Committee	Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2023
			Member of the Strategy Committee	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2023
Joanna Darlington	Director	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2020	Member of the Audit Committee	Expires at the close of the Annual General Meeting called to approve the 2013 financial statements Ended 31 December 2020
			Member of the Nominations and Compensation Committee	Expires at the close of the Annual General Meeting

Name	Mandate/Operational function in the Company	Expiry date and term of office	Directorships and positions held in the Company's Committees	Expiry date and term of office
				called to approve the 2013 financial statements Ended 31 December 2020

14.2. INFORMATION ON SERVICE CONTRACTS

14.2.1. SUPPORT AGREEMENT WITH SEREITRA

On 1 April 2010, the Company entered into a three year (3) assistance agreement, renewable by tacit consent (as amended by an amendment no. 1 dated 14 January 2011, an amendment no. 2 dated 26 April 2012, an amendment no. 3 dated 2 May 2013 and an amendment no. 4 dated 17 March 2014) with SEREITRA, a limited liability company of which Michel Artières is the Managing Partner.

This agreement was authorised prior to its conclusion by the Board of Directors in a decision dated 13 January 2010 and approved by the Shareholders' Meeting of the Company on 11 May 2011.

The services provided by SEREITRA under the contract consist of management and management as well as commercial assistance to the Company.

At the date of this Registration Document, SEREITRA has invoiced the Company under this agreement:

* fees for the period from 1 January 2018 to 31 December 2018, amounting to 310,800 Euros including tax;

* fees for the period from 1 January 2019 to 31 December 2019, amounting to 321,600 Euros including tax;

* fees for the period from 1 January 2020 to 30 September 2020, amounting to 186,840 Euros including tax.

On 23 September 2020, the Board of Directors decided to terminate this agreement with effect from 1 July 2020.

The Board of Directors has decided to replace this agreement with a mandate agreement for Mr Michel Artières. As of that date, Mr. Michel Artières will cease to be remunerated through SEREITRA under the services agreement entered into with the Company. He shall be remunerated in accordance with the terms and conditions set out in Articles 3.1 and 3.2 of his contract as detailed in Section 13 'Compensation and benefits.' Please also refer to the 'related party transactions' section in Chapter 17 of this Universal Registration Document.

14.3. COMPOSITION INFORMATION

The Board of Directors has adopted Internal Rules (the 'Internal Regulations'), which specify the operating and organisational procedures of the Board of Directors. The Internal Regulations were last amended on 28 March 2017.

The Chairman organises and directs the work of the Board of Directors, ensures that the Directors are able to carry out their duties and, in particular, that they have the information and documents necessary for them to carry out their duties. He also ensures that the representatives of employee representative bodies are regularly invited to attend and that they have the information and documents necessary for them to carry out their duties.

The Board of Directors has set up three Committees to assist it in certain specific tasks:

- The Nominations and Compensation Committee
- Audit Committee
- Strategy Committee

14.3.1. THE NOMINATIONS AND COMPENSATION COMMITTEE

The Company has had a Nominations and 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 Nominating and Compensation Committee shall have 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.

At the date this Registration Document was prepared, the Nominating and Compensation Committee comprised the following three (3) members:

- Mrs. Joanna Darlington,
- Mr Benoît Fouchard, and
- GAUDETO sprl, represented by Mr Jacques Galloy.

It is chaired by Mrs. Joanna Darlington.

Mrs. Joanna Darlington, Mr. Benoît Fouchard and GAUDETO sprl are members of the Nominations and Compensation Committee in their capacity as Directors.

The term of office of the members of the Nominating and Compensation Committee is six years and follows their term of office as Directors.

Operation - Missions

The purpose of the Nominating and Compensation Committee is to make proposals or recommendations to the Board of Directors on the compensation of the Company's senior executives and, where applicable, any members of the Board of Directors representing employees.

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

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

It also meets before any decision to grant stock options or bonus shares to corporate officers, Group executives or members of the Board of Directors is made.

In addition, the Board of Directors meets as necessary upon notice by its Chairman at his own initiative or at the request of the Chairman of the Board of Directors.

In addition, the Nominating and Compensation Committee gives its opinion on (i) the appointment, dismissal of corporate officers and (ii) the recruitment of any employee whose gross annual compensation exceeds 150,000 euros.

The Nominating and Compensation Committee may invite the 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 cover all the components of the compensation of the Company's executive officers, in any capacity whatsoever, and in particular: The fixed component (including benefits in kind), the variable component, any termination indemnities, supplementary pension and welfare plans, allocations of stock options, stock purchase options or free shares, whether paid, awarded or paid by the Company, the company that controls it or a company that 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 remuneration of executive corporate officers.

14.3.2. THE 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 of Directors.

It met for the first time on 18 March 2015.

Composition

The Audit Committee shall have at least two (2) members chosen from among the members of the Board of Directors, of which at least one (1) is an independent member with specific skills in financial, accounting or auditing matters.

At the date of the Registration Document, the Audit Committee has the following two (2) members:

- GAUDETO sprl, represented by Mr Jacques Galloy and
Mrs. Joanna Darlington.

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

GAUDETO sprl and Mrs. Joanna Darlington are members of the Audit Committee in their capacity as Directors.

The term of office of the members of the Nominating and Compensation Committee is six years and follows their term of office as Directors.

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 (Code de commerce), the Audit Committee carries out the following main duties:

- It monitors the process of preparing financial information and, where necessary, the 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 French High Council for the Statutory Auditors following the audits carried out by this body on the professional activities of the Company's Statutory Auditors;
- It ensures that the Statutory Auditors comply with the conditions of independence provided for by law;
- It approves the provision of services other than statutory audits performed by the Company's Statutory Auditors where applicable;
- 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 is responsible for monitoring the legal audit of the parent company and consolidated financial statements by the Company's Statutory Auditors.

In carrying out its duties, the Committee must meet with the Company's Statutory Auditors and also with the Company's Chief Financial Officers. If the Committee so wishes, these interviews must be held without the presence of the Company's Executive Management.

The Committee may call on outside experts, at the Company's expense after information from 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 financial statements by the Audit Committee must be accompanied by a presentation from the Statutory Auditors highlighting the essential points of the results of the statutory audit and the accounting options adopted. It must also be accompanied by a presentation from the Company's Chief Financial Officer describing the risk exposure and significant off balance sheet commitments of the Group/Company.

The Statutory Auditors must inform the Audit Committee of the nature and importance of the irregularities 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 the internal control system 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 refer any event which exposes the Group/Company to significant risk to the Audit Committee.

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 the existence of internal control and risk management systems, and their deployment, and ensures that identified weaknesses give rise to corrective actions;
- Examines any changes to the accounting standards applied in the preparation of the financial statements, as well as any breaches of these standards;
- Monitor the quality of the procedures used to comply with applicable financial and stock market regulations;
- Examines, with the Statutory Auditors, the factors that may affect their independence and the protective measures taken to mitigate such risks;
- Monitors the Statutory Auditors' fees budget to ensure that the proposed budgets are consistent with the assignment; and
- 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 now submit to the Audit Committee an additional report in accordance with the provisions of Article 11 of Regulation (EU) No 537/2014 dated 16 April 2014 which will include the following information:

- Nature, frequency and extent of communication with the Audit Committee, management body and administrative or supervisory body of the controlled entity;
- Audit approach and comparison with the previous year;
- Scope of statutory audit of the financial statements and schedule of completion;
- Allocation of tasks between the Statutory Auditors;
- Quantitative significance threshold for statutory control of financial statements;
- Assessments of events or conditions that could seriously doubt the ability of the Company to continue its business, and whether they constitute significant uncertainties;
- Analysis of the valuation methods applied, including the possible impact of changes in methods;
- Significant deficiencies identified in the internal financial control system or in its accounting system; and
- Any other important point for the Audit Committee, for the supervision of the financial reporting process.

At its meeting of the Board of Directors 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 on normal terms meet these conditions.

Persons directly or indirectly interested in one of these conventions shall not be able to participate in the assessment.

14.3.3. THE STRATEGIC COMMITTEE

Pursuant to the decisions made on 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 this report, the Strategy Committee had the following members:

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

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

Michel Artières, Benoît Fouchard and GAUDETO sprl are members of the Strategy Committee due to their terms of office as Directors.

The term of office of the members of the Nominating and Compensation Committee is six years and follows their term of office as Directors.

Duties - Operation

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

- External growth opportunities,
- Disinvestment opportunities,
- Development focus,
- Financial and stock market strategies,
- Reviewing for its opinion the document intended to be submitted to the Works Council on the Company's strategic orientations and their consequences;
- And more generally, any option considered essential for the Company 's future.

14.4. THE COLLEGE OF ADVISORS

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

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

As of the date of this Registration Document, the Board of Directors is composed of the following members:

- Mr Laurent CADIEU.

Mr Laurent CADIEU was appointed a non voting observer with the Company to contribute his experience, expertise and knowledge to the meetings of the Board of Directors and Shareholders' Meetings.

Mr Laurent CADIEU does not receive any remuneration in his capacity as non voting Director.

The non voting directors are appointed for a term of four (4) years expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending 31 December 2020.

The terms of office of non voting directors are renewable for a further period of four (4) years.

The Board Advisor or the Board of Non Voting Directors consider matters that the Board of Directors or its Chairman submits for its opinion in order to provide it with all useful and necessary information, based on its expertise and knowledge.

Non voting directors attend Board meetings and are responsible for sharing their analysis of decisions taken. They may speak at Board meetings to explain their observations. They

therefore have an advisory vote and have no decision making power. The absence of non voting Directors shall not impair the validity of the decisions taken at Board meetings.

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

Non voting Directors are subject to the Board of Directors' Internal Rules, particularly in terms of competence and independence, and to the Directors' Charter, which aims to enable Directors to fully exercise their skills and to ensure the full effectiveness of each Director's contribution, in accordance with the rules of independence, ethics and integrity expected of them.

14.5. COMPLIANCE DECLARATION WITH THE CORPORATE GOVERNANCE REGIME APPLICABLE IN FRANCE

In order to comply with the requirements of Article L. 225-37-4 of the French Commercial Code, the Company has appointed Middledenext Code as its reference code. The Company refers to the MiddleNext Corporate Governance Code for Small- and Mid caps that was made public on 17 December 2009 and amended in September 2016 (hereinafter the 'Reference Code') in connection with the implementation of its governance (decided by the Board of Directors on 24 April 2017).

The table below summarizes the Middledenext1 recommendations that the Company has complied with since its shares were admitted to trading on Euronext Paris, and those that it intends to follow in the future.

The reference code contains nineteen (19) recommendations concerning executive directors and officers and the Board of Directors.

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

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

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

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

For the year ended 31 December 2020, in addition to the information presented in this Registration Document, the status of application of the recommendations of the Registration Code is as follows:

33. Status of application of the recommendations of the Middledenext Code - other

Recommendations

Of the Middledenext Code

R1: Ethics of Board members

R2: Conflicts of interest

R3: Composition of the Board - Presence of independent members

R4: Information provided to Board members

R5: Organization of Board and Committee meetings

R6: Setting up of Committees

Adoption

YES

YES

YES

YES

YES

R7: Creation of internal rules of the Board	YES
R8: Choice of each director	YES
R9: Term of office of Board members	
R10: Director's compensation	YES
R11: Assessment of the Board's work	YES
R12: Relations with 'shareholders'	
R13: Definition and transparency of compensation of Executive Corporate Officers	YES
R14: Preparing for the succession of Executive Directors	YES
R15: Combining corporate office and employment contract	YES
R16: Termination benefits	YES
R17: Supplementary pension scheme	No
R18: Stock options and bonus share grants	YES
R19: Review of areas of vigilance	YES

The company has not implemented a supplementary pension plan for its senior executives and corporate officers.

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

R3: Composition of the Board - Presence of independent members

The third recommendation of the Code of Reference recommends that the Board of Directors should have at least two (2) independent members. Five (5) criteria are used to justify the independence of the members of the Board of Directors under the terms of the Code of Reference, which is characterised by the absence of a significant financial, contractual or family relationship likely to alter the independence of judgement:

- Have been, during the last five (5) years, and not being an employee or executive director of the Company or a company of its group;
- Have been in a significant business relationship with the Company or its group over the past two (2) years (customer, supplier, competitor, service provider, creditor, banker, etc.);
- Be the Company's reference shareholder or hold a significant percentage of voting rights;
- He/she does not have a close relationship or close family ties with an executive director and officer or a reference shareholder;
- Have been the Statutory Auditor of the Company during the past six (6) years.

Accordingly, the Board of Directors considers that with regard to these criteria and the criteria contained in the Board of Directors' Internal Regulations (i.e. 'a Director is considered to be independent when he/she has no significant financial, contractual or family relationship (except that of a non significant shareholder) with the Company, its group or management that might alter his/her independence of judgement') two of the Directors, Mrs. Joanna Darlington and GAUDETTO srl represented by Mr. Jacques Galloy are independent Directors.

The main qualities expected of a Director are the Company's experience, personal commitment to the work of the Board and to the various committees that report to him, understanding of the economic and financial world, the ability to work together in mutual respect of opinions, the courage to affirm a possibly minority position, the sense of responsibility towards shareholders and other stakeholders and integrity.

14.6. POTENTIAL SIGNIFICANT IMPLICATIONS FOR CORPORATE GOVERNANCE

No decision of the Board of Directors, management bodies or the Shareholders' Meeting has a potential material impact on corporate governance and no future change in the composition of the Board of Directors, management bodies or Committees has been decided by the Board of Directors or management bodies or by the Shareholders' Meeting.

Chapitre 15. SALARIES

ATEME is primarily a video technology company in the software industry whose value relies primarily on employees' ability to innovate. The ability to attract, retain and motivate talented employees is therefore an area of development.

15.1. WORKFORCE TRENDS

The workforce includes individuals under an employment contract who were employed as of December 31, excluding non salaried interns (whether paid or not), temporary workers and service providers. The tables below summarize the quantitative indicators used to describe employment within the Company and its six subsidiaries over the past four years:

Change in salaried workforce over the last 3 fiscal years

Salaried workforce	31/12/2020	31/12/2019	31/12/2018
ATEME SA	207	172	149
ANEVIA	92		
ATEME USA INC	41	30	26
ATEME CANADA INC	5	2	2
ATEME JAPAN KK	0	0	0
ATEME SINGAPORE PTE LTD	10	9	7
ATEME AUSTRALIA PTY LTD	4	4	3
Total	359	298	252

Some of the Company's employees are seconded abroad to provide close support to customers.

ATEME Japan KK. was mothballed in 2010 and therefore has no employees.

Anevia SA was included in the Group's scope in November 2020.

Change in non salaried workforce over the last 3 fiscal years

Non salaried workforce	31/12/2020	31/12/2019	31/12/2018
ATEME Group	94	81	65

In 2018, the Group employed a total of 252 people.

In 2019 ATEME increased its workforce to a total of 298. The majority of the staff are located in the Research & Development and Operations teams, where the use of the provision of services has proved necessary to meet the growing needs for the development of new solutions and the operational deployment of these solutions to customers.

In 2020, the acquisition of Anevia SA led to 111 new employees joining the Group (mainly in France). As of 31 December 2020, the Group had 451 employees worldwide.

Workforce development is part of a forward looking approach to workforce and skills management. The Company seeks to regularly estimate skills needs based on its strategy, at budget preparation meetings and at Executive Committee meetings.

In addition, the company continued its policy of welcoming new hires by introducing training modules on their arrival designed to facilitate their entry into the Company and their team.

Changes to the Company's projects and activities and to employees' skills and expectations in terms of development or reorientation may lead staff to change their team, function or responsibilities. Reassignments and internal mobility are managed by the Executive Committee in agreement with middle management. They allow employees to broaden their field of activity and develop new skills. Some manager positions released in this way were filled by internal candidates.

The international development of ATEME's activities in Europe, Asia and North America has also provided opportunities for its employees, through secondments for varying periods of time, complete expatriation (in particular, the management of subsidiaries) and short term technical support and support missions. In any case, ATEME has put in place the resources necessary for these movements to take place under the best possible conditions of safety and comfort for its employees and their families.

15.2. SHAREHOLDINGS AND STOCK OPTIONS

Shares held by members of management and the Board of Directors are disclosed in section 16.1. 'Changes in the Share Ownership of the ATEME Group.'

Transactions carried out by members of the Management and the Board of Directors in 2018, 2019 and 2020 are listed in the following table.

Transactions carried out by members of the Management and the Board of Directors in 2018, 2019 and 2020

	Date Transaction	Order	Number of shares	Unit price	Stock options exercised	AMF Declaration
Benoît Fouchard	29/03/2018	Purchase	1,000	€ 16.99		29/03/2018
Benoît Fouchard	19/11/2018	Purchase	900	€ 10.34		19/11/2018

A detailed description of the stock option programs and BSA is available in paragraph 19.01.04. 'Amount of convertible securities, exchangeable securities or securities with warrants.'

Stock options held by ATEME executive officers and officers at 31/12/2020

	Stock options	BSA	Total potential shares
Michel Artières	25,000		25,000
TOTAL	25,000	0	25,000

Free shares granted to members of the Management and Board of Directors

In accordance with the provisions of Articles L. 225-185 and L. 225-197-1 of the French Commercial Code (Code de commerce), we inform you that no stock options or free shares have been granted to Executive Corporate Officers.

15.3. ARRANGEMENTS FOR INVOLVING THE EMPLOYEES IN THE CAPITAL

As of the date of registration of the URD, there is no profit sharing mechanism, company savings plan or profit sharing agreement established within the Company, allowing employees to acquire directly shares of the Company or related companies.

However, as of 31 December 2020, employees held stock options, BSA or AGA granting them 438,375 shares, i.e., 4% of the share capital in the event that all options are exercised on a fully diluted basis (see section 19.01.04. 'Amount of convertible securities, exchangeable securities or securities with warrants').

Chapitre 16. MAJOR SHAREHOLDERS

16.1. CHANGES IN SHARE OWNERSHIP

As of the date of the Registration Document, the Company is incorporated as a société anonyme with a Board of Directors and its share ownership is distributed as follows:

Shareholders	% of share capital at 31/12/2020	% of voting rights at 31/12/2020	% of share capital at 31/12/2019	% of voting rights at 31/12/2019	% of share capital at 31/12/2018	% of voting rights at 31/12/2018
Michel Artières	1.81%	3.24%	1.91%	3.25%	1.92%	3.25%
SEREITRA	9.16%	16.41%	9.68%	16.47%	9.73%	16.48%
Total Artières	10.97%	19.65%	11.60%	19.73%	11.65%	19.74%
Keren Finance	5.38%	4.82%	5.82%	4.95%	5.85%	4.95%
AXA IM	4.59%	4.11%	5.86%	4.98%	5.59%	4.74%
NJJ Capital (X.Niel)	5.10%	4.56%	5.49%	9.33%	5.51%	9.34%
Otus	9.39%	8.41%	5.24%	4.46%	-	-
Other < 5%	64.58%	58.44%	65.99%	56.55%	71.40%	61.23%
TOTAL	100%	100%	100%	100%	100%	100%

	31/12/2020	%	Double voting	Theoretical number of voting rights	% voting rights
Michel Artières	200,001	1.81%	2	400,002	3.24%
SEREITRA	1,013,478	9.16%	2	2,026,956	16.41%
Total Artières	1,213,479	10.97%		2,426,958	19.65%

Keren Finance	595,118	5.38%	1	595,118	4.82%
AXA IM	507,974	4.59%	1	507,974	4.11%
NJJ Capital (X.Niel)	563,762	5.10%	1	563,762	4.56%
Otus	1,038,543	9.39%	1	1,038,543	8.41%
Other < 5%	7,144,841	64.58%		7,217,919	58.44%
TOTAL	11,063,717	100.00%	Theoretical total DV	12,350,274	100.00%

	31/12/2019	Percentage	Double voting	Number of votes	In voting rights
Michel Artières	200,001	1.91%	2	400,002	3.25%
SEREITRA	1,013,478	9.68%	2	2,026,956	16.47%
Total Artières	1,213,479	11.60%		2,426,958	19.73%
Keren Finance	609,241	5.82%	1	609,241	4.95%
AXA IM	613,100	5.86%	1	613,100	4.98%
X. Leel	574,207	5.49%	2	1,148,414	9.33%
Otus	548,623	5.24%	1	548,623	4.46%
Other < 5%	6,905,913	65.99%		6,957,417	56.55%
TOTAL	10,464,563	100.00%	Theoretical total DV	12,303,753	100.00%

	31/12/2018	Percentage	Double voting rights	Number of votes	In voting rights
Michel Artières	200,001	1.92%	2	400,002	3.25%
SEREITRA	1,013,478	9.73%	2	2,026,956	16.48%
Total Artières	1,213,479	11.65%		2,426,958	19.74%
Keren Finance	609,241	5.85%	1	609,241	4.95%
Dorval Asset Management	582,852	5.59%	1	582,852	4.74%
X. Leel	574,207	5.51%	2	1,148,414	9.34%
Other < 5%	7,439,205	71.40%		7,528,337	61.23%
TOTAL	10,418,984	100.00%	Theoretical total DV	12,295,802	100.00%

On 23 September 2020, the Company's Board of Directors recorded the creation of 56,000 shares following the exercise of stock options.

On 26 October 2020, the Company's Board of Directors:

- (i) Acknowledged the creation of 10,500 shares as a result of the exercise of stock options; and
- (ii) Issued 428,362 new shares as consideration for the contribution of 4,283,620 shares in Anevia SA in connection with the acquisition of Anevia SA.

On 28 October 2020, the Company's Board of Directors issued 68,979 new shares as consideration for contributions made in connection with the acquisition of Anevia SA.

On 4 November 2020, the Company's Board of Directors decided to issue new Company shares through a capital increase following the definitive grant of 32,000 free shares (AGM).

On 28 January 2021, the Board of Directors noted:

- (i) The creation of 165 shares as a result of the exercise of stock options; and
- (ii) The creation of 3,148 shares resulting from the exercise of stock options.

They will be recorded in the 2021 accounts as settled in January 2021.

The articles of association were amended accordingly.

16.2. DIFFERENT VOTING RIGHTS

EACH COMPANY SHARE ENTITLES ITS HOLDER TO VOTE. ARTICLES 13 AND 23 OF THE COMPANY'S ARTICLES OF ASSOCIATION DO NOT IN ANY WAY DEViate FROM THE PRINCIPLE LAID DOWN IN ARTICLE L. 225-123, PARAGRAPH 3 OF THE FRENCH COMMERCIAL CODE RELATING TO DOUBLE

VOTING RIGHTS FOR ALL FULLY PAID UP SHARES THAT CAN BE SHOWN TO HAVE BEEN REGISTERED IN THE NAME OF THE SAME SHAREHOLDER FOR TWO YEARS.

According to Article L. 233-7 of the French Commercial Code, the Company must give the identity of shareholders holding more than 5% of the capital and voting rights in the last three financial years.

These shareholders and their respective holdings are listed in the following table:

	At 31/12/2020	At 31/12/2019	At 31/12/2018
Shareholders	% of voting rights	% of voting rights	% of voting rights
Michel Artières	3.24%	3.25%	3.25%
SEREITRA	16.41%	16.47%	16.47%
Total Artières	19.65%	19.73%	19.74%
Otus Capital	8.41%	4.46%	
Keren Finance	4.82%	4.95%	4.95%
NJJ Capital/X. Niel	4.56%	9.33%	9.34%
AXA IM	4.11%	4.98%	4.98%
Dorval Asset Mgt	-	-	4.74%
TOTAL	21.91%	23.73%	19.04%

16.3. CONTROL OF THE COMPANY

At the date of the Registration Document, the ownership percentages and voting rights of the Company's shareholders attest that the Company is not controlled directly or indirectly by one or more shareholders.

In addition, no shareholders' agreements were entered into between the Company's shareholders.

As such, the Company is not contractually controlled, either directly or indirectly.

16.4. ARRANGEMENTS THAT MAY RESULT IN A CHANGE OF CONTROL

As of the date of the Registration Document and to the Company's knowledge, there are no agreements whose implementation could at a subsequent date result in a change of control.

Chapitre 17. RELATED PARTY TRANSACTIONS

17.1. RELATED PARTY TRANSACTIONS

Related parties include shareholders of the Company, its non consolidated subsidiaries, companies under joint control, associates and entities over which the Company's various directors have at least significant influence.

STATUTORY AUDITOR'S REPORT ON REGULATED AGREEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

A l'Assemblée Générale de la société Ateme,

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements that have been disclosed to us or that we may have discovered in the performance of our engagement, without commenting on their relevance or substance or identifying any other agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

Agreements submitted for the approval of the General Meeting of Shareholders

In accordance with Article L.225-40 of the French Commercial Code (Code de commerce), we were informed of the following agreements authorised by the Board of Directors.

1. **With Michel Artières, Chairman and Chief Executive Officer and a director of your Company**

Nature and purpose

At its meeting of 23 September 2020, your Company's Board of Directors authorized the signature of a corporate office agreement between your Company and Mr Michel Artières in order to define more precisely certain of the conditions under which the latter will exercise his duties as Chairman of the Board of Directors of your Company and as Chief Executive Officer, it being specified that these duties were the subject of a service agreement with Sereitra S.A.R.L., an agreement which was terminated at that same meeting of the Board of Directors with retroactive effect from 1 July 2020.

The agreement was entered into with effect from 1 July 2020 for the entire term of office of Michel Artières as Chairman of the Board of Directors and Chief Executive Officer and will expire at the end of his two terms of office.

The functions of Chief Executive Officer are paid fixed annual compensation of 175,000 euros, payable monthly over a 12 month period, i.e. a monthly amount of 14,583 euros.

Michel Artières may also receive variable compensation of up to 180,000 euros, broken down as follows:

- 60,000 euros based on a 'Gross margin' target identical to that of the Management Committee;
- 60,000 euros, based on a net profit target identical to that of the Management Committee;
- 30,000 euros based on a 'Monthly recurring revenue' target;
- 30,000 euros in exceptional bonus related to qualitative objectives related to the integration of ANEVIA.

Terms and conditions

Michel Artières' s compensation for the year ended 31 December 2020 amounted to 87,498 euros in respect of his fixed compensation, 63,195 euros in respect of his variable compensation and 29,224 euros in exceptional bonuses for the integration of ANEVIA, for a total amount of 179,917 euros.

Reasons for the agreement's benefit to the Company

Your Board of Directors has motivated this agreement by the many benefits that the directorship agreement provides. It gives managers the means to focus on their work without being affected by financial issues that may arise as a result of poor coverage of risks (disease in particular). It promotes performance by clarifying the variable compensation criteria and ensuring the alignment of the interests of the executive and your Company. Furthermore, the implementation of this agreement was also recommended by the Nominating and Compensation Committee.

2. With Sereitra S.A.R.L.

Person concerned

Michel Artières, Chairman and Chief Executive Officer and Director of Sereitra S.A.R.L.

Nature and purpose

The agreement was signed on 1 April 2010 for a period of two years, renewed automatically. It stipulates that Sereitra S.A.R.L. 's services are billed based on quarterly assignment orders, initially for an annual amount of between 180000 € and 270000 € excluding taxes. It was supplemented by an amendment signed on 31 December 2017, increasing the maximum amount of benefits to 370000 €, excluding taxes.

Terms and conditions

Services rendered by Sereitra S.A.R.L. and invoiced to your Company for the year ended 31 December 2020 amounted to 155,700 €, excluding VAT.

Reasons for the agreement's benefit to the Company

Your Board of Directors concluded this agreement as follows: This agreement remunerates your Company for assistance and services, particularly in commercial matters.

This agreement was denounced by your Company's Board of Directors at its meeting of 23 September 2020 in conjunction with the implementation of a company mandate agreement between your Company and Mr Michel Artières.

Agreements already approved by the Shareholders' Meeting

We hereby inform you that we have not been advised of any agreement already approved by the Shareholders' Meeting which remained in force during the year.

Savigny-sur-Orge et Paris-La Défense On 19 May 2021

The Statutory Auditors

BL2A
Élanie HUS CHARLES

Ernst & YOUNG Audit
Jean Christophe Pernet

Chapitre 18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

18.1. HISTORICAL FINANCIAL INFORMATION

18.1.1. AUDITED HISTORICAL FINANCIAL INFORMATION

Historical financial information from the audited parent company financial statements 2020

Balance sheet

Balance sheet	Notes	31/12/2020 K €	31/12/2019 K €
ASSETS			
Intangible assets	2.1	269	198
Property, plant and equipment	2.1	2,075	2,095
Financial assets	2.1	18,844	923
Total non current assets		21,188	3,216
Inventories	2.2	3,453	2,841
Trade receivables	2.3	21,477	26,579
Other receivables	2.3	6,262	5,091
Prepaid expenses		891	992
Cash and cash equivalents		12,784	9,179
Total current assets		44,867	44,682
Accruals and other assets		441	162
Total assets		66,496	48,060

Balance sheet		Notes	31/12/2020	31/12/2019
			K €	K €
LIABILITIES				
Shareholders' equity				
Share capital	2.4		1,548	1,465
Additional paid in capital			25,183	17,353
Other reserves and retained earnings			6,463	464
Net income for the year			(1,355)	5,999
Shareholders' equity			31,839	25,281
Provisions for contingencies and charges	2.5		482	198
Borrowings	2.6		17,997	6,731
Group and associated companies			87	10
Advances and down payments received on orders			281	261
Trade payables			9,528	8,114
Tax, employee related and other liabilities			2,986	3,456
Deferred income			3,079	3,647
Accruals and other liabilities			217	363
Total liabilities			66,496	48,060

Income statement

ATEME Income statement	Notes	31/12/2020	31/12/2019
		K €	K €
Revenue	3.1	51,620	58,294
Other operating income		2,242	1,323
Total operating income		53,862	59,617
Purchases and changes in inventories		13,485	14,157
Other purchases and external charges		23,098	23,345
Taxes other than on income		1,019	792
Personnel expenses		16,096	14,435
Operating expenses		2,429	2,115
Other operating expenses		1,101	470
Total operating expenses		57,226	55,314
Operating income		(3,364)	4,303
Financial income	3.2	417	159
Financial expenses	3.2	(1,543)	(571)
Net financial expense		(1,126)	(412)
Profit from ordinary activities before tax		(4,490)	3,891
Exceptional income	3.3	84	45
Exceptional expenses	3.3	(31)	(71)
Exceptional items		53	(26)
Research tax credit		3,082	2,573
Employee profit sharing		0	(8)
Income tax expense		0	(432)
Net income for the financial year		(1,355)	5,999

1. ACCOUNTING PRINCIPLES AND SIGNIFICANT EVENTS IN

1.1 ACCOUNTING PRINCIPLES

General accounting principles have been applied in accordance with the General Accounting Plan (C. Com. R.123-80 and PCG Art. 831-1 § 1), in accordance with the principle of prudence and with the general rules for the preparation and presentation of the annual financial statements, and according to 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 benefits are not recognized in the ATEME financial statements but are measured on the basis of assumptions described in Note 4.7.2

1.2 BUSINESS CONTINUITY

The going concern assumption for the next 12 months after 31 December 2020 has been assumed by the Board of Directors based on available cash and revised gross margin and revenue growth assumptions.

1.3 MAJOR EVENTS OF THE FINANCIAL YEAR

On 9 January 2020: BT is taking strong measures to combat the hacking of video flows

BT is intensifying its efforts to combat the piracy of premium subscription content thanks to its partnership with leading video delivery infrastructure provider ATEME. BT uses the sophisticated encryption techniques provided by ATEME to protect, in the safest possible manner, satellite transmitted content, and will offer this technology to its clients worldwide to help reduce the number of illegal flows. By using ATEME's inbox, BT's Media and Broadcast entity is able to provide the best video quality at reduced speeds and a minimum latency, while ensuring the security of broadcasts. The BISS CA protocol used in the ATEME inbox is ideally suited to high quality video transmissions, while enabling broadcasters to protect against hacking. ATEME's encoder can be used by a multitude of systems and software, and the invisible digital tattoo of the flow activated by BISS CA makes it possible to determine the origin of an illegal flow. Holders of media rights can also allow and revoke receipt rights in real time, thereby securing broadcasts from the source to the final destination.

On 23 January 2020: ATEME winner of the I Nov Innovation Award 'IA4SEC Project'

ATEME is proud to announce that it has won the I Nov IA4SEC innovation award for its technological innovations in the television and media market. The project, managed by Bpifrance, Banque Publique d'Investissement, and supported by the Investment Programme d'Avenir (PIA), which provides great support for innovation, is dedicated to entrepreneurs. The TV industry market is faced with an ecosystem that is constantly moving and characterised by growing complexity. ATEME's technological progress allows its clients to envisage the future by leveraging artificial intelligence (IA). In this context, ATEME offers IA based solutions to deliver high compressor, bandwidth efficient, high quality, and loyalty video to its clients. As part of this project, ATEME is proposing several levels of optimization: In coding core, which enables a reduction in binary flow, in adaptive encoding of content for better video quality, and in the elasticity of the encoding process, optimizing the media supply chain and the use of cloud.

On 13 February 2020: Vualto is working with ATEME to automate the integration of set top boxes

Vualto, a cloud based video and orchestration expert, has partnered with ATEME in the automated incoeder integration within Vualto Control Hub (VCH) video orchestration which makes it possible to easily integrate several origins and set top boxes. VCH is independent of the supplier and interoperable with a multitude of technology partners. This partnership will allow operators and broadcasters to easily orchestrate events and channels directly with the possibility to start, stop and automatically configure the Titant Live inbox services from the VCH interface. Integration offers great benefits to operators and broadcasters who are looking for an effective and practical way of disseminating their flows directly. ATEME's wealth of experience in encoding premium direct sports content makes it an ideal partner for Vualto. Combining the two technologies offers broadcasters a high quality, flexible, agile streaming service fully adapted to their business model and end objectives.

On 17 March 2020: PCBL chooses ATEME to broadcast television content in the Pacific

ATEME has announced today that it has provided integrated decoder receivers (RDI) Kyrion DR5000 to Pacific Cooperation Broadcasting Limited (PCBL), a New Zealand government initiative that supports unscrambled Pacific broadcasters through the provision of New Zealand origin content for rebroadcast, and the establishment of training to encourage the production of local content. Key factors in PCBL's decision making were the professionalism, ease of use

and reliability of the product itself, as well as ATEME's ability to meet the tight project schedule. ATEME is recognized worldwide as a long term trusted partner that can help clients like PCBL in implementing its current and future vision.

On 23 April 2020 ATEME announced a full day webinar for clients worldwide

ATEME announced that its real time webinar 'ATEME 24 Hours' has been a great success, affecting a audience of more than 1,500 unique participants in the broadcast and media industry over 24 hours. The 'pursuit of the sun' webinar was designed to satisfy all ATEME clients in more than 100 countries. First sessions took place in France, before crossing the Atlantic to satisfy customers on the east coast of the United States and then joining the west coast. The session then focused on Australia and South East Asia, before returning to Europe for closure. The company has placed its clients at the center of the event organisation: The program was determined after ATEME surveyed them to gain an overview of the challenges they were seeking to overcome.

On 5 May 2020 ATEME helped RTL Luxembourg to maintain its pace of activity during the COVID-19 epidemic

The Company used its free video transcoding licenses for 90 days for a new customized channel created to deal with the COVID-19 pandemic. Benefiting from ATEME's value proposition regarding bandwidth efficiency and high quality experience for its OTT service, RTL Luxembourg had to react quickly to adapt to the new rules of social distance and quarantine, as well as changing viewing habits, using ATEME's TITAN Live licenses for this purpose. Designed specifically for these types of challenges, ATEME's 90 day free offering enabled RTL Luxembourg not only to adapt its OTT service but also to perform full, uninterrupted remote monitoring.

On 9 June 2020, ATEME joined with SES in testing the first live UHD broadcast with VVC.

The test showed the following benefits of VVC:

- Optimized bandwidth efficiency: VVC compression efficiency reduced UHD transmission cost
- Increased hearing: VVC's DVB S2 broadcast increases audience reach and coverage
- Improving the quality of the experience: Offers a high quality visual experience using VLC multimedia reader

VVC is the latest video coding technology developed by the Joint Team of video Experts (JVET) trained by experts from ISO/CEI MPEG and IUCN T VCEG. VVC improves the compression efficiency of HEVC (High Efficiency Video Coding) by 50% and processes all video formats (VR-360°, 3D, 4 K, 8 K, HDR). Its versatility allows the standard to cover a wide range of applications, from broadcasting to OTT delivery.

On 16 July 2020 ATEME is at the forefront of BSI CA Standard with Kyrion and TITAN Solutions.

ATEME, the leader in video delivery solutions for cable transmission, television, SRD, IPTV and OTT, continues to pioneer the next generation of content delivery such as Kyrion and TITAN

Edge solutions remain inherent to the development and market adoption of the BSI CA standard. As a evolution of the Biss Protocol, BISS CA is a conditional open, rights free, secure and interoperable encryption standard that includes a dynamic mobile key system. Developed by the UER in collaboration with ATEME and other network equipment providers, BISS CA enables real time rights management for content flows on any network.

On 22 July 2020 ATEME announced that Movistar + chose to implement its TITAN solution for the distribution of its DTH/OTT services directly.

ATEME's TITAN solution offers Movistar + a number of advantages, including a simple migration to the virtual video header. Titan also provides Movistar + with exceptional bandwidth savings in MPEG-2 and H.264, resulting in significant use of the satellite transponder, as well as the highest possible binary speed video quality, which is crucial to obtaining the best user experience.

On 30 July 2020, ATEME enabled QNET Telecom to provide high quality video coding thanks to its TITAN Live solution.

Titan Live will be used alongside the QNET networks to offer improved video quality to its high speed end users and support the growing demand for high quality video content and encoding.

On 31 July 2020, ATEME and Anevia entered into exclusive negotiations for the acquisition by ATEME of 87% of Anevia's share capital and 90% of its voting rights.

ATEME and Anevia's main shareholders, together holding 87% of the share capital and 90% of the theoretical voting rights of Anevia, entered into exclusive negotiations to transfer their stake in Anevia to ATEME. The transaction received the unanimous support of both parties' Boards of Directors in advance. An information consultation procedure will be launched with the employee representative bodies of the Company and ATEME.

Upon completion of the aforementioned 'information - consultation' procedures, ATEME would acquire all of Anevia shares held by the majority shareholders, in part by contributions in kind and otherwise in cash. The transfer of Anevia Company shares to ATEME would be followed by the filing by ATEME of a simplified alternative tender offer comprising a simplified mixed tender offer, and as an alternative offer, a simplified public tender offer on all shares and securities giving access to the share capital of Anevia which would not be held by ATEME on that date, in accordance with applicable laws and regulations, and then, as the case may be, by a squeeze out.

Acquisition of Anevia

On 6 October 2020, ATEME and Anevia announced the signature of final agreements to transfer the majority shareholders' interest in the Company to ATEME. The purchase covers all of the Company's shares held by the majority shareholders, partly through contributions in kind and the balance in cash.

On 26 October 2020, ATEME announced that Anevia's major shareholders would contribute a majority stake in Anevia, and that its governance structure would be reorganized following the takeover by ATEME. The total purchase price was € 21145 k (see Note 3).

On 9 November 2020 ATEME launched a simplified alternative public offer consisting of a simplified mixed public offer and, as an alternative, a simplified public tender offer for the shares and shares and warrants of Anevia, respectively.

1.4 IMPACT OF THE COVID-19 HEALTH CRISIS ON THE FINANCIAL STATEMENTS AT 31 DECEMBER 2020

Full operational continuity during the crisis

In this period of uncertainty, ATEME's priorities have been twofold: Protect the health and well being of its employees and partners, in strict compliance with official guidelines to stop the spread of the virus, and provide all possible support to customers. Containment has been imposed in most areas where we do business. Fortunately, we have a well proven and active working culture and a well established business continuity plan to ensure the full continuity of all our operations, including R & D, 24/7 support and supply chain functions.

In particular:

- TITAN demonstrations, deliveries and facilities, the ATEME software, can be carried out remotely.
- ATEME continues to provide video conferences and other webinars to clients around the world including through a 24 hour webinar in mid April where our experts from all continents shared their views on market trends and emerging technologies and presented ATEME solutions to 1,500 clients.
- Our research and development team continues to file new patents

Impact of the Covid-19 crisis on the financial perspectives

In terms of revenues, the immediate impact of the Covid crisis was the cancellation of certain orders from Kyrion due to the postponement of sporting events such as the UEFA football championship and the Olympic Games. In addition, certain clients have deferred their investments, particularly those most exposed to a decline in advertising revenues or revenues generated by sports activities. Conversely, the rise in the consumption of video on subscription and the pressure on network capacity are boosting many projects, resulting in a large pipeline of opportunities.

On 14 April 2020 ATEME benefited from a loan contract guaranteed by the French State, 90% guaranteed by the French State, with Société Générale for an amount of € 4000 k, with a guarantee premium of 0.5% per year.

At the end of 2020, the Company's repayment period was extended from 12 months to 60 months. The redemptions will start in April 2021.

2. NOTES ON BALANCE SHEET ITEMS

2.1 NON CURRENT ASSETS

2.1.1 Intangible assets

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

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Gross value at beginning of period	Acquisition or creation	Disposals	Gross value at end of period
Other intangible assets	1,095	368	0	1,463
Total property, plant and equipment	1,095	368	0	1,463

DEPRECIATION (Amounts in K €)	Accumulated Beginning of fiscal year	Additions Fiscal year	Amort. Related to disposals	Accumulated Year end	Net Value Year end
Other intangible assets	898	297	0	1,195	269
Total depreciation on property, plant and equipment	898	297	0	1,195	269

- Software is amortized on a straight line basis over a period of two years. Other intangible assets (licenses, etc.) are amortized on a straight line basis over 12 months, with the exception of ERP (SAP), which has a 5 year amortization period
- All R & D expenditure is expensed.

2.1.2 TANGIBLE FIXED ASSETS

Property, plant and equipment are stated at acquisition cost (purchase price plus incidental expenses) or at production cost. Depreciation is calculated over the estimated useful life.

Property, plant and equipment are depreciated on a straight line basis over the following periods:

Furniture 10 years

Fixtures and fittings 9 years

Tools/Instrumentation 6 years

Office equipment 4 years

It (Hardware) 3 years

Property, plant and equipment and depreciation

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Gross value at beginning of period	Acquisition or creation	Disposals	Gross value at end of period
Install. Techn. MAT. & Tooling	60	218	0	278
Fixtures and fittings	853	20	0	873
Vehicles	7	0	0	7
MAT. Office, IT & furniture	6,853	866	9	7,710
Property, plant and equipment in progress	0	87	0	87
Total property, plant and equipment	7,773	1,192	9	8,956

DEPRECIATION

(Amounts in K €)

	Accumulated Depreciation	Additions	Amort. related to disposals	Accumulated depreciation at the end of the year	Net value at year end
Install. Techn. MAT. & Tooling	58	19	0	77	201
Fixtures and fittings	385	105	0	489	384
Vehicles	7	0	0	7	0
MAT. Office, IT & furniture	5,228	1088	9	6,307	1,403

Property, plant and equipment in progress	0	87	0	0	87
Total depreciation on Property, plant and equipment	5,678	1,212	9	6,880	2,075

2.1.3 FINANCIAL FIXED ASSETS

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

Shares in subsidiaries and affiliates represent a total of € 17765 k before provisions, broken down as follows:

- Shares in ATEME Canada Inc 0.65 €
- Shares in ATEME Inc (USA) share capital 263974.75 €
- ATEME Japan KK equity securities 60631.78 €
- Shares in ATEME Singapore's share capital 33602.72 €
- ATEME Australia equity investments 61.65 €
- Shares in Anevia SA's share capital 17407225.50 €

Financial assets also include a loan granted by ATEME SA to its Australian subsidiary in the amount of € 1,047 k, which has been provisioned in the amount of € 660 k.

A provision for depreciation was booked in 2010 for € 61 k in order to follow the suspension of ATEME Japan KK's business (see item on subsidiaries).

Other non current financial assets total € 753 k and correspond to various guarantees:

- Rent guarantee deposit € 59 k
- Withholding tax on Bpifrance bonds € 200 k
- Liquidity Agreement € 76 k
- Other loans (construction) € 317 k

Loans of € 317 k relate to payments by employers to support the construction effort.

2.2 INVENTORIES

Inventories are valued using the weighted average unit cost method.

Inventories are stated at the lower of cost and net realisable value.

In this case, the impairment loss is recorded in the income statement.

Composition of inventories

Inventories of raw materials consist mainly of electronic components used for the manufacture of Kyrion products.

Work in progress is identified individually by project codes related to each customer order in progress. They consist of study costs (hours of engineers) and material costs.

Inventories of goods mainly comprise finished products (set top boxes, set top boxes, set top boxes 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 year are being scrapped.

INVENTORIES	31/12/2020	31/12/2019
(Amounts in K €)		
Commodity inventories	179	273
Provisions for inventories components	(20)	(20)
Total raw materials	159	254
Goods in inventory	2,521	2,010
Provision for stock of cards	(155)	(229)
Goods for resale	2,367	1,781
Work in progress Goods	928	807
Work in progress	928	807
Total Stock	3,453	2,841

2.3 RECEIVABLES

2.3.1 UNBILLED RECEIVABLES

Total outstanding invoices at 31 December 2020 amounted to € 573 k.

2.3.2 PROVISIONS FOR IMPAIRMENT OF TRADE RECEIVABLES

The provision for impairment of trade receivables is calculated on a case by case basis based on the estimated risk of non recovery. It is supplemented by a provision based on statistical analysis.

The provision for impairment of trade receivables amounts to € 367 k, compared with € 306 k at 31 December 2019. It was endowed with € 317 k and recovered for € 256 k

2.3.3 OTHER RECEIVABLES

Measurement and monitoring of the Research Tax Credit (CIR) and the Innovation Tax Credit (CII)

The CIR relates to research projects for algorithms, software and designs for video coding technologies to advance the state of art.

The CII relates to projects for the design of prototypes showing superior technical, functionality, ergonomics or eco design performance 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 loaded individual salaries.

The receivable in respect of the 2020 CIR amounts to € 3,082 k. There was no disclosed CII for the 2020 financial year.

Other receivables

See receivables due in 4.1

2.3.4 PROVISIONS FOR IMPAIRMENT IN VALUE OF OTHER RECEIVABLES

A provision of € 1,175 k is recorded for other receivables to cover advances made to subsidiaries based on their repayment capacity at the balance sheet date (see 4.5)

2.4 SHAREHOLDERS' EQUITY

2.4.1 SHARE CAPITAL

The share capital is set at 1548480 €. It is divided into 11,060,569 fully subscribed and paid ordinary shares with a nominal value of 0.14 €.

This number is excluding Stock Options ('SO') granted to certain Group individuals.

COMPOSITION OF SHARE CAPITAL	31/12/2020	31/12/2019
Capital (in € K)	1,548	1,465
Number of shares	11,060,569	10,464,563
O/w ordinary shares	11,060,569	10,464,563
Nominal value (in €)	€ 0.14	0.14 €

In 2020, 66,665 Company stock options were exercised, 32,000 free shares were definitively acquired and 497,341 new shares were issued.

2.4.2 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity 2020 (K €)

Shareholders' equity at January	25,281
Share capital increase	83
Increase in additional paid in capital	7,830
Profit or loss for the period	(1,355)
Equity at end of period	31,839
Equity amounts to € 31,839 k	

2.5 PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions are recognized 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.

Litigation and liabilities

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

Claims and litigation

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

PROVISIONS (Amounts in K €)

	31/12/2020				
	Amount at start of period	Additions	Reversals with purpose	Releases with no purpose	Amount at year end
Provisions for litigation	25	30	25	0	30
Provisions for claims and litigation	0	0	0	0	0

Provisions for foreign exchange losses	162	441	162	0	441
Provisions for charges	11	0	0	0	11
Total provisions for risks and charges	198	471	187	0	482

2.6 BORROWINGS AND DEBT

Other payables

See Maturity States (4.2.)

2.7 RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES

Receivables and payables denominated in foreign currencies are translated at the closing exchange rate, with a corresponding adjustment to the balance sheet translation adjustment account.

A provision is recorded for the translation of assets representing an unrealised exchange loss.

At 31 December 2020, unrealized foreign exchange losses amounted to € 441 k, leading to the recognition of a provision for foreign exchange losses in the same amount.

Unrealized foreign exchange gains amounted to € 217 k.

3. NOTES TO THE INCOME STATEMENT

3.1 BREAKDOWN OF REVENUE

BREAKDOWN OF SALES	France	Export	Total
(Amount in K €)			
Production sold	3,600	48,020	51,620
NET SALES	3,600	48,020	51,620

The Company's revenues result from the sale of professional video compression solutions, maintenance and service contracts.

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, revenue is recognised when the commodity is received by the customer.

Revenue from maintenance contracts is recognized on a straight line basis over the life of the contract.

3.2 FINANCIAL INCOME AND EXPENSES

The financial result amounted to (1,126) K €. Changes in financial provisions (hedging of subsidiaries' current account advances), exchange differences on foreign currency bank accounts and financial expenses relating to borrowings.

3.3 EXCEPTIONAL INCOME AND EXPENSES

Exceptional items totaled € 53 k.

4. OTHER INFORMATION

4.1 MATURITY OF RECEIVABLES

TABLE OF RECEIVABLES (Amounts in K €)	Gross amount	O/w related companies	-1 year	+1 year
Loans and advances to subsidiaries and affiliates	1,047	0	793	254
Other loans (1% housing)	317	0	0	317
Financial assets	435	0	176	259
Trade receivables	21,845	0	21,794	50
Prepayments to customers	152	0	152	0
Employees	7	0	7	0
Social security bodies	10	0	10	0
IS	3,520	0	3,520	0
VAT	1,045	0	1,045	0
Subsidies receivable	226	0	226	0
Group	2,444	2,444	2,444	0
Miscellaneous debtors	34	0	34	0
Total other receivables and prepayments to suppliers	7,438	2,444	7,438	0
Prepaid expenses	891	0	891	0
TOTAL	31,971	2,444	31,091	880

4.2 DEBT MATURITY SCHEDULE

4.2.1 DETAILED LIST OF LOANS AND BORROWINGS (K €)

FINANCIAL DEBT					
(Amounts in € k)					
To 1 year max At inception	Name of institution	Due at 31/12/20			
		Up to 1	1 to 5	More	Total
	COFACREDIT encouragements financement USD	1	0	0	1
	Accrued interest payable	3	0	0	3
	A	3	0	0	3

Name of institution		Due at 31/12/20			
		Up to 1 year	1 to 5 years	More than 5 years	Total payable
	Advances Coface	0	123	22	145
	PTZI with BPI France (€ 500 k)	100	0	0	100
	PTZI with BPI France (€ 1,500 k)	300	300	0	600
	PI FEI with BPI France (€ 1,000 k)	200	300	0	500
	BPI France loan (€ 1,000 k)	200	750	0	950
	BPI France loan (€ 1,000 k)	150	800	50	1,000
	BPI France DOS0094025/00 loan (€ 1,000 k)	50	800	150	1,000
	BPI France DOS0110973/00 loan (€ 4,000 k)	500	3,500	0	4,000
Due in more than 1 year	Bank PALATINE loan (€ 1,000 k)	198	557	0	755
	HSBC loan of 20/07/2017	101	118	0	219
	HSBC loan of 14/11/2017	100	144	0	244
	SG MEETING OF 31/07/2015	10	0	0	10
	SG loan of 09/06/2017	100	307	0	407
	SG loan of 01/10/2018	19	44	0	63
	SG (PGE) loan of 14/04/2020	600	3200	200	4,000
	SG (Equipéa) loan of 11/12/2020	546	2268	1186	4,000
	B	3,174	13,211	1,608	17,994
Total borrowings		3,174	13,211	1,608	17,997

During the year, new borrowings amounted to € 12078 k and borrowings redeemed at € 812 k.

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

- R1: Consolidated net financial debt/Consolidated EBITDA ≤ 3.5 for the years ending 31 December 2021 and 31 December 2022;
- R1: Consolidated net financial debt/Consolidated EBITDA ≤ 2.5 for financial years ending after 31 December 2022.

4.2.2 LIST OF OTHER LIABILITIES (K €)

OTHER (Amounts in K €)	PAYABLES	Up to 1 year	1 to 5 years	More than 5 years	Total payabl e	O/w related compani es
Trade payables	C	9,528	0	0	9,528	0
Employees and related accounts		1,336	0	0	1,336	0
Social security and other social taxes		1,407	0	0	1,407	0
Income tax expense		0	0	0	0	0
Value Added Tax		6	0	0	6	0
Other taxes		66	0	0	66	0
Due to suppliers of fixed assets		169	0	0	169	0
Group and associated companies		87	0	0	87	87
Other payables		1	0	0	1	0
Total Tax, employee related and other debt	D	3,072	0	0	3,072	87
Deferred income	E	2,690	388	0	3,079	0
Total other liabilities	C + D + E	15,291	388	0	15,679	87

4.3 OFF BALANCE SHEET FINANCIAL COMMITMENTS

Commitments given:

- Real estate lease commitments

Lease payments recorded at the end of 2020 and commitments up to the next firm commitment period can be analyzed as follows:

Real estate leases	Lease start date	Lease end date	Expenses at 31/12/2020	Commitment until the next termination period		
				Due within 1 year	Due in 1 to 5 years	More than 5 years
Registered office - Velizy Villacoublay	01/12/2014	30/11/2023	293	293	562	0
Administrative local	15/11/2017	14/11/2026	153	150	601	131
Local Administrative - MEXICO (Mexico)	01/06/2017	31/05/2021	21	9	0	0
Administrative Local - SAO PAULO (Brazil)	01/03/2017	30/06/2021	15	8	0	0
Administrative Local - Southampton (UK)	01/04/2018	31/03/2021	73	24	0	0
TOTAL K €			540	484	1163	131

- Finance lease commitments

Royalties Bail credit	Royalties paid as of 31/12/20		Accrued royalties at 31/12/20			
	For the fiscal year	Cumulative	Up to 1 year	1 to 5 years	More than 5 years	Total payable
Total K €	218	972	94	50	0	144

Assets under finance lease contracts include servers, photocopiers and vehicles.

The gross value of financed assets was € 1,525 k, and accumulated depreciation was € 1,362 k, for a carrying amount of € 163 k.

The amortization charge that would have been recorded for the year ended 31 December 2020 had the assets been acquired by ATEME would amount to € 212 k

- Pledge of goodwill
 - July 2015: Pledge of € 667 k of ATEME SA's business assets to Société Générale. This pledge has been counter guaranteed by Bpifrance for 60%.
 - October 2015: Pledge of € 600 k of ATEME SA's business assets to HSBC. This pledge has been counter guaranteed by Bpifrance for 50%.
 - July 2017: Pledge of € 805 k of ATEME SA's business assets to Société Générale. This pledge has been counter guaranteed by Bpifrance for 50%.
 - July 2017: Pledge of € 600 k of ATEME SA's business assets to HSBC. This pledge has been counter guaranteed by Bpifrance for 40%.
 - November 2017: Pledge of € 600 k of ATEME SA's business assets to HSBC. This pledge has been counter guaranteed by Bpifrance for 40%.
 - September 2019: Pledge of business assets of ATEME S.A. for € 1 150 k to Banque Palatine. This pledge has been counter guaranteed by Bpifrance for 40%.
- Commitment by signature entered into by Societe Generale

SOCIETE Generale has subscribed a € 80 k financial bond for Société Internationales Immobilien Institut GMBH to lease the offices located in Vélizy- Villacoublay.

SOCIETE Generale has granted a financial guarantee of € 38 k to SCI Novalis for the rental of offices located in Rennes.

4.4 BREAKDOWN OF ACCRUALS

4.4.1 PREPAID EXPENSES

Prepaid expenses amounted to € 891 k at 31 December 2020, as follows:

Amounts K €

Component purchases	115
Insurance	20
Communication	62
Maintenance contract	131
Other	50
Power/Telephone/Internet	149
Fees	143
Rent + Expenses	179
Trade show	42
Total	891

4.4.2 DEFERRED INCOME

Deferred income as of 31 December 2020 amounts to € 3079 k relating to maintenance contracts.

4.5 SUBSIDIARIES

Anevia SA

Subsidiary specialized in software design for live, deferred and on demand television and video distribution (VOD.)

Anevia was acquired by ATEME on 26 October 2020. It was 87% owned by ATEME SA at 31 December 2020 and 100% from January 2021.

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 remuneration based on monthly expenses plus a fixed margin of 5%.

ATEME S.A. and ATEME Canada Inc also signed a loan agreement allowing ATEME S.A. to make cash advances to ATEME Canada Inc if necessary.

ATEME Japan KK

Marketing subsidiary created on 29 May 2007. It is 100% owned by ATEME SA. ATEME Japan KK signed an ATEME product representation agreement on Japan. As such ATEME Japan KK receives a fee calculated as a percentage of sales made within its territory.

ATEME SA and ATEME Japan KK also signed a loan agreement allowing ATEME SA to make cash advances to ATEME Japan KK if needed.

The subsidiary's poor performance in 2009 forced the restructuring of its subsidiary in the first half of 2010 and the mothball of its structure. Current account advances and shares in the subsidiary have been provisioned at 100% in ATEME SA

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 remuneration based on monthly expenses plus a fixed margin of 5%.

ATEME S.A. and ATEME Inc also signed a loan agreement allowing ATEME S.A. to make cash advances to ATEME Inc if necessary.

ATEME Singapore Pte Ltd

Sales subsidiary based in Singapore, established in March 2015. It is 100% owned by ATEME SA.

ATEME Singapore signed a service agreement in March 2015 with ATEME SA. As such ATEME Singapore receives remuneration based on monthly expenses plus a fixed margin of 5%.

ATEME SA and ATEME Singapore also signed a loan agreement allowing ATEME SA to make cash advances to ATEME Singapore if necessary.

ATEME Australia Pty Ltd

A marketing subsidiary based in Australia, set up in November 2018. It is 100% owned by ATEME SA.

ATEME SA and ATEME Australia signed a loan agreement allowing ATEME SA to make cash advances to ATEME Australia if necessary.

Current account advances to subsidiaries to cover the shortfall are provisioned at 100% by ATEME SA (financial provisions).

Subsidiaries and investments in K €

Financial information in K €	Share capital	Reserves and retained earnings before appropriation of net income	Interest held (%)	Carrying amount of shares held		Outstanding loans and advances made by the Company	Guarantees and endorsements given by the Company	Net sales for the last financial year (12 months)	Last year's results (profit or loss (12 months)	Dividends received by the Company during the year
				Gross	Net					
Subsidiaries and affiliates										
Anevia SA 79 Benoit MALON Street 94250 Gentilly, France	300	2,269	87%	17,407		0	0	14,711	-1,494	
ATEME Canada Inc 615 bd René-Lévesque Ouest Montreal, Quebec, CANADA	0	-126	100%	0	0	138	0	430	21	0
ATEME Japan KK Shin Yokohama 19-03-11 Kouhoku, Kase Bldg 88, 4F Yokohama shi, Kanagawa ke, JAPAN	79	-1026	100%	61	0	954	0	0	0	0
ATEME Inc 750 W. Hampden Ave., Suite 290 Englewood, CO 80110, USA	288	438	100%	264	264	872	0	17,456	68	0
ATEME Singapore Ltd Pte 152 Beach Road Singapore 189721	31	228	100%	34	34	306	0	2217	22	0
ATEME Australia Ltd Pty Suite 402, Level4, 44 Miller Street NTH Sydney NSW 2060, Australia	0	-361	100%	0	0	1,221	0	1214	-226	0

4.6 TAX LOSS CARRYFORWARDS

At December 31, 2013, tax loss carryforwards of ATEME SA amounted to € 29.1 million. These tax losses can be carried forward indefinitely under current tax legislation.

4.7 HEADCOUNT

4.7.1 AVERAGE ATEME SA WORKFORCE IN 2020: 166 PEOPLE

4.7.2 CALCULATION OF RETIREMENT TERMINATION BENEFITS

The commitment in respect of IDRs was € 1223 k at 31 December 2020 compared to € 749 k at 31 December 2019.

The obligation is evaluated in accordance with the ANC recommendation 2013-02 (method 1).

This commitment applies only to employees governed by French law. The main actuarial assumptions used to measure retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	31/12/2020		31/12/2019	
	Managers	Non managers	Managers	Non managers
Retirement age	Voluntary departure (65-67 years old)			
Collective bargaining agreements	SYNTEC			
Discount rate	0.50%		0.90%	
Mortality table	INSEE 2017			
Rate of salary increases	2.00%			
Turn over rate	Strong (see details below)			
Payroll taxes	47%	43%	47%	43%

The turnover rate is determined based on a study conducted by France 's National Institute of Statistics and Economic Studies (INSEE) on new hires and departures by age bracket in relation to the Company' s average turnover rate.

The rates used can be summarised as follows:

- 20 to 30 years: Diminishing balance rate from 18.30% to 10.90%
- 30 to 40 years: Diminishing balance rate from 10.90% to 6.30%
- 40 to 50 years: Diminishing balance rate from 6.30% to 4.20%

- 50 to 60 years: Diminishing balance rate from 4.20% to 1%
- 60 to 67 years: Diminishing balance rate from 1% to 0%

4.7.3 DIF

Individual training entitlement (Droit Individuel à la Formation - DIF) was introduced by the Law of 4 May 2004.

At 31 December 2014, the total number of training hours corresponding to DIF rights was 7,304.

As from 1 January 2015, the Professional Training Account (PFI) has replaced DIF. The hours acquired at 31 December 2014 will have to be used before 31 December 2020 in the same way as if they were hours acquired under the CPF.

4.8 MANAGEMENT AND DIRECTORS

Compensation paid to members of the Board of Directors can be analyzed as follows (in € thousand):

Compensation of corporate officers (including tax)	31/12/2020
Fixed remuneration	274
Annual variable compensation	63
Exceptional compensation	29
Directors' fees	77
Share based payments	0
TOTAL	443

No advances or loans have been granted to corporate officers and no pension commitments have been entered into for them.

4.9 RELATED PARTY DISCLOSURES

The Group has entered into an assistance and services agreement with SEREITRA, managed by Michel Artières, until 30 June 2020.

The remuneration paid to this company is mentioned in section 4.8.

Since 1 July 2020, Michel Artières has been Chief Executive Officer under an agreement.

5. FINANCIAL RISK MANAGEMENT AND ASSESSMENT

ATEME may be exposed to different types of financial risks: Market risk, credit risk and liquidity risk. As the case may be, ATEME uses simple and proportionate means to minimize the potentially adverse effects of these risks on financial performance. ATEME's policy is not to subscribe to financial instruments for speculative purposes. ATEME does not use financial derivative instruments.

Interest rate risk

ATEME has no significant exposure to interest rate risk, as:

- Marketable securities comprise short term money market funds (SICAV),
- Cash and cash equivalents include term accounts,
- No floating rate debt was subscribed.

Credit risk

Credit risk is associated with deposits (bank accounts) with banks and financial institutions. ATEME uses leading financial institutions for its cash investments and therefore does not bear any significant credit risk on its cash position.

It has established policies to ensure that its customers have an appropriate credit risk history.

Currency risk

The main risks associated with the foreign exchange impacts of sales and purchases denominated in foreign currencies primarily concern sales of products and expenses in US dollars and the financing of subsidiaries in their local currencies.

The Company has not, at its stage of development, made any hedging arrangements to protect its business from currency fluctuations. However, the Company cannot rule out that a significant increase in its business will result in greater exposure to currency risk. The Company will then consider a suitable hedging policy for these risks.

Equity risk

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

6. SUBSEQUENT EVENTS

On 19 January 2021, ATEME announced the closing of the acquisition of Anevia, a software developer for live, deferred and on demand TV and video (VOD), following the successful public offer and squeeze out. The total cost of the acquisition was € 21 145 k and the outstanding liability at 31 December 2020 was € 3 738 k (recorded in current liabilities).

On 28 January 2021 ATEME announced that it had won a triple award, 'Technology & Engineering Emmy® Awards.' The National Academy of Television Arts & Sciences (NATAS) awarded ATEME three Emmy® Awards for its outstanding achievements in improving media broadcasting, distribution and quality of experience. NATAS won ATEME awards in the following three categories:

- Development of perceptual measures for optimizing video encoding or how ATEME can emulate the human visual system.
- Optimizing artificial intelligence processes for video compression or how ATEME successfully reduced the total cost of ownership without compromising on quality.
- Development of optimized compression technologies for mass treatments or how ATEME can help video on demand service providers produce more content and better quality in the Cloud.

These awards welcome ATEME's leading investments in artificial intelligence and data analysis. They strengthen ATEME's role as a future partner for key content and service providers, supporting them as they move towards new forms of TV, media and video transmission.

On 4 February 2021, ATEME announced the launch of the new TV + service at Viya (ATN International Group) in the Virgin Islands (United States)

The new Viya TV + service allows Virgin Islands residents to access state of the art television experience through cloud based connectivity. Subscribers access linear content and on demand via a dedicated multimedia reader, a Smart TV, or an iOS or Android device. They can also take advantage of the TV service, regardless of whether or not they are on all the screens of the house at the appropriate time.

On 25 February 2021 ATEME announced to facilitate more than 50% of ATSC 3.0 deployments in North America through its TITAN Live solution

Many leading television channels and stations now use ATEME TITAN Live for their launches in ATSC 3.0 as well as for the migration to ATSC 1.0 requiring a 'repack,' i.e. more channels on a single issuer. Sinclair Broadcast Group has been a leader in ATEME solutions since the launch of the first ATSC 3.0 commercial station in Las Vegas in May 2020. It is also a world first, with remote operations. This deployment method, facilitated by ATEME, should be extended to future deployments.

9 March 2021 Net + celebrated the 10th anniversary of its partnership with Anevia (ATEME)

Anevia and Net +, a Swiss multi screen TV service provider, celebrated the tenth anniversary of their technology partnership. This collaboration was a key factor in making Net + one of Switzerland's most innovative TV service providers. Using Anevia's OTT video delivery solutions, Net + now offers a wide range of features, including Cloud recording, time shift (pause/rewind) and seven day catch up TV.

On 12 March 2021 ATEME announced the integration of AVS2 into its TITAN range.

AVS2 is the second generation digital audio video compression standard, defined by the AVS working group, which aims to meet the needs of the audio and video industry in China.

On March 25, ATEME announced that it would join Digitalrich in offering an integrated solution for advertising insertions to clients around the world

Digitalrich is Korea's leading supplier of advertising integration technologies. Titan Live and TITAN Mux by ATEME as well as Digitalrich's Advertising insertion server are now available as an integrated solution for ATEME clients worldwide.

On 2 April 2021 ATEME announced that it had been chosen by Nuuday for its Live and File platforms

Nuuday, a subsidiary of TDC Group, Denmark's largest telecommunications company, has adopted its TITAN range of solutions to improve viewer video experience.

18.1.2. AUDIT OF HISTORICAL FINANCIAL INFORMATION 2020

BL2A

10, François Villon Park
91600 Savigny sur Orge
S.A.S. with a share capital of 34400 €
403,136,351 R.C.S. Evry

Statutory Auditor
Member of the Company
Régionale de Paris

Ernst & YOUNG Audit

Tour First
TSA 14444
92037 Paris La Défense cedex - France
S.A.S. with variable capital
344,366,315 R.C.S. Nanterre

Statutory Auditor
Member of the Company
Versailles Regional Authority

ATEME

Year ended 31 December 2020

Statutory Auditors' report on the financial statements

At the ATEME Shareholders' Meeting,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of ATEME for the year ended 31 December 2020.

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 December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of opinion

■ Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities in accordance with these standards are set out in the 'Responsibilities of the Statutory Auditors with respect to auditing the annual financial statements' section of this report.

■ Independence

We conducted our audit in accordance with the independence rules provided for by the French Commercial Code and the Code of Ethics of our profession of Statutory Auditors for

the period from 1 January 2020 to the date of issue of our report, and in particular we did not provide services prohibited by Article 5 (1) of Regulation (EU) No 537/2014.

The global crisis related to the Covid-19 pandemic creates special conditions for preparing and auditing the accounts for this exercise. This crisis and the exceptional measures taken in the context of a state of health emergency have multiple consequences for companies, particularly their business and financing, as well as increased uncertainty over their future prospects. Some of these measures, such as travel restrictions and remote work, have also affected the internal organisation of companies and the implementation of audits.

It is in this complex and changing context that, in accordance with the requirements of Articles L. 8239 and R. 8237 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of significant misstatement that, in our professional judgment, were the most important for the audit of the annual financial statements for the year ended December 31, 2013, as well as the responses we have made to those risks.

These assessments were made in the context of the audit of the financial statements taken as a whole, and of the opinion we formed which is expressed above. We do not express an opinion on any items of these financial statements taken individually.

■ Impairment of inventories

Identified risk	Our response
The company's gross inventories amounted to EUR 3,627 thousand at 31 December 2020 and are written down in the amount of EUR 175 thousand. These inventories consist mainly of merchandise. As presented in Note 2.2 'Inventories and work in progress' to the annual financial statements, the provision for impairment of inventories relates to components or merchandise that are subject to internal lending, testing or repair. Components or goods for which technological advances are beginning to render inventories obsolete, or those with little or no movement during the year, are being scrapped. We considered that inventory write down is a key point of the audit due to the relative importance of inventories in the company's financial statements and because of management's input in identifying inventories for impairment.	Our audit procedures included: - Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment; - Attend year end physical inventories; - Compare the cost of the main items in inventory on a test basis with the net selling price during the year; - Analysing the data and assumptions used by management to identify inventories to be written down; Perform a retrospective analysis of the disposal of inventories based on movements in inventories during the period.

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 prepared on 24 March 2021 and in the other documents with respect to the financial position and the financial statements addressed to the shareholders.

We attest to the fair presentation and consistency with the financial statements of the information relating to the payment periods mentioned in Article D. 441-6 of the French Commercial Code.

■ Information on corporate governance

We attest to the existence, in section of the Board of Directors' management report devoted to corporate governance, of the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-09 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of article L. 22-10-09 of the French Commercial Code relating to remuneration and benefits received or granted to corporate officers and any other commitments made in their favour, 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 the accuracy and fair presentation of this information.

Concerning the information provided in accordance with the provisions of article L. 22-10-11 of the French Commercial Code (Code de commerce) concerning the matters that your Company considers likely to have an impact in the event of a takeover bid or exchange, we have verified its compliance with the documents that have been issued 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 and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information required by law and regulations

■ **Format of presentation of the annual financial statements to be included in the annual financial report**

In accordance with paragraph III of Article 222-3 of the AMF's General Regulations, your Company's management has informed us of its decision to postpone application of the single electronic information format as defined by European Commission Delegated Regulation (EC) No. 2019/815 of 17 December 2018 to financial years beginning on or after 1 January 2021. Accordingly, this report does not contain any conclusion on compliance with this format 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.

■ **Appointment of Statutory Auditors**

We were appointed Statutory Auditors of ATEME by your Shareholders' Meeting on 30 June 1997 for BL2A and on 11 April 2014 for ERNST & YOUNG Audit.

As of 31 December 2020, the BL2A firm was in the twenty fourth year of its unbroken assignment (including seven years since the company's securities were admitted to trading on a regulated market) and the ERNST & YOUNG Audit firm in the seventh 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 intended to liquidate the company or cease trading.

The Audit Committee is responsible for monitoring the process of preparing financial information and for monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

These 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 financial statements. Our objective is to obtain reasonable assurance that the 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 anomalies to be detected. Anomalies 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 account users make on the basis of the accounts.

As specified in Article L. 823101 of the French Commercial Code (Code de commerce), our role of certifying the financial statements is not to guarantee the viability or quality of the management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor shall exercise his professional judgment throughout this audit. In addition:

- ▶ It identifies and assesses the risks that the financial statements contain material misstatement, whether due to fraud or errors, defines and implements audit procedures to address these risks and obtains evidence that it considers sufficient and appropriate to provide a basis for its opinion. The risk of non detection of a significant anomaly arising from fraud is higher than the risk of a significant anomaly arising from an error, as fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumvention of internal control;
- ▶ Takes 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;
- ▶ Assesses 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;
- ▶ It assesses 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 its report, it being noted that subsequent circumstances or events could jeopardise the Group's ability to continue as a going concern. If the auditor concludes that there is significant uncertainty, it draws the attention of the readers of its report to the information provided in the annual financial statements about this uncertainty or, if the information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- ▶ It assesses the overall presentation of the financial statements and whether the financial statements reflect the underlying transactions and events so as to present them fairly.

■ Report to the Audit Committee

We submit to the Audit Committee a report presenting, in particular, the scope of the audit work and the work program implemented, as well as the conclusions of our work. 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.

Among the elements communicated in the report to the Audit Committee are the risks of significant misstatement, which we consider to have been the most important for the audit of the annual financial statements for the financial year and which therefore constitute the key points of the audit, which 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 rules applicable in France as set notably by Articles L. 82210 to L. 82214 of the French Commercial Code and in the Code of Ethics of the profession of Statutory Auditors. Where appropriate, we meet with the Audit Committee to discuss the risks to our independence and the safeguard measures applied.

Savigny sur Orge and Paris La Défense, 29 April 2021

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hus-Charles

Jean Christophe Pernet

18.1.3. CHANGE IN ACCOUNTING REFERENCE DATE

None.

18.1.4. ACCOUNTING STANDARDS

For the consolidated financial statements, financial information shall be prepared in accordance with international financial reporting standards, as adopted in the Union in accordance with Regulation (EC) No 1606/2002.

18.1.5. CHANGE IN ACCOUNTING STANDARDS

None.

18.1.6. NATIONAL ACCOUNTING STANDARDS

Please refer to Section 18.01.01. 'Audited Historical Financial Information.'

18.1.7. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements 2020

Statement of financial position	Notes	31/12/2020 K €	31/12/2019 K €
ASSETS			
Goodwill	3	13,186	-
Intangible assets	5	10,850	1,716
Property, plant and equipment	6	2,889	2,435
User rights	7	2,616	2,631
Other non current financial assets	8	1,198	823
Deferred tax assets	25	1,203	1,328
Total non current assets		31,942	8,931
Inventories	9	4,436	3,065
Trade receivables	10.1	31,665	29,333
Other receivables	10.2	8,335	5,462
Cash and cash equivalents	11	17,095	10,345
Total current assets		61,530	48,204
Total assets		93,472	57,135
LIABILITIES			
Share capital	13	1,548	1,465
Additional paid in capital	13	25,137	17,307
Translation reserve	13	111	104
Other comprehensive income	13	(217)	(115)
Retained earnings - Group share	13	9,257	3,760
Net income - Group share	13	(275)	4,607
Shareholders' equity		35,560	27,127
Non current liabilities			
Employee benefit obligations	16	1,223	749
Provisions for charges	17	41	36
Non current borrowings	15	16,154	5,420
Non current lease liabilities	15	1,788	1,971
Deferred tax liabilities	25	28	42
Non current liabilities		19,234	8,217
Current liabilities			
Debt on ANEVIA acquisition	3	3,738	-
Current borrowings	15	4,633	1,252
Current lease liabilities	15	909	719
Trade payables	18.1	14,605	10,399
Accrued taxes and payroll costs	18.2	6,490	3,105
Other current liabilities	18.3	8,303	6,317
Current liabilities		38,678	21,791

Total liabilities		93,472	57,135
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Income statement	Notes	31/12/2020 12 months K €	31/12/2019 12 months K €
Revenue	20	70,739	66,325
Cost of sales	21.1	(31,836)	(30,223)
Gross profit		38,903	36,102
Research and development costs	21.2	(12,693)	(9,570)
Marketing and sales expenses	21.3	(20,171)	(18,588)
General and administrative expenses	21.4	(4,133)	(3,214)
Recurring operating income		1,906	4,730
Other recurring operating income and expenses	21.5	(713)	-
Operating income		1,193	4,730
Financial expenses	24	(327)	(188)
Financial income	24	34	26
Foreign exchange gains and losses	24	(1,089)	(37)
Profit before tax		(189)	4,531
Income tax expense/benefit	25	(86)	76
Net income		(275)	4,607
Group share		(275)	4,607
Non controlling interests			-
<u>Weighted average number of shares outstanding for basic earnings</u>		10,585,138	10,437,124
<u>Weighted average number of shares outstanding for diluted earnings per share</u>		11,027,161	10,708,902
Basic earnings per share (€/share)	26	(0.03)	0.44
Diluted earnings per share (€/share)	26	(0.03)	0.43

IFRS Consolidated statement of comprehensive income	31/12/2020 K €	31/12/2019 K €
Net income for the year	(275)	4,607
Actuarial gains and losses	(109)	(56)
Items not to be reclassified to profit or loss	(109)	(56)
Translation adjustments on consolidation	7	(14)
Tax effect related to these items	7	14
Items to be reclassified to profit or loss	14	-
Global income	(370)	4,550
Group share	(370)	4,550
Non controlling interests	-	-

Change in shareholders' equity

Consolidated statement of changes in equity	Share capital Number of shares	Share capital K €	Share premium K €	Reserves and Net income K €	Impaired losses Conversion K €
At 31 December 2019	10,464,563	1,465	17,307	8,366	1
Net income 2020				(275)	
Other comprehensive income					
Total comprehensive income		-	-	(275)	
Issue of new shares	497,341	70	7,390		
Vesting of free shares	32,000	4	(4)		
Exercise of stock options	66,665	9	444		
Cancellation of treasury shares under the liquidity agreement				132	
Share based payments				1,208	
Capital increase costs				(450)	
At 31 December 2020	11,060,569	1,548	25,137	8,981	1

Consolidated cash flow statement	Notes	31/12/2020 K €	31/12/2019 K €
Net income		(275)	4,607
(-) Elimination of amortization of intangible assets	5	(1,110)	(824)
(-) Elimination of depreciation and amortization of property, plant and equipment	6	(1,510)	(1,269)
(-) Elimination of depreciation under IFRS 16	7	(874)	(798)
(-) Provisions	17	(262)	(110)
(-) Expense related to share based payments	14	(1,208)	(715)
(-) Gross financial interest paid	23	(231)	(101)
(-) Loss on disposal of fixed assets	5-6	5	(94)
(-) Other		(109)	(144)
(-) Income tax expense (including deferred taxes)	25	(85)	76
Cash flow from operations before net finance costs and taxes		5,110	8,587
(-) Change in working capital (net of impairment of trade receivables and inventories)	19	(898)	3,224
Operating cash flows		6,008	5,364
Purchases of intangible assets	5	(308)	(251)
Capitalization of development costs	5	(582)	(497)
Purchases of property, plant and equipment	6	(1,588)	(1,020)
Change in other non current financial assets	8	(97)	(83)
Non controlling interests in the exercise of BSA ANEVIA	3	702	-
Newly consolidated companies: Anevia	3	(7,417)	-
Deconsolidation (Anevia Inc)		(21)	-
Net cash used in investing activities		(9,312)	(1,850)
Exercise of stock options		453	332
Offset of share issue costs		(450)	
Proceeds from new borrowings	15	12,078	2,067
Gross interest paid		(242)	(101)
Repayment of borrowings and conditional advances	15	(975)	(1,189)
Lease payments (IFRS 16)	15	(859)	(783)
Changes in assets related to financing activities	8	(56)	257
Net cash used in financing activities		9,949	583
Effect of exchange rate changes		106	39
Increase (decrease in cash and cash equivalents)		6,751	4,135
Cash and cash equivalents at beginning of year		10,341	6,206
Cash and cash equivalents at end of year		17,092	10,341
Increase (decrease in cash and cash equivalents)		6,751	4,135
		31/12/2020	31/12/2019
Cash and cash equivalents	11	17,095	10,345
Bank overdrafts	15	(3)	(4)
Cash and cash equivalents at end of year (including bank overdrafts)		17,092	10,341

Detailed analysis of the variation Working capital requirement (in K €)	31/12/2020	31/12/2019
Inventories (net of inventory write downs)	999	(564)
Trade receivables (net of trade receivables)	689	7,377
Other receivables	642	(59)
Trade payables	(2,281)	(1,650)
Accrued taxes and payroll costs	(125)	(904)
Other current liabilities	(822)	(977)
Total movements	(898)	3,224

Note 1: Presentation of the business and major events

The following information constitutes the Notes to the consolidated financial statements As an integral part of the financial statements presented for the years ended 31 December 2020 and 2019.

Each financial year covered a period of 12 months from 1 January to 31 December.

1.1 Information relating to the Company and its business

Created in June 1991, ATEME (a French public limited company) is engaged in the manufacture of electronic and information systems and instruments intended for the acquisition, processing and transmission of information.

ATEME offers products and solutions to cover:

- Contribution: Onboard set top boxes in mobile control cars and set top boxes installed in studios,
- The 'File' broadcast and the 'Live' broadcast: Content transcoding solution for all types of screens that monetize content.

Registered office address: 6 rue Dewoitine, 78140 Vélizy Villacoublay

Number of the Trade and Companies Registry: 382,231,991 RCS de VERSAILLES

ATEME and its subsidiaries are hereinafter referred to as the 'Company' or the 'Group' or 'ATEME.' The Company is listed on Euronext Paris Compartiment B.

1.2 Major events in 2020

On 9 January 2020: BT is taking strong measures to combat the hacking of video flows

BT is intensifying its efforts to combat the piracy of premium subscription content thanks to its partnership with leading video delivery infrastructure provider ATEME. BT uses the sophisticated encryption techniques provided by ATEME to protect, in the safest possible manner, satellite transmitted content, and will offer this technology to its clients worldwide to help reduce the number of illegal flows. By using ATEME's inbox, BT's Media and Broadcast entity is able to provide the best video quality at reduced speeds and a minimum latency, while ensuring the security of broadcasts. The BISS CA protocol used in the ATEME inbox is ideally suited to high quality video transmissions, while enabling broadcasters to protect against hacking. ATEME's encoder can be used by a multitude of systems and software, and the invisible digital tattoo of the flow activated by BISS CA makes it possible to determine the origin of an illegal flow. Holders of media rights can also allow and revoke receipt rights in real time, thereby securing broadcasts from the source to the final destination.

On 23 January 2020: ATEME winner of the i Nov Innovation Award 'IA4SEC Project'

ATEME is proud to announce that it has won the I Nov IA4SEC innovation award for its technological innovations in the television and media market. The project, managed by Bpifrance, Banque Publique d'Investissement, and supported by the Investment Programme d'Avenir (PIA), which provides great support for innovation, is dedicated to entrepreneurs. The TV industry market is faced with an ecosystem that is constantly moving and characterised by growing complexity. ATEME's technological progress allows its clients to envisage the future by leveraging artificial intelligence (IA). In this context, ATEME offers IA based solutions to deliver high compressor, bandwidth efficient, high quality, and loyalty video to its clients. As part of this project, ATEME is proposing several levels of optimization: In coding core, which enables a reduction in binary flow, in adaptive encoding of content for better video quality, and in the elasticity of the encoding process, optimizing the media supply chain and the use of cloud.

On 13 February 2020: Vualto is working with ATEME to automate the integration of set top boxes

Vualto, a cloud based video and orchestration expert, has partnered with ATEME in the automated incoeder integration within Vualto Control Hub (VCH) video orchestration which makes it possible to easily integrate several origins and set top boxes. VCH is independent of the supplier and interoperable with a multitude of technology partners. This partnership will allow operators and broadcasters to easily orchestrate events and channels directly with the possibility to start, stop and automatically configure the Titant Live inbox services from the VCH interface. Integration offers great benefits to operators and broadcasters who are looking for an effective and practical way of disseminating their flows directly. ATEME's wealth of experience in encoding premium direct sports content makes it an ideal partner for Vualto. Combining the two technologies offers broadcasters a high quality, flexible, agile streaming service fully adapted to their business model and end objectives.

On 17 March 2020: PCBL chooses ATEME to broadcast television content in the Pacific

ATEME has announced today that it has provided integrated decoder receivers (RDI) Kyrion DR5000 to Pacific Cooperation Broadcasting Limited (PCBL), a New Zealand government initiative that supports unscrambled Pacific broadcasters through the provision of New Zealand origin content for rebroadcast, and the establishment of training to encourage the production of local content. Key factors in PCBL's decision making were the professionalism, ease of use and reliability of the product itself, as well as ATEME's ability to meet the tight project schedule. ATEME is recognized worldwide as a long term trusted partner that can help clients like PCBL in implementing its current and future vision.

On 23 April 2020 ATEME announced a full day webinar for clients worldwide

ATEME announced that its real time webinar 'ATEME 24 Hours' has been a great success, affecting a audience of more than 1,500 unique participants in the broadcast and media industry over 24 hours. The 'pursuit of the sun' webinar was designed to satisfy all ATEME clients in more than 100 countries. First sessions took place in France, before crossing the Atlantic to satisfy customers on the east coast of the United States and then joining the west coast. The

session then focused on Australia and South East Asia, before returning to Europe for closure. The company has placed its clients at the center of the event organisation: The program was determined after ATEME surveyed them to gain an overview of the challenges they were seeking to overcome.

On 5 May 2020 ATEME helped RTL Luxembourg to maintain its pace of activity during the COVID-19 epidemic

The Company used its free video transcoding licenses for 90 days for a new customized channel created to deal with the COVID-19 pandemic. Benefiting from ATEME's value proposition regarding bandwidth efficiency and high quality experience for its OTT service, RTL Luxembourg had to react quickly to adapt to the new rules of social distance and quarantine, as well as changing viewing habits, using ATEME's TITAN Live licenses for this purpose. Designed specifically for these types of challenges, ATEME's 90 day free offering enabled RTL Luxembourg not only to adapt its OTT service but also to perform full, uninterrupted remote monitoring.

On 9 June 2020, ATEME joined with SES in testing the first live UHD broadcast with VVC.

The test showed the following benefits of VVC:

- Optimized bandwidth efficiency: VVC compression efficiency reduced UHD transmission cost
- Increased hearing: VVC's DVB S2 broadcast increases audience reach and coverage
- Improving the quality of the experience: Offers a high quality visual experience using VLC multimedia reader

VVC is the latest video coding technology developed by the Joint Team of video Experts (JVET) trained by experts from ISO/CEI MPEG and IUCN T VCEG. VVC improves the compression efficiency of HEVC (High Efficiency Video Coding) by 50% and processes all video formats (VR-360°, 3D, 4 K, 8 K, HDR). Its versatility allows the standard to cover a wide range of applications, from broadcasting to OTT delivery.

On 16 July 2020 ATEME is at the forefront of BSI CA Standard with Kyrion and TITAN Solutions.

ATEME, the leader in video delivery solutions for cable transmission, television, SRD, IPTV and OTT, continues to pioneer the next generation of content delivery such as Kyrion and TITAN Edge solutions remain inherent to the development and market adoption of the BSI CA standard. As a evolution of the Biss Protocol, BISS CA is a conditional open, rights free, secure and interoperable encryption standard that includes a dynamic mobile key system. Developed by the UER in collaboration with ATEME and other network equipment providers, BISS CA enables real time rights management for content flows on any network.

On 22 July 2020 ATEME announced that Movistar + chose to implement its TITAN solution for the distribution of its DTH/OTT services directly.

ATEME's TITAN solution offers Movistar + a number of advantages, including a simple migration to the virtual video header. Titan also provides Movistar + with exceptional bandwidth savings in MPEG-2 and H.264, resulting in significant use of the satellite transponder, as well as the highest possible binary speed video quality, which is crucial to obtaining the best user experience.

On 30 July 2020, ATEME enabled QNET Telecom to provide high quality video coding thanks to its TITAN Live solution.

Titan Live will be used alongside the QNET networks to offer improved video quality to its high speed end users and support the growing demand for high quality video content and encoding.

On 31 July 2020, ATEME and Anevia entered into exclusive negotiations for the acquisition by ATEME of 87% of Anevia's share capital and 90% of its voting rights.

ATEME and Anevia's main shareholders, together holding 87% of the share capital and 90% of the theoretical voting rights of Anevia, entered into exclusive negotiations to transfer their stake in Anevia to ATEME. The transaction received the unanimous support of both parties' Boards of Directors in advance. An information consultation procedure will be launched with the employee representative bodies of the Company and ATEME.

Upon completion of the aforementioned 'information - consultation' procedures, ATEME would acquire all of Anevia shares held by the majority shareholders, in part by contributions in kind and otherwise in cash. The transfer of Anevia Company shares to ATEME would be followed by the filing by ATEME of a simplified alternative tender offer comprising a simplified mixed tender offer, and as an alternative offer, a simplified public tender offer on all shares and securities giving access to the share capital of Anevia which would not be held by ATEME on that date, in accordance with applicable laws and regulations, and then, as the case may be, by a squeeze out.

Acquisition of Anevia

On 6 October 2020, ATEME and Anevia announced the signature of final agreements to transfer the majority shareholders' interest in the Company to ATEME. The purchase covers all of the Company's shares held by the majority shareholders, partly through contributions in kind and the balance in cash.

On 26 October 2020, ATEME announced that Anevia's major shareholders would contribute a majority stake in Anevia, and that its governance structure would be reorganized following the takeover by ATEME. The total purchase price was € 21145 k (see Note 3).

On 9 November 2020 ATEME launched a simplified alternative public offer consisting of a simplified mixed public offer and, as an alternative, a simplified public tender offer for the shares and shares and warrants of Anevia, respectively.

1.3 Impact of the COVID-19 health crisis on the financial statements at 31 December 2020

Full operational continuity during the crisis

In this period of uncertainty, ATEME's priorities have been twofold: Protect the health and well being of its employees and partners, in strict compliance with official guidelines to stop the spread of the virus, and provide all possible support to customers. Containment has been imposed in most areas where we do business. Fortunately, we have a well proven and active working culture and a well established business continuity plan to ensure the full continuity of all our operations, including R & D, 24/7 support and supply chain functions.

In particular:

- TITAN demonstrations, deliveries and facilities, the ATEME software, can be carried out remotely.
- ATEME continues to provide video conferences and other webinars to clients around the world including through a 24 hour webinar in mid April where our experts from all continents shared their views on market trends and emerging technologies and presented ATEME solutions to 1,500 clients.
- Our research and development team continues to file new patents

Impact of the Covid-19 crisis on the financial perspectives

In terms of revenues, the immediate impact of the Covid crisis was the cancellation of certain orders from Kyrion due to the postponement of sporting events such as the UEFA football championship and the Olympic Games. In addition, certain clients have deferred their investments, particularly those most exposed to a decline in advertising revenues or revenues generated by sports activities. Conversely, there was a surge in on demand video consumption per subscription and pressure on network capacity.

On 14 April 2020 ATEME benefited from a loan contract guaranteed by the French State, 90% guaranteed by the French State, with Société Générale for an amount of € 4000 k, with a guarantee premium of 0.5% per year.

At the end of 2020, the Company's repayment period was extended from 12 months to 60 months. The redemptions will start in April 2021.

1.4 Subsequent events 2020

On 19 January 2021, ATEME announced the closing of the acquisition of Anevia, a software developer for live, deferred and on demand TV and video (VOD), following the successful public offer and squeeze out. The total cost of the acquisition was € 21 145 k and the outstanding liability at 31 December 2020 was € 3738 k (recorded in current liabilities).

On 28 January 2021 ATEME announced that it had won a triple award, 'Technology & Engineering Emmy ® Awards.'

The National Academy of Television Arts & Sciences (NATAS) awarded ATEME three Emmy ® Awards for its outstanding achievements in improving media broadcasting, distribution and quality of experience. NATAS won ATEME awards in the following three categories:

- Development of perceptual measures for optimizing video encoding or how ATEME can emulate the human visual system.
- Optimizing artificial intelligence processes for video compression or how ATEME successfully reduced the total cost of ownership without compromising on quality.
- Development of optimized compression technologies for mass treatments or how ATEME can help video on demand service providers produce more content and better quality in the Cloud.

These awards welcome ATEME's leading investments in artificial intelligence and data analysis. They strengthen ATEME's role as a future partner for key content and service providers, supporting them as they move towards new forms of TV, media and video transmission.

On 4 February 2021, ATEME announced the launch of the new TV + service at Viya (ATN International Group) in the Virgin Islands (United States)

The new Viya TV + service allows Virgin Islands residents to access state of the art television experience through cloud based connectivity. Subscribers access linear content and on demand via a dedicated multimedia reader, a Smart TV, or an iOS or Android device. They can also take advantage of the TV service, regardless of whether or not they are on all the screens of the house at the appropriate time.

On 25 February 2021 ATEME announced to facilitate more than 50% of ATSC 3.0 deployments in North America through its TITAN Live solution

Many leading television channels and stations now use ATEME TITAN Live for their launches in ATSC 3.0 as well as for the migration to ATSC 1.0 requiring a 'repack,' i.e. more channels on a single issuer. Sinclair Broadcast Group has been a leader in ATEME solutions since the launch of the first ATSC 3.0 commercial station in Las Vegas in May 2020. It is also a world first, with remote operations. This deployment method, facilitated by ATEME, should be extended to future deployments.

9 March 2021 Net + celebrated the 10th anniversary of its partnership with Anevia (ATEME)

Anevia and Net +, a Swiss multi screen TV service provider, celebrated the tenth anniversary of their technology partnership. This collaboration was a key factor in making Net + one of Switzerland's most innovative TV service providers. Using Anevia's OTT video delivery solutions, Net + now offers a wide range of features, including Cloud recording, time shift (pause/rewind) and seven day catch up TV.

On 12 March 2021 ATEME announced the integration of AVS2 into its TITAN range.

AVS2 is the second generation digital audio video compression standard, defined by the AVS working group, which aims to meet the needs of the audio and video industry in China.

On March 25, ATEME announced that it would join Digitalrich in offering an integrated solution for advertising insertions to clients around the world

Digitalrich is Korea's leading supplier of advertising integration technologies. Titan Live and TITAN Mux by ATEME as well as Digitalrich's Advertising insertion server are now available as an integrated solution for ATEME clients worldwide.

On 2 April 2021 ATEME announced that it had been chosen by Nuuday for its Live and File platforms

Nuuday, a subsidiary of TDC Group, Denmark's largest telecommunications company, has adopted its TITAN range of solutions to improve video experience for viewers

Note 2: Accounting policies and methods

The financial statements are presented in K € unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

ATEME prepared its consolidated financial statements, as approved by the Board of Directors on 24 March 2021, in accordance with standards and interpretations published by the International Accounting Standards Boards (IASB) and adopted by the European Union as of the date the financial statements were prepared, for all periods presented.

These standards, which are available on the European Commission's website, incorporate international accounting standards (IAS and IFRS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

The accounting principles and methods and options adopted by the Company are described below. In some cases, IFRS allows the choice between using a benchmark or other permitted treatment.

Basis for preparation of the financial statements

The Group has prepared its financial statements on a historical cost basis, with the exception of certain assets and liabilities, in accordance with IFRS. The categories concerned are mentioned in the following notes.

Business continuity

The going concern assumption for the next 12 months after 31 December 2020 has been assumed by the Board of Directors based on available cash and revised gross margin and revenue growth assumptions.

Accounting policies

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

- *Amendments to the conceptual framework in the IFRS published on 6 December 2019;*
- *Amendments to IAS 1 and IAS 8 published on 10 December 2019;*
- *Amendments to IAS 9, IAS 39 and IFRS 7, published on 16 January 2020;*
- *Amendments to IFRS 3 - Definition of a Business, published on 22 April 2020; and*
- *Amendments to IFRS 16 - COVID-19 rentals, published on 28 May 2020*

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

Standards, amendments to standards and interpretations adopted by the European Union but not yet mandatory for annual financial statements 2020

The Group has elected not to early adopt the standards, amendments and interpretations adopted by the European Union but which could be applied earlier, and which will become effective after 31 December 2020.

These mainly include:

- Amendments to IAS 1 and IAS 8 on materiality threshold,
- New conceptual framework (not foreseen),
- Amendments to IFRS 9, IAS 39 and IFRS 7.

The Group does not expect the amendments to have a material impact on its consolidated 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 2020 that have not yet been endorsed at the European level (and whose early application is not possible at the European level) that would have a material impact on the 2013 financial statements.

Standards and interpretations published by the IASB but not yet adopted by the European Union at 31 December 2020

- *Amendments to IFRS 3, 'Definition of business'*
- *Revision of the conceptual framework for financial reporting, amendment of the references to the conceptual framework in IFRS '*

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

Consolidation principles

Fully consolidated companies

The consolidated financial statements include, by full consolidation, the financial statements of subsidiaries in which the Group holds, directly or indirectly, exclusive control. Control over an entity exists when the Group has the ability to govern the operating and financial policies of such entity in order to gain economic benefits. Full consolidation means that, after the elimination of internal transactions and results, all assets, liabilities and income statement items of the Companies concerned are taken into account, with the portion of the net income and equity reselling the Group Companies (Group share) being distinguished from the portion relating to the interests of other shareholders (Non controlling interests). All material intercompany transactions as well as intercompany results (including dividends) are eliminated.

Main Group companies as of 31 December 2020

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 2020, six companies were fully consolidated. Directly owned companies are as follows:

Companies	Country	Group control in%	Interest in%
ATEME SA	France	Parent company	
ATEME USA Inc	United States	100	100
ATEME Canada Inc	Canada	100	100
ATEME Singapore	Singapore	100	100
ATEME Japan KK	Japan	100	100
ATEME Australia	Australia	100	100
ANEVIA SA	France	100	100 (1)

(1) ANEVIA SA was acquired as a new fully consolidated company on 31 October 2020 (see Note 3).

2.2 Use of judgments and estimates

To prepare the financial statements in accordance with IFRS, Group management has made estimates, judgments 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 period.

These estimates are based on going concern assumptions and are prepared based on information available at the time of their preparation. They are measured on an ongoing basis based on past experience and on various other factors considered reasonable that form the basis of our assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or if new information becomes available. Actual results may differ materially from these estimates if different assumptions or conditions apply.

The main estimates and judgments made by the Company's management relate mainly to the following:

- Grant of stock options or equity warrants to employees and managers
 - Fair value measurement for share based payments is based on the Black & Scholes option pricing model, which incorporates assumptions about complex and subjective variables. These variables include, in particular, the value of the Company's shares, the expected volatility of the share price over the life of the instrument and the current and future behaviour of holders of those instruments. There is a high inherent risk of subjectivity arising from the use of an option pricing model in determining the fair value of share based payments in accordance with IFRS 2.
 - The valuation assumptions used are presented in Note 14.
- Revenue recognition
 - Certain perpetual license agreements include a maintenance component and a financing component contingent on the transfer of title. For this purpose, comparable data may be used to determine the revenue to be recognized on each contract.
 - The accounting policies are presented in note 20 respectively.
- Capitalization of development costs
 - The Group devotes considerable resources to research and development. As part of this process, the Group must make judgments and interpretations concerning the determination of development costs to be capitalized as soon as all of the six criteria defined by IAS 38 are met.
 - Accounting policies and the amount of capitalized costs are presented in note 5.
- Impairment of inventories
 - The Group sets aside provisions for impairment in value of inventories based on an analysis of the probable net realisable value of inventories, which is based on historical and forecast data. In this context, the Group may have to take into account assumptions (particularly regarding technological developments in different versions of cards and the risk of obsolescence of such products).
 - The accounting policies and provisions are presented in note 9 respectively.
- Provisions for pensions and other post employment benefits

- The Group uses turnover assumptions, discount rates and salary increases based on historical data. For this purpose, the Group may have to take into account assumptions.
 - Accounting policies and provisions are presented in note 16.
- Impairment of trade receivables
 - The Group sets aside provisions for impairment of trade receivables on the basis of historical losses recorded on certain customer categories. In this context, the Group may take into account assumptions (particularly regarding customer risk).
 - The accounting policies and provisions are presented in note 10 respectively.
- Lease obligations
 - The determination of the lease terms and renewal options used to determine the value of obligations and rights of use in accordance with IFRS 16 'Leases.' The accounting policies are presented in note 7 and 15.2, respectively, and in the section on accounting policies.
- Allocation of the purchase price of assets and liabilities to fair value (see Note 3)

2.3 Functional presentation currency

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

2.4 Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency using the exchange rate at that date.

Foreign exchange gains and losses arising from the translation of monetary items represent the difference between the amortized cost denominated in the functional currency at the beginning of the period, adjusted for the impact of the effective interest rate and payments during the period, and the amortized cost denominated in the foreign currency translated at the closing rate.

Foreign currency denominated non monetary assets and liabilities measured at fair value are translated into the functional currency using the exchange rate at the date the fair value was determined. The resulting exchange differences are recognised in profit or loss, except for differences arising on the translation of available for sale equity instruments, a financial liability designated as a hedge of a net investment in a foreign operation, or instruments qualified as cash flow hedges, which are recognised directly in equity.

Translation of the financial statements of foreign subsidiaries

The euro, used as the presentation currency, is the currency in which most cash flows are generated within the Group. The Company's functional currency is the euro and the functional currencies of its subsidiaries are as follows:

- ATEME SA Inc.: US Dollar
- ATEME Canada Inc.: Canadian Dollar
- ATEME Singapore: Singapore Dollar
- ATEME Japan KK: Yen
- ATEME Australia: Australian Dollar

The financial statements of Group entities whose functional currencies are different from the euro are translated into euros as follows:

- Assets and liabilities are translated at the closing rate at 31 December 2020;
- Income and expenses in each income statement are translated at the average exchange rate for the period or period which is considered to reflect the rates in force at the effective date of the transactions.

Translation adjustments resulting from the application of these different rates are shown in a specific line item in shareholders' equity, 'Cumulative translation adjustments.'

As of 31 December 2020, the Japanese subsidiary was considered as a net long term investment in accordance with IAS 21. The impact on translation reserves in the financial statements at 31 December 2020 was € 49 k.

2.5 Current and non current provisions

The Group applies a balance sheet presentation distinguishing between current and non current portions of assets and liabilities.

The distinction between current and non current items was made in accordance with the following rules:

- Assets and liabilities contributing to working capital used in the entity 's normal operating cycle are classified as 'current';
- Assets and liabilities that fall outside the normal operating cycle are classified as 'current' and 'non current' depending on whether they mature within one year or after the specific cases specified in IAS 1.

2.6 Recoverable amount of non current assets

Amortizable assets are tested for impairment whenever there is an internal or external indication that an asset may be impaired.

As of 31 December 2020 and 2019, there were no internal or external indications of impairment in the non current assets.

2.7 Receivables and payables denominated in foreign currency

Liabilities and receivables denominated in foreign currencies are recognised at the exchange rate on the initial transaction. At the balance sheet date, the corresponding asset and liability items are measured at the closing rate.

2.8 Segment information

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

The assets and business presented are located in France. Revenue by geographical area is described in Note 20.

Research and development costs, most of the administrative costs are incurred in France. At this stage, these costs are not allocated to the geographical areas in which these products are marketed.

Thus, the Company's performance is currently analyzed at the level of the identified segment. The Company follows two performance indicators:

- Revenue
- Restated EBITDA (see Note 22)

2.9 Other comprehensive income

Items of income and expense for the period that are recognised directly in equity are shown, where appropriate, under the heading 'Other comprehensive income.'

Note 3: Business combinations and business transfers

Business combinations are accounted for using the acquisition method as defined in IFRS 3. Under this method, the acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date.

Goodwill arising from the business combination is measured as the excess of the total consideration transferred, the amount of any non controlling interest and, where applicable, the fair value of any previously held interest, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is measured in the functional currency of the acquired entity and recognized in assets in the statement of financial position.

The Group may elect, on an individual transaction basis, at the acquisition date, to measure non controlling interests either at fair value (full goodwill method) or at the share of fair value of the acquiree's identifiable net assets (partial goodwill method).

In accordance with IFRS, goodwill is not amortizable but is tested for impairment annually and whenever there is an indication that it may be impaired that its carrying amount may be impaired (see Notes 3 and 4).

Negative goodwill is identified when the business combination is carried out on advantageous terms. The resulting gain is recognized in profit or loss on the acquisition date.

Acquisition related costs are expensed in the periods in which the costs are incurred and the services received.

Pursuant to IFRS 3, the Group has a measurement period to finalize the accounting for business combinations, which ends when all the necessary information has been 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.

On 26 October 2020, the Company acquired 87% of the shares of Anevia for € 17407 k. This amount comprised a cash payment of € 9947 k and a contribution of ATEME shares through a capital increase of € 7460 k. It has been consolidated as from 31 October 2020.

A simplified Alternative public tender offer for the shares and BSA of ANEVIA that were not tendered in connection with the acquisition of control block was initiated on 8 December 2020 with a view to obtaining 100% of Anevia's shares. As a result of the acquisition of more than 90%

of the shares, the squeeze out of the shares and BSA not contributed in the two previous transactions was completed on 19 January 2021. Combining with Anevia and its efficient solutions to optimise delivery of flows is a key step in the Group's expansion strategy in the value chain of its customers and in winning new markets.

The total transaction between 26 October 2020 and 19 January 2021 was financed by € 12561 k in cash, of which € 2614 k was paid out in January 2021, and € 8584 k in cash, with a corresponding increase in ATEME shares, of which € 1124 k in January 2021. The total cost of the acquisition was € 21145 k and the outstanding liability at 31 December 2020 was € 3738 k (recorded in current liabilities).

Costs incurred by ATEME on the entire transaction amounted to € 1173 k, of which € 450 k was deducted from the premium.

The acquisition of non controlling interests was analyzed as a single business combination (by analogy with IFRS 10 B.97 on disposals resulting in a loss of control), the public tender offer ('alternative') and the squeeze out procedure as only economically justified by the acquisition of the controlling interest. Therefore, goodwill is calculated based on the acquisition price of 100% without generating any non controlling interests, but on recognising a liability under current liabilities for transactions unwound in January 2021.

(In € thousands)

Cash paid	9,947
Cash and cash equivalents acquired	(2,535)
Net cash related to the acquisition of Anevia as of 31 December 2020	7,413

The BSA ANEVIA held by minority shareholders were exercised between the acquisition date and 31 December 2020 for an amount of € 702 k.

Acquisition accounting is presented below:

Fair value of identifiable assets and liabilities at transaction date (in thousands of euros)

Intangible assets (1)	9,354
Property, plant and equipment	406
User rights	382
Other non current assets	438
Other current assets	4,668
Cash and cash equivalents	2,530
BSA exercised between October 26 and 31 December 2020	702
Borrowings	(3,059)
Lease obligations	(403)
Other non current liabilities	(261)
Other current liabilities	(5,264)
Deferred income	(1,533)
Net assets acquired	7,960
Purchase price	21,145
Goodwill	13,186

(1) This amount corresponds to technology and intellectual property for a gross amount of € 9350 k, recognized using the royalty method.

At 31 December 2020, Anevia's contribution from its acquisition (i.e. for a period of 2 months) to Group sales amounted to 5.3 million euros. The contribution in terms of net income amounted to a profit of 1.8 million euros.

Had Anevia's acquisition taken place on 1 January 2020, Anevia's contribution to Group sales at 31 December 2020 would have been 14.7 million euros, compared with recurring operating income of € 1168 k and net income of € 1553 k

Note 4: Goodwill

At 31 December 2020, goodwill recognized on the acquisition of ANEVIA amounted to € 13186 k (see note 3).

Determination of goodwill:

Goodwill is measured as the excess of the total of:

I. the consideration transferred;

(II) the amount of any non controlling interest in the acquiree; and

III. in a business combination achieved in stages, of the fair value of the acquirer's previously held interest in the acquiree;

Compared to the net book value of the identifiable assets acquired and liabilities assumed.

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

Measurement of goodwill

Goodwill is not amortized but is tested for impairment annually, or more frequently if there is an indication that it may be impaired. Impairment tests are carried out at the level of cash generating units (CGUs), which constitute groups of assets generating cash inflows that are largely independent of the cash inflows from other cash generating units.

The impairment tests will be carried out as from 31 December 2021.

The acquisition of ANEVIA applied IFRS 3 to business combinations.

Note 5: Intangible assets

Intangible assets primarily consist of licenses, software development and development costs.

Research and development costs

Research costs are systematically expensed.

In accordance with IAS 38, development costs are recognized as an intangible asset only if all the following criteria are met:

- Technical feasibility of completing the development project,
- The Company's intention to complete the intangible asset,
- Ability to use the intangible asset,
- How the asset will generate probable future economic benefits;
- The availability of technical, financial and other resources to complete the intangible asset and
- Reliable measurement of development expenditure.

Capitalised expenses that are directly attributable to the asset 's production and include:

- Costs of services used or consumed in generating the intangible asset;
- Wages and expenses of personnel committed to generate the asset.

Expenditures are capitalised only from the date on which the conditions for the intangible asset are met. Expenditures cease to be recognised as assets when the intangible asset is ready for use and sale.

Development costs carried in assets are amortised on a straight line basis over a 1 to 4 year period, depending on their useful life.

The amortisation charge for capitalized development costs is presented in the 'Research and development expenses' category.

Software

Acquisition related costs are capitalized on the basis of the costs incurred to acquire and bring to use the software concerned.

Other intangible assets

In accordance with IAS 38 criteria, acquired intangible assets are recognized as assets at acquisition cost.

Useful life and depreciation expense

If they have a finite useful life, amortization is calculated on a straight line basis in order to allocate the cost over their estimated useful life, i.e.:

Items	Amortisation period
Development costs	1 to 4 years
Licenses and software development	1 to 5 years
Developed technologies	8 to 10 years

The amortisation expense of intangible assets related to software licenses and development is recognised in profit or loss and allocated according to their use in the following categories: Cost of sales, marketing and sales expenses, research and development costs, and general and administrative expenses.

The amortization expense of intangible assets relating to capitalized development costs and technology is recognized in the income statement under the research and development costs category.

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Other intangible assets	Software	Technology	Development costs	Work in progress	Total	O/w cash impact
Statement of financial position at 31 December 2019	-	1,100	-	5,154	260	6,513	
Newly consolidated companies	124	174	9,350			9,648	
Capitalization of development costs				520		520	520
Acquisition		308			63	371	371
Disposals	(83)	(33)				(116)	
Impact of exchange rates		(1)				(1)	
Transfer				260	(260)	-	
Statement of financial position at 31 December 2020	41	1,548	9,350	5,933	63	16,935	890

DEPRECIATION

Statement of financial position at 31 December 2019	-	900	-	3,897	-	4,798	-
Newly consolidated companies	124	170				293	
Increase		299	144	667		1,110	
Disposals	(83)	(32)				(115)	
Transfer to rights of use (IFRS 16)		(1)				(1)	
Statement of financial position at 31 December 2020	41	1,336	144	4,565	-	6,085	-

NET BOOK VALUE

At 31 December 2019	-	199	-	1,257	260	1,715
At 31 December 2020	-	213	9,206	1,369	63	10,850

The projects whose development costs have been capitalised relate to the Kyrion, TITAN File and TITAN Live projects for the years 2010 to 2020.

The health crisis linked to the Covid-19, although not in itself an indication of impairment, did not call into question the Group's medium term business forecasts. No impairment losses have therefore been recognized in accordance with IAS 36.

On the acquisition of Anevia, a gross technology value of € 9350 k was recognized in the Telco and Enterprise product lines. They are amortized over 9 to 10 years. Amortization for the year ended 31 December 2020 amounted to € 144 k.

Note 6: Property, plant and equipment

Property, plant and equipment mainly consists of IT equipment.

No impairment losses have been recognized in accordance with IAS 36. In accordance with the rules described in the notes to the consolidated financial statements for the year ended 31 December 2020.

Property, plant and equipment are stated at acquisition cost (purchase price plus incidental expenses) or at production cost.

Assets are subject to depreciation plans determined according to the useful life of the asset.

Depreciation periods and methods used are mainly as follows:

Machinery and equipment	6 years - straight line
Fixtures and fittings	9 years - straight line
Vehicles	5 years - straight line
Office equipment	4 years - straight line
It equipment	3 years - straight line
Furniture	10 years - straight line

The depreciation expense on property, plant and equipment is recognised in the income statement and allocated according to their use in the following categories: Cost of sales,

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Fixtures and fittings	Office equipment, data processing and furniture	Vehicles	Work in progress	Total	O/w cash impact
Statement of financial position at 31 December 2019	956	7,516	7	-	8,479	
Newly consolidated companies	799	1,344			2,143	2,143
Acquisition	323	1,178		87	1,588	1,588
Disposal/Write back	(147)	(72)			(219)	(219)
Impact of exchange rates	(3)	(73)			(78)	
Statement of financial position at 31 December 2020	1,927	9,893	7	87	11,913	3,512

DEPRECIATION

Statement of financial position at 31 December 2019	555	5,482	7	-	6,044	-
Newly consolidated companies	601	1,135			1,737	
Increase	170	1,340			1,510	
Disposal/Write back	(152)	(68)			(220)	
Impact of exchange rates	(2)	(44)			(46)	
Statement of financial position at 31 December 2020	1,172	7,845	7	-	9,024	-

NET BOOK VALUE

At 31 December 2019	400	2,034	-	-	2,435
At 31 December 2020	755	2,048	-	87	2,889

Note 7: User rights

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

IFRS 16 no longer distinguishes lessees between finance leases and operating leases, as previously defined by IAS 17.

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 recognized 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 marginal borrowing rate calculated for each country over the term of the contract. Pending an IFRS IC decision (see above in June 2019), the marginal borrowing rate corresponds to a duration rate (taking into account the profile of lease payments) and not a maturity rate.

The lease term is the enforceable period, which is 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 of the main leases in France correspond to an enforceable period of 9 years (commercial leases 3/6/9): 3 years non cancellable period and certainty to exercise the extension options after 3 years and 6 years.

The IFRS Interpretations Committee specified on 26 November 2019 that as long as the lessor or or lessee has an economic incentive not to terminate the lease to the extent that it incurs a more than insignificant termination penalty, the contract will be enforceable beyond the date on which the contract can be terminated. After analysis, this interpretation had no impact on the Group's financial statements.

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, if the lease is not renewed 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 insignificant penalties if the lease is terminated at the lessor's initiative.

The right to use asset is measured using the cost model as follows: Cost is reduced by accumulated depreciation and impairment losses and adjusted to take into account any revaluation of the lease obligation. No impairment loss or revaluation of the rental obligation was recognized in 2019 or 2020. In the absence of a call option, assets relating to the right to use are amortized over the term of the contract as defined above.

Deferred taxes on restated lease contracts:

The Group elected to recognise a deferred tax on the restatement of leases corresponding to the impact on the income statement of the change during the period.

The group has not identified any lessor or or sale and leaseback situations.

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

GROSS VALUE OF USER FEES (Amounts in K €)	Office equipment	Vehicles	Commercial leases	Total
Statement of financial position at 31 December 2019	1,507	-	2,765	4,273
Newly consolidated companies			382	382
Increases		18	478	496
Impact of exchange rates			(29)	(29)
Statement of financial position at 31 December 2020	1,507	18	3,597	5,122

DEPRECIATION

Statement of financial position at 31 December 2019	1,153	-	489	1,642
Newly consolidated companies				-
Increase	209	4	662	874
Impact of exchange rates			(10)	(10)
Statement of financial position at 31 December 2020	1,362	4	1,141	2,506

NET BOOK VALUE

At 31 December 2019	355	-	2,276	2,631
At 31 December 2020	146	14	2,456	2,616

The table below shows the rental expense prior to the application of IFRS 16:

Rental charges (in K €)	31/12/2020
Rental expense restated to IFRS 16	984
Lease payments not restated for IFRS 16	266
Total Rental expense	1,250

Note 8: Other non current financial assets

The Company's financial assets are classified into two categories based on their nature and the intended holding:

- Financial assets at fair value through the income statement,
- Loans and receivables.

All financial assets are initially recognized at cost which corresponds to the fair value of the price paid plus acquisition costs.

Financial assets at fair value through the income statement

This category represents assets held for trading, i.e. assets acquired by the arrangement with the objective of disposal in the short term. They are carried at fair value and changes in fair value are recorded in the income statement. Some assets may also be voluntarily classified in this category.

Loans and receivables

This category includes other loans and receivables and trade receivables.

Non current financial assets include advances and guarantee deposits given to third parties and term deposits which are not considered as cash equivalents. Advances and guarantee deposits are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

Such assets are recognised at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired in accordance with IFRS 9.

OTHER FINANCIAL ASSETS (Amounts in K €)	31/12/2020	31/12/2019
Loans	317	275
Guarantee deposits	325	271
Liquidity contract - Balance	202	77
Withholding of Guarantees BPI France	200	200
Retention of pre financing collateral CIR	98	-

Cautions Factor	56	-
Total other non current financial assets	1,198	823

The security deposits mainly concern deposits made under signed commercial leases.

Note 9: Inventories

Inventories are valued using the weighted average unit cost method.
Inventories are stated at the lower of cost and net realizable value.
In this case, the impairment loss is recorded in the income statement.

Composition of inventories

Inventories of raw materials consist mainly of electronic components used for the manufacture of Kyron products.

Work in progress is identified individually by project codes related to each customer order in progress. They consist of study costs (hours of engineers) and material costs.

Inventories of goods mainly comprise finished products (set top boxes, set top boxes, set top boxes 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 year are being scrapped

INVENTORIES (Amounts in K €)	31/12/2020	31/12/2019
Commodity inventories	179	273
Work in progress Goods & Services	1,494	807
Goods in inventory	3,114	2,270
Total inventories, gross	4,786	3,350
Depreciation of raw materials inventories	(20)	(20)
Impairment of work in progress for goods and services	(95)	-
Impairment of goods in inventory	(235)	(266)
Total impairment of inventories	(351)	(286)
Total net inventories	4,436	3,065

Note 10: Receivables

Receivables are stated at nominal value. They are written down where necessary by means of a provision to reflect the difficulties in recovering them.

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 was identified in the two periods presented.

Accounts and notes receivable are partially assigned under factoring and Dailly receivables, on a regular basis as required.

In accordance with IFRS 9, these transfers do not result in derecognition because the Company has retained substantially all the risks and rewards of the transferred asset. Accordingly, the entire transferred asset is included in trade receivables and current financial debt is recognised in the amount of the net cash received.

Other receivables include the nominal value of the research tax credit, which is recognized as an asset in the period of acquisition corresponding to the period in which eligible expenses giving rise to the tax credit were incurred.

10.1 Trade receivables

TRADE RECEIVABLES (Amounts in K €)	31/12/2020	31/12/2019
Trade receivables	32,606	29,639
Impairment of trade receivables	(941)	(306)
Net total trade receivables	31,665	29,333

Company products are sold on demand to television channels and video broadcasters. Default risk has been assessed as low.

The provision for customer impairment is calculated on a case by case basis based on the estimated risk of non recovery and the statistical component determined in accordance with IFRS 9.

Trade receivables by maturity (Amounts in K €)	31/12/2020	31/12/2019
Portion not yet due	16,526	12,226
Due within 90 days	10,900	10,350
Due between 90 days and six months	2,230	2,788
Due between six and twelve months	1,319	1,740
Due beyond twelve months	1,631	2,535
Total trade receivables	32,606	29,639

Allocation of impairment losses on trade receivables by maturity (amounts in K €)	31/12/2020	31/12/2019
Portion not yet due	-	-
Due within 90 days	408	-
Due between 90 days and six months	-	-
Due between six and twelve months	345	117
Due beyond twelve months	188	189
Total impairment of trade receivables	941	306

10.2 Other receivables

OTHER RECEIVABLES (Amounts in K €)	31/12/2020	31/12/2019
Research tax credit (1)	5,130	2,573
Value added tax (2)	1,557	1,399
Prepaid expenses (3)	1,335	841
Trade receivables	278	92
Employees and related accounts	21	7
Receivables (4)	-	513
Other tax credits	-	34
Other	12	2
Total other receivables	8,335	5,462

(1) Research tax credit

The Company benefits from the provisions of Articles 244 quater B and 49 septies F of the French General Tax Code relating to the research tax credit. In accordance with the principles described in Note 19, the research tax credit is recognized as a reduction of research expenses in the year to which the eligible research expenses relate.

It is presented as grants under the category 'Research and development expenses.'

(2) VAT receivables mainly relate to deductible VAT and requested VAT reimbursement.

(3) Prepaid expenses correspond mainly to expenses incurred in connection with the purchase of components.

- (4) The French State and other receivables mainly concern receipts related to operating subsidies, recognized in the income statement (see Note 21.2) as of 31 December 2019

In the absence of taxable income, the tax receivable on the Research Tax Credit ('CIR') is refundable in the year following the date of recognition.

Note 11: Marketable securities and cash

Cash, Cash Equivalents and Financial Instruments

Cash and cash equivalents recorded in the balance sheet include cash in hand and at bank and in hand.

Cash equivalents are held for trading purposes that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. They are carried at fair value and changes in fair value are recorded in financial income or expense. They include term accounts that meet the impairment charge.

Short term bank borrowings are included in current borrowings. In the cash flow statement, they are included in cash and cash equivalents.

Fair value of financial instruments

The fair value of trade receivables and payables is considered as being the same as their carrying amount due to their very short maturities. The same applies to other receivables and payables.

The Company has distinguished three categories of financial instruments according to their impacts on their valuation methods and uses this classification to disclose certain 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 drawing on observable inputs;
- Level 3 category: Financial instruments measured using valuation techniques based in whole or in part on unobservable inputs, with an unobservable input defined as a parameter, the value of which is derived from assumptions or correlations that are not based on observable market transaction prices or the same instrument at the measurement date or observable market data available at the same date.

The only instruments held by the Company at fair value through profit or loss are Level 1 cash equivalents.

Cash and cash equivalents break down as follows:

CASH AND CASH EQUIVALENTS (Amounts in K €)	31/12/2020	31/12/2019
Bank accounts	17,095	10,345
Total cash and cash equivalents	17,095	10,345

Note 12: Financial assets and liabilities and impact on net income

The Company's assets and liabilities are measured as follows for each year:

(Amounts in K €)	31/12/2020			
Balance sheet items	Statement of financial position	Fair value	Fair value through profit or loss	Assets and liabilities at amortized cost
Non current financial assets	1,198	1,198	-	1,198
Trade receivables	31,665	31,665	-	31,665
Other receivables	278	278	-	278
Cash and cash equivalents	17,095	17,095	17,095	-
Total asset items	50,236	50,236	17,095	33,141
Non current borrowings	16,154	16,154	-	16,154
Current borrowings	4,633	4,633	-	4,633
Non current lease liabilities	1,788	1,788	-	1,788
Current lease liabilities	909	909	-	909
Trade payables ANEVIA	3,738	3,738	-	3,738
Trade payables	14,605	14,605	-	14,605
Other current liabilities	892	892	-	892
Total liability items	42,719	42,719	-	42,719

(Amounts in K €)	31/12/2019			
Balance sheet items	Statement of financial position	Fair value	Fair value through profit or loss	Assets and liabilities at amortized cost
Non current financial assets	823	823	-	823
Trade receivables	29,333	29,333	-	29,333
Other receivables	92	92	-	92
Cash and cash equivalents	10,345	10,345	10,345	-
Total asset items	40,592	40,592	10,345	30,247
Non current borrowings	5,420	5,420	-	5,420
Current borrowings	1,252	1,252	-	1,252
Non current lease liabilities	1,971	1,971	-	1,971
Current lease liabilities	719	719	-	719
Trade payables	10,399	10,399	-	10,399
Other current liabilities	925	925	-	925
Total liability items	20,686	20,686	-	20,686

The only instruments held by the Company at fair value through profit or loss are Level 1 cash equivalents.

(Amounts in K €)	Impact on the income statement at 31 December 2020		Impact on the income statement at 31 December 2019	
	Interest	Change in fair value	Interest	Change in fair value
Liabilities				
Liabilities measured at amortised cost: Borrowings from banks	222	-	115	-
Liabilities measured at amortized cost: Bonds	-	-	-	-
Liabilities measured at amortised cost: Advances	68	-	68	-

Note 13: Share capital

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

Incidental costs directly attributable to the issue of shares or stock options are deducted from equity.

Share capital

The share capital is set at 1548480 €. It is divided into 11,060,569 fully subscribed and paid ordinary shares with a nominal value of 0.14 €.

This number is excluding Stock Options ('SO') granted to certain Group individuals.

COMPOSITION OF SHARE CAPITAL	31/12/2020	31/12/2019
Capital (in thousands of euros)	1,548	1,465
Number of shares	11,060,569	10,464,563
(Of which ordinary shares)	11,060,569	10,464,563
Nominal value (in euros)	0.14 €	0.14 €

Exercise of stock options and allocation of Company bonus shares

In 2020, 66,665 Company stock options were exercised and recorded in the financial statements:

- The share capital increase relating to the exercise of 165 subscription options has not yet been noted by the Board of Directors as of 31 December 2020;

- Each holder paid the share subscription price on exercise of the options for a total amount of € 453 k, of which € 444 k was charged to share premium.

The impact on earnings per share is presented in Note 25.

Capital management

The Company's policy is to maintain a solid capital base in order to maintain the confidence of investors and creditors and to support the future development of business

Dividend distribution

The Company did not pay any dividends for the financial years ending 31 December 2019 or 31 December 2020.

Note 14: Equity warrants, stock options, warrants to subscribe for shares of the company's founders, and free shares

Since its creation, the Company has implemented several equity settled compensation plans in the form of 'SO' stock options or 'BSPCE' warrants granted to employees, managers and members of the Board of Directors.

Pursuant to IFRS 2, the cost of equity settled transactions is recognised as an expense over the period in which the rights to the equity instruments vest, with a corresponding increase in equity.

The Company has applied IFRS 2 to all equity instruments granted since the inception of the Company to employees of the Company, the Group or members of the Board of Directors.

The fair value of the BSPCE and stock options granted to employees is determined using the Black Scholes option pricing model.

All the assumptions used to value the plans are described below.

Stock options ('SO')

The following table summarizes the data related to stock option plans as well as the valuation assumptions used in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of lapsed options	Number of warrants exercised	Number of options outstanding	Maximum number of shares to be issued
Sales of 7 March 2013	SO2011 3	92,400	27,000	65,400	-	-
Sales of 24 March 2014	SO2013 2	92,500	20,594	62,781	9,125	9,125
Sales of 4 May 2016	SO2014 2	30,000	7,500	16,875	5,625	5,625
Sales of 28 March 2017	SO2014 3	106,500	54,313	49,062	3,125	3,125
Sales of 5 November 2018	SO2017-1	69,000	18,000	5,000	46,000	46,000
Sales of 5 November 2018	BSA2018-1	28,000	4,000	-	24,000	24,000
Sales of 18 July 2019	SO2017-2	82,000	-	5,000	77,000	77,000
Sales of 18 July 2019	BSA2018-2	45,000	-	-	45,000	45,000
Sales of 6 May 2020	BSA2019-1	36,000	3,000	-	33,000	33,000
Sales of 6 May 2020	SO2017-3	87,000	-	-	87,000	87,000
At 31 December 2020		668,400	134,407	204,118	329,875	329,875

Assumptions used - fair value calculation in accordance with IFRS 2					
Type	Subscription price per share in €	Exercise period	Volatility	Risk free rate	IFRS2 total valuation (Black & Scholes) At the grant date
SO2011 3	5.60 €	7 years	47.75%	1.00%	336439 €
SO2013 2	5.60 €	7 years	46.15%	1.00%	329640 €
SO2014 2	3.75 €	8 years	35.50%	0.54%	39871 €
SO2014 3	9.45 €	8 years	34.86%	-0.13%	413029 €
SO2017-1	10.80 €	8 years	41.60%	0.00%	257000 €
BSA2018-1	10.80 €	8 years	41.60%	0.00%	104290 €
SO2017-2	12.60 €	8 years	42.57%	0.00%	360185 €
BSA2018-2	12.60 €	8 years	42.57%	0.00%	197662 €
BSA2019-1	12.60 €	8 years	42.78%	0.00%	167708 €
SO2017-3	12.60 €	8 years	42.78%	0.00%	405293 €

Exercise rights vest at 1/4 of the stock options granted to the holder after a period of 12 months, and 6.25% of the stock options granted every 3 months for three years.

Free shares

The following table summarizes the data related to stock option plans as well as the valuation assumptions used in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of lapsed options	Number of AGM vested	Number of AAUs outstanding	Maximum number of shares to be issued	Total valuation
Sales of 5 November 2018	AGA 2016-03	33,000	1,000	32,000	-	-	368280 €
Sales of 18 July 2019	AGA 2016-04	53,500	1,000	-	52,500	52,500	663400 €
Sales of 6 May 2020	AGA 2019-1	56,000	-	-	56,000	56,000	704480 €
At 31 December 2020		142,500	2,000	32,000	108,500	108,500	1736160 €

Following the authorisation granted by the Shareholders' Meeting of 9 June 2016 for the issue of 500,000 free shares:

- The Board of Directors' meeting of 26 July 2016 allocated 29,500 free shares to the Company's employees. They are vested after one year of grant subject to employment condition.
- The Board of Directors' meeting of 28 July 2017 allocated 8,000 free shares to the Company's employees. They are vested after one year of grant subject to employment condition.
- The Board of Directors' meeting of 5 November 2018 allocated 33,000 free shares to the Company's employees. Shares will vest after one year from the date of grant, subject to the condition of continued employment.
- The Board of Directors' meeting of 18 July 2019 allocated 53,500 free shares to the Company's employees. Shares will vest after 24 months following the grant, subject to conditions of presence.
- The Board of Directors' meeting of 6 May 2020 allocated 56,000 free shares to the Company's employees. Shares will vest after 24 months following the grant, subject to conditions of presence.

Valuation of stock options and free shares

The fair value of stock options was calculated using the Black & Scholes valuation model. The valuation methods applied to estimate the fair value of the options are detailed below:

- The retained share price is equal to the investor's subscription price or by reference to internal valuations;
- The risk free rate is determined based on 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 free share plans, the fair value of the benefit granted based on the share price at the grant date adjusted for any specific conditions likely to have an impact on the fair value (e.g. dividends). As specified above no dividend was taken into account at the time of the valuation.

Breakdown of the expense recognised in accordance with IFRS 2 for the two reference periods

Date	Type	31/12/2019					31/12/2020				
		Number of options outstanding	Cost of the plan adjusted for lapses	Cumulative cost at start of period	Expense for the period	Cumulative expense at 31/12/2019	Number of options outstanding	Probabilised cost of the plan adjusted for lapses	Cumulative cost at start of period	Expense for the period	Cumulative expense at 31/12/2020
Sales of 7 March 2013	SO2011-3	18,000	289462 €	289462 €	0 €	289462 €	-	289462 €	289462 €	-	289462 €
Sales of 24 March 2014	SO2013-2	32,125	249988 €	249988 €	0 €	249988 €	9,125	249987 €	249988 €	-	249988 €
Sales of 20 January 2016	SO2014-1	-	65599 €	59649 €	5103 €	64752 €	-	65599 €	64752 €	847 €	65599 €
Sales of 4 May 2016	SO2014-2	5,625	39871 €	35934 €	-7165 €	28769 €	5,625	29072 €	28769 €	303 €	29072 €
Sales of 28 March 2017	SO2014-3	10,938	395092 €	307426 €	52958 €	360384 €	3,125	395092 €	360384 €	29807 €	390191 €
Sales of 5 November 2018	SO2017-1	51,000	285785 €	17522 €	126427 €	143949 €	46,000	269018 €	143949 €	70302 €	214251 €
Sales of 5 November 2018	BSA2018-1	28,000	115971 €	7110 €	54898 €	62008 €	24,000	115971 €	62008 €	30284 €	92292 €
Sales of 18 July 2019	SO2017-2	82,000	360185 €	0 €	75384 €	75384 €	77,000	360185 €	75384 €	133600 €	208984 €
Sales of 18 July 2019	BSA2018-2	45,000	197662 €	0 €	41369 €	41369 €	45,000	197662 €	41369 €	73317 €	114686 €
Sales of 6 May 2020	BSA2019-1	-	-	-	-	-	33,000	167708 €	0 €	50495 €	50495 €
Sales of 6 May 2020	SO2017-3	-	-	-	-	-	87,000	405293 €	0 €	122029 €	122029 €
Total - SO - BSA		272688 €	1999615 €	967091 €	348974 €	1316065 €	329,875	2545049 €	1316065 €	510984 €	1827049 €

Date	Type	31/12/2019					31/12/2020				
		Number of options outstanding	Cost of the plan	Cumulative cost at start of period	Expense for the period	Cumulative expense at 31/12/2019	Number of options outstanding	Probabilised cost of the plan adjusted for lapses	Cumulative cost at start of period	Expense for the period	Cumulative expense at 31/12/2020
Sales of 5 November 2018	AGA 2016-03	33,000	368280 €	30390 €	184140 €	214530 €	-	368280 €	214830 €	153450 €	368280 €
Sales of 18 July 2019	AGA 2016-04	53,500	663400 €	-	150924 €	150924 €	52,500	663400 €	150924 €	313658 €	464582 €
Sales of 6 May 2020	AGA 2019-1	-	-	-	-	-	56,000	704480 €	-	230130 €	230130 €
Total AGM		86,500	1031690 €	114667 €	366357 €	365754 €	108,500	1736160 €	365754 €	697238 €	1062992 €

Note 15: Loans and other financial liabilities

Financial liabilities are classified into a single category: Financial liabilities carried at amortised cost.

Financial liabilities at amortized cost

Borrowings and other financial liabilities, such as conditional advances, are recognized at amortized cost, calculated using the effective interest method. The portion of borrowings maturing in less than one year is reported under 'Current borrowings.'

Conditional advances

The Group benefits from a certain number of government grants, in the form of conditional grants or advances. Details are provided in Note 15.3.

They have been recognized in accordance with IAS 20. These advances, which are granted at interest rates below the market rate, are measured at amortised cost in accordance with IFRS 9:

- The benefit obligation is determined using a discount rate corresponding to the market rate at the grant date. The amount resulting from the interest rate benefit obtained on the grant of non interest bearing refundable advances is considered as a grant recognised as income in the statement of comprehensive income.
- The interest cost of repayable advances, calculated at the market rate, is then recorded under financial expenses.

Grants are presented at the level of:

- 'Research and development' in relation to support for innovation and the financing of research activities,
- Marketing and Sales for those related to the exploration for new geographical areas.

These advances are recorded under 'Non current borrowings' and 'Current borrowings' depending on their maturity. In the event of a pronounced failure, the loan write off is recognised as a grant.

Leases

Assets financed by finance leases within the meaning of IFRS 16, which in substance transfer the risks and rewards incidental to ownership to ATEME, are recognised as assets on the balance sheet. The corresponding liability is recorded under 'Financial debt on lease obligations' (note 15.2).

CURRENT AND NON CURRENT FINANCIAL DEBT (Amount in K €)	31/12/2020	31/12/2019
Lease obligations (IFRS 16)	1,788	1,971
Repayable advances	1,268	993
Bank borrowings	14,886	4,427
Non current borrowings	17,942	7,391

Lease obligations (IFRS 16)	909	719
Repayable advances	782	564
Borrowings from credit institutions	3,848	684
Bank overdrafts	3	4
Current borrowings	5,542	1,971

Total financial debt	23,484	9,361
Due within -1 year	5,542	1,971
O/w due between 1 and 5 years	16,146	6,414
Due beyond 5 years	1,796	975

CHANGE IN FINANCIAL DEBT (Amount in K €)		Bank borrowings	Repayable advances	Total	Bank overdrafts	Lease liabilities (IFRS 16)
At 31 December 2019		5,111	1,556	6,668	4	2,689
Change in cash	Collection	12,000	78	12,078	3	
	Disbursement	(570)	(405)	(975)	4	(859)
	Cash flows	11,430	(327)	11,103	3	(859)
Non cash change	Translation adjustment			-		(19)
	IFRS 16 increase			-		483
	Accretion	(78)		(78)		-
	Newly consolidated companies	2,232	778	3,010		403
	Amortized cost	39	43	81		-
Total non cash		2,192	821	3,059	-	867
At 31 December 2020		18,734	2,050	20,784	3	2,696

Breakdown of borrowings by maturity

Debt maturity schedules can be analyzed as follows:

CURRENT AND NON CURRENT FINANCIAL DEBT AT REDEMPTION VALUE (Amount in K €)	31/12/2020			
	Gross amount	Current portion	Due in 1 to 5 years	Greater than 5 years
Lease obligations (IFRS 16)	2,696	909	1,655	132
Repayable advances	2,050	782	1,191	78
Borrowings from credit institutions	18,734	3,848	13,300	1,586
Bank overdrafts	3	3	-	-
Total financial debt	23,483	5,542	16,146	1,796

CURRENT AND NON CURRENT FINANCIAL DEBT AT REDEMPTION VALUE (Amount in K €)	31/12/2019			
	Gross amount	Current portion	Due in 1 to 5 years	Greater than 5 years
Lease obligations (IFRS 16)	2,689	719	1,693	278
Repayable advances	1,617	600	967	50
Borrowings from credit institutions	5,111	684	3,777	650
Bank overdrafts	4	4	0	0
Total financial debt	9,421	2,007	6,437	978

Reconciliation between the carrying amount and the redemption value

RECONCILIATION OF CARRYING AMOUNT AND REDEMPTION VALUE (Amounts in K €)	Redemption value 31/12/2020	Fair value	Carrying value
Lease obligations (IFRS 16)	2,696	-	2,696
Repayable advances	2,115	(64)	2,050
Borrowings from credit institutions	18,773	(39)	18,734
Bank overdrafts	3	-	3
Total financial debt	23,588	(104)	23,484

RECONCILIATION OF CARRYING AMOUNT AND REDEMPTION VALUE (Amounts in K €)	Redemption value 31/12/2019	Fair value	Carrying value
Lease obligations (IFRS 16)	2,689	-	2,689
Repayable advances	1,617	(61)	1,557
Borrowings from credit institutions	5,111	-	5,111
Bank overdrafts	4	-	4
Total financial debt	9,421	(61)	9,360

15.1 Due to credit institutions

MOVEMENTS IN LOANS TO CREDIT INSTITUTIONS (Amount in K €)	Borrowings from credit institutions
At 31 December 2019	5,111
(+) Change in scope of consolidation	2,232
(+) Subscription	12,000
(-) Redemption	(570)
(+) Grant recognised on PGE	(78)
(-) Discounting of PGE	39
At 31 December 2020	18,734

Main borrowings subscribed during the year

- **BPIFRANCE**

On 7 April 2020, ATEME received an asset loan from Bpifrance for an amount of € 4000 k, designed to strengthen its financial position, under the following conditions:

- Term: 5 years;
- Rate: 2.5%;
- Repayment: 4 quarters deferred amortisation followed by 16 quarterly payments starting 31 July 2021

- **SOCIETE Generale**

On 14 April 2020, ATEME benefited from a loan secured by the French government, with a 90% State guarantee, to Société Générale for an amount of € 4000 k, designed to deal with the financial consequences of the COVID-19 pandemic, under the following conditions:

- Duration: 12 months then 60 months
- Rate: 0.5%;
- Repayment: Monthly

At the end of 2020, the Company's repayment period was extended from 12 months to 60 months. The redemptions will start in April 2021.

- **SOCIETE Generale**

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

- Term: 7 years;
- Rate: 1.49%;
- Repayment: 84 monthly instalments;

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

- R1: Consolidated net financial debt/Consolidated EBITDA $\leq$ 3.5 for the years ending 31 December 2021 and 31 December 2022;
- R1: Consolidated net financial debt/Consolidated EBITDA $\leq$ 2.5 for financial years ending after 31 December 2022.

Available credit facilities

The Company has the following available credit lines:

- Credit facilities with its banking partners, up to € 150 k, which had not been drawn at 31 December 2020;

15.2 Borrowings on lease obligations

CHANGE IN LEASE OBLIGATIONS (Amount in K €)	Borrowings - Vehicles	Financial liabilities - Office equipment	Borrowings - Construction	Total
At 31 December 2019	-	398	2,293	2,689
(+) Change in scope of consolidation			403	403
(+) Increase	18		465	483
(-) Redemption	(3)	(211)	(645)	(859)
(+/-) Foreign exchange gains and losses			(19)	(19)
At 31 December 2020	14	187	2,497	2,696

15.3 Redeemable payments

The table below shows the change in repayable advances:

CHANGE IN REFUNDABLE ADVANCES AND GRANTS (Amounts in K €)	PTZI	FEI	IA4SEC	BPIFRANCE Innovation	ANEVIA PTZI	Total
At 31 December 2019	712	592	64	190	-	1,557
(+) Change in scope of consolidation					778	778
(+) Encament			78			78
(-) Redemption	(150)	(100)		(100)	(55)	(405)
Subsidies			(3)			(3)
Financial expenses	22	4	1	7	11	45
(+/-) Other movements						0
At 31 December 2020	584	496	140	97	734	2,051

The Company did not obtain any new advances which are repayable in 2020.

The Company received an additional payment of € 78 k in respect of existing advances, as reflected in the maturity schedule.

Repayable advances

The part at more than one year of advances received is recorded under 'Non current borrowings' while the part at less than one year is recorded under 'Current borrowings.'

Under IFRS, the Company considers that the repayable advance does not bear the annual interest payment and therefore benefits from a zero interest loan, which is more favourable than market terms. The difference between the amount of the advance at historical cost and the present value of the advance at a market rate is regarded as a government grant.

EIF (European Investment Fund) Innovation Loan

The company obtained from Bpifrance an FEI innovation loan for € 1000 k to finance non material expenses incurred in connection with the industrial and commercial launch of an innovation project. This loan is repayable in 28 quarterly maturities, of which the first 8 quarters are deferred from repayments at a fixed rate of 3.52%. The loan was collected in November 2015.

- This loan was guaranteed by 30% of the principal amount received in respect of the PPI fund
- This loan was guaranteed by the Innov Fin mechanism of the European Investment Fund up to 50% of the principal amount.

The outstanding debt at its redemption value was € 500 k at 31 December 2020 compared with € 600 k at 31 December 2019.

Zero Innovation Rate Loan ('PTZI') Bpifrance

On 1 October 2015, the company obtained from Bpifrance a loan at zero interest rates (PTZI) for innovation of € 1500 k, repayable in 20 linear quarterly maturities as from 30 September 2017.

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

At 31 December 2020, the outstanding debt at redemption value was € 600 k compared to € 750 k at 31 December 2019.

The Group has obtained from BPI France an 'innovation' loan at a zero interest rate of € 500 k for the development of a HEVC definition coder. The redemption started on 31 March 2017, with a 5 year term and an annual maturity of € 100 k. This loan was collected by the Company on 16 May 2014. The fair value of this advance was calculated based on an estimated interest rate of 4.85% per year. The outstanding debt at its redemption value was € 100 k at 31 December 2020 compared with € 200 k at 31 December 2019.

Aid to the IA4SEC project

On 14 November 2019, the company obtained from Bpifrance assistance on the 'IA4SEC' project in the amount of 709049 €, which consists of a subsidy of 472699 € and a recoverable advance of 236350 €.

The fair value of this advance was determined based on the interest rate of Bpifrance's international growth loan, i.e. 1.24% per annum (TEG).

The advance will be paid in 4 tranches over 4 years according to the following schedule:

- 66667 € after signature of the contract;
- 78276 € as from 31/08/2020;
- 44138 € as from 31/08/2021;
- 47269 € as from 14/03/2022.

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

Note 16: Employee benefit obligations

The Company's French employees benefit from the retirement benefits provided by French law:

- Receipt of a retirement indemnity paid by the Company on retirement (defined benefit plan);
- Payment of pension benefits by social security bodies, which are financed by company and employee contributions (defined contribution plan).

Retirement benefit plans, similar indemnities and other employee benefits, which are analysed as defined benefit plans (a plan in which the Company undertakes to guarantee a defined amount or a defined benefit level), are recognised in the balance sheet on the basis of an actuarial valuation of the obligations at the end of the reporting period, less the fair value of related plan assets.

This assessment is based on the projected unit credit method, which takes into account staff turnover and mortality probabilities. Any actuarial gains and losses are recognized in equity under 'Other comprehensive income.'

Payments by the Company under defined contribution plans are expensed in the income statement in the period to which they relate.

The Group 's US employees have subscribed to a 401 k defined contribution plan.

Obligations to employees consist of the provision for retirement benefits, valued on the basis of the provisions of the applicable collective agreement, namely the SYNTEC collective agreement.

This commitment applies only to employees governed by French law. The main actuarial assumptions used to measure retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	31/12/2020		31/12/2019	
	Managers	Non managers	Managers	Non managers
Retirement age	Voluntary departure (65-67 years old)			
Collective bargaining agreements	SYNTEC			
Discount rate	0.50%		0.90%	
Mortality table	INSEE 2017			
Rate of salary increases	2.00%			
Turn over rate	Strong (see details below)			
Payroll taxes	47%	43%	47%	43%

The turnover rate is determined based on a study conducted by France 's National Institute of Statistics and Economic Studies (INSEE) on new hires and departures by age bracket in relation to the Company' s average turnover rate.

The rates used can be summarised as follows:

- 20 to 30 years: Diminishing balance rate from 18.30% to 10.90%
- 30 to 40 years: Diminishing balance rate from 10.90% to 6.30%
- 40 to 50 years: Diminishing balance rate from 6.30% to 4.20%
- 50 to 60 years: Diminishing balance rate from 4.20% to 1%
- 60 to 67 years: Diminishing balance rate from 1% to 0%

Changes in the provision for pension obligations were as follows:

Amounts in K €	Pension obligations
At 31 December 2019	749
Newly consolidated companies	261
Past service cost	98
Financial costs	7
Actuarial gains and losses	109
At 31 December 2020	1,223

Note 17: Provisions

Provisions correspond to commitments resulting from litigation and other risks, of uncertain timing and amount, that the Company may face in the course of its business.

A provision is recorded when the Company has an obligation to a third party as a result of a past event, which is likely to result in an outflow of resources to the third party without equivalent consideration being received, and when future cash outflows can be reliably estimated. The amount recognized as a provision is the estimate of the expenditure required to settle the present obligation, if necessary at the end of the reporting period.

PROVISIONS (Amount in K €)	31/12/2020					
	Amount at start of period	Newly consolidated companies	Additions	Reversals	Releases with no purpose	Amount at year end
Provisions for charges	11	-	-	-	-	11
Provisions for litigation	25	-	30	(25)	-	30
Total provisions for risks and charges	36	-	30	(25)	-	41

PROVISIONS (Amount in K €)	31/12/2019				
	Amount at start of period	Additions	Reversals	Releases with no purpose	Amount at year end
Provisions for charges	11	-	-	-	11
Provisions for litigation	-	25	-	-	25
Total provisions for risks and charges	11	25	-	-	36

Litigation and liabilities

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

Claims and litigation

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

Note 18: Trade payables and other current liabilities

18.1. Trade payables

Trade payables have not been discounted since they do not represent more than one year of age at the end of each financial year in question.

TRADE PAYABLES AND ACCRUED INCOME (Amounts in K €)	31/12/2020	31/12/2019
Trade payables	9,906	8,232
Unbilled invoices	4,700	2,166
Total trade payables	14,605	10,399

18.2 Tax and social security liabilities

Tax and social security liabilities break down as follows:

ACCRUED TAXES AND PAYROLL COSTS (Amounts in € k)	31/12/2020	31/12/2019
Employees and related accounts	2,789	1,423
Social security and other social taxes	3,037	1,491
Other taxes, duties and similar levies	664	191
Total tax and social security liabilities	6,490	3,105

18.3 Other current liabilities

OTHER CURRENT LIABILITIES (Amounts in € k)	31/12/2020	31/12/2019
Advances and down payments from customers - RRR	366	362
Deferred income (1)	7,411	5,391
Other payables	439	110
Income tax	-	444
Directors' fees payable	87	10
Total other current liabilities	8,303	6,317

(1) PCA relate to customer contract liabilities and are broken down in Note 20.

Note 19: Analysis of change in working capital

	31/12/2020	31/12/2019	2019/2020 change	Newly consolidated companies	Foreign exchange difference	Change in WCR
Inventories (net of inventory write downs)	4,436	3,065	1,371	413	(40)	999
Trade receivables (net of impairment of trade receivables)	31,665	29,333	2,332	2,011	(368)	689
Other receivables	8,335	5,462	2,873	2,245	(14)	642
Trade payables	(14,605)	(10,399)	(4,207)	(2,151)	225	(2,281)
Accrued taxes and payroll costs	(6,490)	(3,127)	(3,343)	(3,036)	(182)	(125)
Other current liabilities	(8,303)	(6,317)	(1,986)	(1,749)	585	(822)
	<u>15,037</u>	<u>17,997</u>	<u>(2,960)</u>	<u>(2,268)</u>	<u>206</u>	<u>(898)</u>

Note 20: Revenue

The Group's revenues are derived from the sale of professional video compression solutions, maintenance contracts and 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 customer can benefit from it separately.

When these activities transfer to the customer control a separate service or good from which the customer may benefit independently of the recurring services, they are treated separately and revenue is recognized 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 bond, the price is allocated to each bond based on its individual sale price. This selling price is determined based on the 'catalogue' price. 'Catalogue price' is the observable price when an entity sells the service separately in similar projects. The main contracts relate to the 'distribution' business, which includes the delivery of a right to use a TITAN licence, which is separated from the hardware, a maintenance contract (which is optional and independent from the sale of licenses), in certain cases a delivery of hardware on which the licence will be installed and, in certain cases, a provision of service 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 customer, making the licence price highly variable from one contract to another.

Recognition of revenue at a given date over time or continuously

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

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

Intellectual property licenses

These perpetual licenses (without limitation in time) transfer to the customer:

- A right to use intellectual property as it exists at the specific time the licence is granted (static license). These licenses are only subject to corrective updates
- A right of access to intellectual property as exists throughout the period covered by the licence (dynamic licence). These licenses benefit from upgrades supplied by the Group.

Since 1 January 2019, the company has offered dynamic license offerings to its customers, this multi year offer enables the customer to benefit from unlimited licenses 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 license that was initially sold and that immediately provides profits to the customer, revenue is recognized when the license is granted. An analysis of the amount to be recognised is performed contract by contract to identify the fair value of the licence;
- One adjustment is recognized on a straight line basis over the life of the contract (in line with the ramp up rate).

The Group has no contracts that fall within the scope of IFRS15's backlog definition. 120-122. The Group has not implemented any sales and marketing policies involving variable counterparties.

Group sales are mainly made up of sales of products (set top boxes, set top boxes, etc.), solutions intended for the acquisition, processing and transmission of information, as well as a maintenance and service contract.

Until 31 December 2018, the Group marketed static intellectual property licenses with the transfer to the customer of the right to use the intellectual property as it exists at the time the licence is granted (static licenses),

In this particular case, revenue is recognised when the contractual benefit obligation is satisfied.

Revenue by geographic area for the 2 fiscal years ended 31 December 2020 and 2019 is as follows:

SALES BY GEOGRAPHICAL AREA (Amounts in K €)	31/12/2020	31/12/2019
France	5,011	5,730
Rest of the world	65,728	60,594
Total revenue	70,739	66,325

SALES BY GEOGRAPHICAL AREA (Amounts in K €)	31/12/2020	31/12/2019
EMEA	24,933	24,535
USA Canada	26,451	24,527
Latin America	7,549	9,024
Asia Pacific	11,805	8,240
Total	70,738	66,325

The Group 's largest customer, its five largest customers and its ten largest customers represented, respectively, 6%, 21% and 33% of its consolidated sales for 2020; 8%, 23% and 34% of its consolidated sales for fiscal year 2019.

The Group has a fairly balanced spread of revenue between its main customers and thus believes that it currently faces only a limited risk of dependence on its customers.

The Group's revenue recognition rate was as follows:

Category of sales (Amounts in K €)	Recognition method According to IFR 15	31/12/2020	31/12/2019
Static licences, equipment	Immediately	55,399	53,487
Dynamic licenses	Gradually	3,362	4,077
Maintenance	Gradually	11,977	8,760
Total		70,738	66,325

Net assets and liabilities arising from customer contracts

The timing of revenue recognition may differ from the timing of invoicing to our clients.

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 customer have been provided.

Contract liabilities represent amounts for which the customer has made a payment to ATEME before obtaining the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and collected for goods or services that remain to be supplied, for example, for maintenance services (deferred revenue).

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

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

Change in customer contract liabilities (Amount in K €)	31/12/2020	31/12/2019
Opening balance	5,391	4,180
Amount recognized in sales over the period	(4,419)	(3,030)
Amount to be recognised in future periods	6,537	4,241
Currency translation adjustment	(98)	-
Closing balance	7,411	5,391

Note 21: Breakdown of income and expenses by function

The Company presents its income statement by function.

Impairment of trade receivables and inventories

Impairment losses on trade receivables are included in cost of sales.

Impairment losses on inventories are recorded in 'cost of sales.'

Operating leases

Payments made under operating leases, net of any incentives, are recognised as an expense on a straight line basis over the lease term.

Subsidies

Grants received are recorded as soon as the corresponding receivable becomes certain, taking into account the conditions set for the grant being granted.

Operating subsidies are recognised in current income, taking into account the rate of expenditure, if any.

Research tax credit

Research tax credits are granted to companies by the French State to encourage them to carry out technical and scientific research. Companies that provide evidence of expenses meeting the required criteria are entitled to a tax credit which may be used for the payment of corporation tax due in respect of the year of realisation of the expenses and the following three financial years or, where applicable, to be reimbursed for its surplus portion.

The research tax credit is presented in the statement of comprehensive income as a grant at the level of research and development expenses, depending on the origin of the expenditure.

The portion of the research tax credit relating to capitalized development costs is recorded as a reduction of the asset.

The Company has benefited from the research tax credit since 1996.

21.1 Cost of sales

Costs OF SALES (amounts in K €)	31/12/2020	31/12/2019
Purchases of goods for resale	(25,056)	(24,623)
Personnel expenses	(4,846)	(4,356)
Indirect production expenses	(1,330)	(653)
Transportation costs	(603)	(592)
Cost of sales	(31,836)	(30,223)

Indirect production costs include a share of overheads, production costs, impairment of goods inventory and impairment of receivables.

21.2 Research and Development expenditure

Subsidies

Subsidies amounting to € 415 k are recognized in the income statement and correspond to operating subsidies with the following main characteristics:

- The grant relating to the EFIGI project granted by the Ile de France Region in the amount of € 487 k. Income recognized in the income statement amounted to € 111 k over the period.
- The grant relating to the CONVERGENCE TV project granted by MINEFI in the amount of € 426 k. Income recognized in the income statement amounted to € 64 k over the period.
- The grant for the TVSND project from MINEFI in the amount of € 480 k. No income was recognized in the income statement during the period.
- The grant relating to the TITANEDGE project awarded by the Ile de France Region in the amount of € 563 k. No income was recognized in the income statement during the period.
- The IA4SEC project grant from MINEFI in the amount of € 473 k. Income recognized in the income statement amounted to € 172 k over the period.
- The grant for the 3EMS project awarded by the UK Region in the amount of € 118 k. Income recognized in the income statement amounted to € 24 k over the period.

RESEARCH AND DEVELOPMENT (Amounts in K €)	31/12/2020	31/12/2019
Personnel expenses	(12,697)	(9,866)
Other	(361)	(154)
Finance costs	(424)	(427)
Amortization of capitalized R & D expenses and technology ranges	(810)	(590)
Fees	(95)	-
Depreciation, amortization and provisions	(1,621)	(1,380)
Taxes and training	(142)	(153)
Leases	(143)	(90)
Purchases not held in inventory	(300)	(216)
Travel, Missions and perception	(25)	(142)
Share based payments	(372)	(202)
Capitalization of R & D costs net of disposals	520	421
Research and Development expenditure	(16,469)	(12,800)
Research tax credit and innovation tax credit	3,361	2,535
Subsidies	415	695
Subsidies	3,776	3,230
Research and development costs	(12,693)	(9,570)

21.3 Marketing & Sales expenses

MARKETING AND SALES EXPENSES (Amounts in K €)	31/12/2020	31/12/2019
Personnel expenses	(16,199)	(13,490)
Travel expenses	(563)	(1,851)
Other	(646)	(282)
Finance costs	(774)	(781)
Trade fairs	(289)	(938)
Depreciation, amortization and provisions	(540)	(460)
Taxes and training	(259)	(279)
Leases	(261)	(163)
Share based payments	(638)	(343)
Marketing and sales expenses	(20,171)	(18,588)

21.4 General and administrative expenses

GENERAL AND ADMINISTRATIVE EXPENSES (Amounts in K €)	31/12/2020	31/12/2019
Personnel expenses	(2,099)	(1,731)
Fees	(1,149)	(1,027)
Travel expenses	(14)	(47)
Depreciation, amortization and provisions	(239)	(115)
Leases	(30)	(19)
Finance costs	(88)	(88)
Taxes and training	(110)	(32)
Other	(319)	(35)
Share based payments	(86)	(118)
General and administrative expenses	(4,133)	(3,214)

21.5

Other operating income and expense

Other operating income and expenses correspond to capital increase fees not eligible for recognition as a reduction of the issue premium, amounting to € 723 k, and an impact of the disposal of Anevia INC of € 9 k.

Note 22: Restated EBITDA

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

Current EBITDA, in English, refers to earnings before interest, taxes, depreciation, and amortization. It includes the Group's profit from recurring operations before it is excluded, depreciation, amortization and impairment of fixed assets, and share based payment expenses. It highlights the profit generated by the business independently of the conditions of its financing, tax constraints and the renewal of the operating tool. Non recurring expenditure (unusual, abnormal, and infrequent items) is excluded.

Restated EBITDA (Amounts in K €)	31/12/2020	31/12/2019
Recurring operating income	1,906	4,730
(-) EBIT on fixed assets	(3,756)	(3,001)
(-) Payment in shares IFRS 2	(1,208)	(715)
Restated EBITDA	6,870	8,447

Note 23: Group headcount

The workforce at the end of each fiscal year of the Group over the last two fiscal years is as follows:

Headcount at 31 December	Fiscal year 2020	Fiscal year 2019
Cost of sales	81	52
Research and development	206	128
Marketing and sales	133	96
Expenses	33	22
Total workforce at 31 December	453	298
Of which ANEVIA scope	114	-
O/w providers	94	81

Note 24: Financial income and expenses, net

Net financial income includes:

- Expenses relating to the financing of the Company: Interest paid and unwinding of discounting adjustments to redeemable advances and financial liabilities (please refer to Note 15).
- Interest income.

Any foreign exchange gains or losses are also recognized in the financial result.

FINANCIAL INCOME AND EXPENSES (Amounts in K €)	31/12/2020	31/12/2019
Amortized cost of borrowings	(313)	(187)
Other financial expenses	(14)	(1)
Financial income	34	26
Foreign exchange (losses) and gains	(1,090)	(37)
Total financial income and expenses	(1,383)	(199)

Other financial expenses mainly comprise discounts granted.

Financial expenses primarily consist of the unwinding of discounting of repayable advances and interest on finance leases.

Foreign exchange gains and losses are mainly due to the conversion of bank accounts into USD.

Note 25: Income tax expense

Current and prior year tax assets and liabilities are measured at the amount expected to be recovered or paid from the taxation authorities.

The tax rates and tax laws used to determine these amounts are those that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes are recognized, using the balance sheet method and the liability method, for all temporary differences between the tax base of assets and liabilities and their carrying amount in the balance sheet at the balance sheet date, as well as for tax loss carryforwards.

Deferred tax assets are recognized in respect of tax loss carry forwards when it is probable that future taxable profits will be available against which the unused tax losses can be utilized. The determination of recognized deferred tax assets requires management to make estimates both over the period in which the tax loss carryforwards are utilised and on the level of future taxable profits, with respect to tax management strategies.

At 31 December 2019, the Company had evergreen tax loss carryforwards of:

- € 24566 k for ATEME SA, which can be carried forward indefinitely in France with application of the rule of the cap of € 1 M and 50% of profit.

The tax rate applicable to the Company is the rate in force in France at 31 December 2020, i.e. 28%. This rate will continue to decrease gradually to 25% from 2022.

At 31 December 2020, temporary taxes were taken into account. A deferred tax was booked corresponding to the outlook for estimated taxable results over the short term (3 years). The Group has recognised part of its tax losses for an amount representing deferred tax of € 1186 k. This assessment will be reviewed at each balance sheet date based on future results. ATEME's French tax loss carry forwards total € 29118 k. Anevia's tax loss carry forwards in France amount to € 29656 k.

In the income statement, income taxes comprise the following amounts:

INCOME TAX EXPENSE (Amounts in K €)	31/12/2020	31/12/2019
Current taxes	-	(548)
Deferred taxes	(86)	623
Income tax expense	(86)	76

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

DEFERRED TAX (Amounts in K €)	
Statement of financial position at 31 December 2019	1,285
Deferred tax (expense) income	(86)
Changes in deferred taxes on actuarial gains and losses recognized in accordance with IAS 19	(24)
Statement of financial position at 31 December 2020	1,175

Reconciliation between theoretical and effective taxes

TAX PROOF (Amounts in K €)	31/12/2020	31/12/2019
Net income	(275)	4,607

Consolidated income tax	(86)	76
Profit before tax	(190)	4,683
Standard tax rate in France	28.00%	31.00%
Standard tax rate in France	53	(1,452)
Permanent differences	1,067	737
Share based payments	(338)	(222)
Unrecognized deferred taxes	589	756
Tax losses recognised during the period	-	283
Differences in tax rates	-	(27)
Income tax benefit/expense	(86)	76

1.6%

Effective tax rate

Permanent differences are mainly the impact of the research tax credit (non taxable operating income).

Nature of deferred taxes

NATURE OF NET DEFERRED TAX (Amounts in K €)	31/12/2020	31/12/2019
Temporary differences	375	544
Tax loss carryforwards	1,186	1,186
Total deferred tax assets	1,561	1,730
Temporary differences	386	445
Total deferred tax liabilities	386	445
Total net deferred taxes	1,175	1,285

Note 26: Earnings per share

Basic earnings per share is calculated by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting profit or loss 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 (Amounts in euros)	31/12/2020	31/12/2019
Net income (in € thousands)	(275)	4,607
Weighted average number of shares outstanding for basic earnings *	10,585,138	10,437,125
Basic earnings per share (€/share)	(0.03)	0.44
Weighted average number of shares outstanding	10,585,138	10,437,125
Outstanding stock options	336,523	156,688
Weighted average free shares outstanding	105,500	57,332

Weighted average BSA	-	57,759
Weighted average number of shares assuming full dilution	11,027,161	10,708,902
Diluted earnings per share (€/share)	(0.03)	0.43

* Net of treasury shares resulting from the liquidity agreement

Basic earnings per share are calculated by dividing net income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period. Instruments granting deferred rights to equity (AGM) are considered anti dilutive as they reduce losses per share. Diluted losses per share are therefore identical to basic losses per share.

Note 27: Related parties

27.1 Related party transactions

The Group has entered into an assistance and services agreement with SEREITRA, managed by Michel Artières, until 30 June 2020.

The remuneration paid to this company is mentioned in section 27.2.

Since 1 July 2020, Michel Artières has been Chief Executive Officer under a corporate office agreement.

27.2 Executive compensation

No post employment benefits are granted to the members of the Board of Directors. Compensation paid to members of the Board of Directors and senior executives can be analyzed as follows (in € thousand):

Compensation of corporate officers	31/12/2020	31/12/2019
Fixed remuneration	274	322
Annual variable remuneration	63	-
Exceptional compensation	29	-
Directors' fees	77	49
Share based payments	-	-
TOTAL	443	371

The allocation of variable remuneration is based on performance criteria.

The methods used to measure the benefit resulting from share based payments are presented in Note 14.

Note 28: Off balance sheet commitments

28.1 Lease agreements

First time application of IFRS 16 at 1 January 2019 eliminates the distinction between finance leases and operating leases. Under IFRS, all of the Company's future rental payments must be recognized as a liability and a right of use must be recognized as an asset.

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

Lease commitments Amounts in K €	Due within 1 year	Due in 1 to 5 years	More than 5 years
Commercial leases	935	1,749	133
Leases	97	45	-
Other	7	16	-
Total	1,040	1,811	133

28.2 Other contracts

Having sub contracted several important functions (production), the Company enters into sub contracting agreements in the ordinary course of business with various third parties, in France and abroad, which embody various obligations that are standard practice in these circumstances.

Contracts or specifications also set the conditions for validating manufacturing processes, control procedures, processing of non compliant products and intellectual property rights.

There is no reciprocal commitment between the Company and its subcontractors in terms of quantity or production capacity.

28.3 Other financial commitments

Documentary credits and discounts

The Company may place documentary credits or discounts in certain markets.
No documentary credit outstandings were present at 31 December 2020.

Pledge of goodwill

- July 2015: Pledge of € 667 k of ATEME SA's business assets to Société Générale. This pledge has been counter guaranteed by Bpifrance for 60%.
- October 2015: Pledge of € 600 k of ATEME SA's business assets to HSBC. This pledge has been counter guaranteed by Bpifrance for 50%.
- July 2017: Pledge of € 805 k of ATEME SA's business assets to Société Générale. This pledge has been counter guaranteed by Bpifrance for 50%.
- July 2017: Pledge of € 600 k of ATEME SA's business assets to HSBC. This pledge has been counter guaranteed by Bpifrance for 40%.
- November 2017: Pledge of € 600 k of ATEME SA's business assets to HSBC. This pledge has been counter guaranteed by Bpifrance for 40%.
- September 2019: Pledge of business assets of ATEME S.A. for € 1 150 k to Banque Palatine. This pledge has been counter guaranteed by Bpifrance for 40%.

Commitment by signature entered into by Societe Generale

SOCIETE Generale has subscribed a € 80 k financial bond for Société Internationales Immobilières Institut GMBH to lease the offices located in Vélizy- Villacoublay.
SOCIETE Generale has granted a financial guarantee of € 38 k to SCI Novalis for the rental of offices located in Rennes.

State guaranteed loan

On 14 April 2020, the Group benefited from a loan of 4 million euros benefiting from the 90% French State guarantee.

Note 29: Financial risk management and assessment

ATEME may be exposed to different types of financial risks: Market risk, credit risk and liquidity risk. As the case may be, ATEME uses simple and proportionate means to minimize the potentially adverse effects of these risks on financial performance. ATEME's policy is not to subscribe to financial instruments for speculative purposes. ATEME does not use financial derivative instruments.

Interest rate risk

ATEME has no significant exposure to interest rate risk, as:

- Marketable securities comprise short term money market funds (SICAV),
- Cash and cash equivalents include term accounts,
- No floating rate debt was subscribed.

Credit risk

Credit risk is associated with deposits (bank accounts) with banks and financial institutions. ATEME uses leading financial institutions for its cash investments and therefore does not bear any significant credit risk on its cash position.

It has established policies to ensure that its customers have an appropriate credit risk history.

Currency risk

The main risks associated with the foreign exchange impacts of sales and purchases denominated in foreign currencies primarily concern sales of products and expenses in US dollars and the financing of subsidiaries in their local currencies.

The Company has not, at its stage of development, made any hedging arrangements to protect its business from currency fluctuations. However, the Company cannot rule out that a significant increase in its business will result in greater exposure to currency risk. The Company will then consider a suitable hedging policy for these risks.

Equity risk

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

Note 30: Fees paid to Statutory Auditors

STATUTORY AUDITORS' FEES (Amounts in K €)	Fiscal year 2020				Fiscal year 2019			
	Ernst & Young		BL2A		Ernst & Young		BL2A	
	Amount excl. VAT	%	Amount excl. VAT	%	Amount excl. VAT	%	Amount excl. VAT	%
Statutory audit, certification, review of parent company and consolidated financial statements	84	57%	56	68%	80	94%	52	96%
Services other than certification of accounts *	65	43%	26	32%	5	6%	2	4%
Total Fees	149	100%	82	100%	85	100%	54	100%

* Fees related to services other than certification of accounts regarding fees related to the integration of Anevia and the achievement of certifications.

18.1.8. AGE OF LATEST FINANCIAL INFORMATION

The latest annual financial information dates from 31 December 2020 and is presented in this universal registration document.

18.2. INTERIM AND OTHER FINANCIAL INFORMATION

18.2.1. QUARTERLY FINANCIAL INFORMATION

Press release of 6 May 2021

EMEA reported revenue growth of 77% to 6.875 million euros. The solid performance was driven equally by organic growth of 30% and the contribution of Anevia's sales. This strong growth reflects a large scale contract with a leading content provider (Tier 1) in the UK (not fully recognised in Q1). It should be noted that 2 multi year contracts were also signed in the region.

The United States/Canada region reported revenues of 5.290 million euros, up 9% or 11% on a comparable basis, reflecting a combination of organic growth and currency effects.

Latin America's sales increased by 37% to 1.725 million euros, thanks to a very significant contribution from Anevia's revenues. On a like for like basis, revenue declined by 9% as a result of the pandemic. In this region, the Group nevertheless managed to sign 3 multi year contracts.

Revenues in the Asia Pacific region fell 31% to 1.631 million euros, reflecting the unfavorable basis of comparison (+62% in 2020). Anevia's contribution to this region is minor.

Monthly Recurring Income (MRR) rose from € 1500 k in January 2021 to € 1560 k in April 2021. Due to seasonal factors (the first quarter is usually the least active in the year) as well as Anevia's very recent adoption of the business model designed to generate recurring revenue (MRR), this performance should not be extrapolated over the full year.

Emerging technologies and growth opportunities

ATEME has continued to invest in R & D, leveraging the complementary technologies and solutions of ATEME and Anevia to position the group on multiple market opportunities:

- Dynamic advertising insertion requires a combination of direct file encoding software (TITAN) and a digital diffusion solution (NEA). ATEME is now uniquely positioned to meet the needs of this market segment. Dynamic advertising integration is, by nature, a variable cost activity and therefore fits perfectly into our strategy of transition to recurring income.
- The video sector is moving from an engineering approach to a data approach, such as measuring the return on investment of a customised channel. Leveraging its pioneering expertise in virtualization technologies, ATEME launched Pilot, a new solution that supports automation and flow analysis, thereby confirming the addition of decision tools to its value proposition. Pilot aims to control TITAN and NEA video processing engines, while collecting data to improve the quality of viewer experience.
- ATEME works closely with streaming Video Alliance and supports the Open caching initiative. This technology facilitates the interoperability of NCD networks by enabling ISPs to monetize their NCD network with content providers.
- As telecoms operators roll out their 5G networks, ATEME is anticipating the latter's impact on video usage by transforming its product range and contributing to the 3GPP definition of global standards for streaming with the 5G.

- Lastly, Anevia's Flamingo product line, intended for the hospitality sector, is attracting growing interest from some of ATEME's leading video distributors and customers (Tier1) in countries where the end of the Covid-19 pandemic is already underway.

Revenue growth will accelerate

These and many other factors support our confidence that sales growth will accelerate in the coming months:

- Anevia's NEA software solution is being assessed by ATEME's key clients, with the effect of increasing the commercial pipeline.

Improving the situation on the Covid-19 front should give a boost to trade decisions in the US and Europe in the coming months.

18.3. AUDIT OF HISTORICAL ANNUAL FINANCIAL INFORMATION

18.3.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

BL2A
10, François Villon Park
91600 Savigny sur Orge

Ernst & YOUNG Audit
Tour First, TSA 14444
92037 Paris La Défense Cedex

Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2020

At ATEME Shareholders' Meeting

Opinion

In compliance with the assignment entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of ATEME for the year ended 31 December 2020.

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 December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of opinion

■ Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities in accordance with these standards are set out in the 'Responsibilities of the Statutory Auditors with respect to auditing the consolidated financial statements' section of this report.

■ Independence

We conducted our audit in accordance with the independence rules provided for by the French Commercial Code and the Code of Ethics of our profession of Statutory Auditors for the period from 1 January 2020 to the date of issue of our report, and in particular we did not provide services prohibited by Article 5 (1) of Regulation (EU) No 537/2014.

Justification of our assessments - Key points of the audit

The global crisis related to the Covid-19 pandemic creates special conditions for preparing and auditing the accounts for this exercise. This crisis and the exceptional measures taken in the context of a state of health emergency have multiple consequences for companies, particularly their business and financing, as well as increased uncertainty over their future prospects. Some of these measures, such as travel restrictions and remote work, have also affected the internal organisation of companies and the implementation of audits.

It is in this complex and changing context that, in accordance with the requirements of Articles L. 8239 and R. 8237 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of significant misstatement that, in our professional judgment, were the most important for the audit of the consolidated financial statements for the year ended December 31, 2013, as well as the responses we have made to those risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole, and of the opinion we formed which is expressed above. We do not express an opinion on any elements of these consolidated financial statements taken individually.

■ Revenue recognition

Identified risk	Our response
An analysis is performed for contracts with multiple components to recognize revenues separately for each item when they are separately identifiable and the customer can benefit from them separately. Where a contract contains more than one performance bond, the price is allocated to each bond on the basis of its sale price. This selling price is determined based on the 'catalogue' price. Revenue is recognized when the Group transfers control of the goods or services sold to the customer, either on a specific date over time or continuously as specified in Note 20 'Sales' to the consolidated financial statements. For licenses in particular, revenue is recognized when the contractual service obligation is satisfied (static license) or as it is satisfied (dynamic license).	We familiarised ourselves with the specific procedures and information systems, if any, contributing to the formation of consolidated revenue. We examined the compliance of revenue recognition rules with IFRS 15 on new key contracts signed in 2020. We familiarised ourselves with the internal control procedures implemented to account for revenue Based on quantitative criteria (amount of revenue to be recognized) and qualitative criteria (complex contracts with several services), we performed various procedures. We have: ➤ Analyzed contractual clauses and reconcile financial data with invoices issued;

The terms of commercial contracts between the Group and its customers include terms and conditions governing the transfer of ownership and the performance of services, which is therefore critical to the Group's revenue recognition. The accounting standards applicable to contracts of this type require that contracts be interpreted with a degree of judgment.

An error in the analysis of obligations under this type of contract and their realization could lead to incorrect accounting for revenues. As a result, we considered revenue recognition in accordance with IFRS 15 to be a key point of our audit.

- Assessed whether the revenue allocated to each service corresponded to the fair value of the consideration received or receivable for goods sold in the ordinary course of business;
- It is controlled that each service is subsequently recognised in accordance with the applicable accounting rules and methods;
- Examined the relevance of the note presented in the notes to the consolidated financial statements.

■ Impairment of inventories

Identified risk	Our response
The company's gross inventories amounted to EUR 4,786 thousand at 31 December 2020 and are written down in the amount of EUR 351 thousand. These inventories consist mainly of merchandise. As presented in Note 9 'Inventories' to the consolidated financial statements, the provision for impairment of inventories relates to components or merchandise that are subject to internal lending, testing or repair. Components or goods for which technological advances are beginning to render inventories obsolete, or those with little or no movement during the year, are being scrapped. We considered that inventory write down is a key point of the audit due to the relative importance of inventories in the company's financial statements and because of management's input in identifying inventories for impairment.	Our audit procedures included: ➤ Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment; ➤ Attend year end physical inventories; ➤ Compare the cost of the main items in inventory on a test basis with the net selling price during the year; ➤ Analysing the data and assumptions used by management to identify inventories to be written down; ➤ Perform a retrospective analysis of the disposal of inventories based on movements in inventories during the period.

■ Determination of assets and liabilities recognised in the context of the acquisition of Anevia

Identified risk	Our response
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ATEME took control of Anevia on 26 October 2020 by acquiring a controlling interest representing 87% of the shares. A simplified or combined public tender offer for the shares and warrants of Anevia that were not tendered when the control block was acquired was initiated on 8 December 2020. The squeeze out of the remaining shares and warrants was completed on 19 January 2021.

The takeover followed by the acquisition of non controlling interests was analyzed by the Company as a single business combination. As a result, the goodwill amounting to € 13,186 k was calculated based on a purchase price of 100% without generating any non controlling interests but recognizing a debt in current liabilities of € 3,738 k.

As part of the purchase price allocation, the company, with the assistance of an external expert, valued and recognized intangible assets for technology on two product ranges for a total amount of € 9,350 k.

This information is disclosed in Note 3 to the consolidated financial statements in accordance with IFRS 3.

We considered that the analysis of the accounting treatment of the takeover was a key point of the audit due to its significant impact on the consolidated financial statements.

We have also considered that the determination of the fair value of the assets and liabilities recognized in connection with the acquisition of Anevia is a key point of the audit, due to the significant amount involved and the estimates required in particular to determine the fair value of technologies and to measure Anevia's liabilities and contingent liabilities.

We performed an analysis of all the facts and circumstances relating to the acquisition of Anevia in order to determine whether the various transactions were related and should be considered as a single business combination.

We examined the methods used to allocate the purchase price by the group's management and its external experts. Our work consisted, with the assistance of our evaluation specialists, in particular of:

- Analysing the assets acquired, liabilities assumed and contingent liabilities identified to determine whether they meet the recognition criteria in IFRS 3 and whether they are consistent with the business of the group and its segment;
- Obtaining an understanding of the methods used to determine the fair value of Anevia's acquired intangible assets;
- Analyzing the assumptions on which the estimates used by management to determine the fair value of Anevia's assets and liabilities/contingent liabilities at the acquisition date are based, in particular with respect to 'technological' intangible assets, for which we analyzed the royalty rates used;
- Perform arithmetic controls on asset valuations;
- Analyse the overall consistency of the allocation of the purchase price and the resulting residual goodwill, in particular on the basis of the following analyses:
 - Review of the benchmark strategic acquisition plan and the internal rate of return (IRR) implicit in the transaction;
 - Review of the analysis of the weighted average return on assets performed, and reconciliation analysis with the IRR of the transaction and Anevia's weighted average cost of capital;
 - Consideration of the components of the residual goodwill.

Finally, we also assessed the appropriateness of the information given in Note 3 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts of the information relating to the Group, given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications and information required by law and regulations

- Format of presentation of the consolidated financial statements to be included in the annual financial report

In accordance with paragraph III of Article 222-3 of the AMF's General Regulations, your Company's management has informed us of its decision to postpone application of the single electronic information format as defined by European Commission Delegated Regulation (EC) No. 2019/815 of 17 December 2018 to financial years beginning on or after 1 January 2021. Accordingly, this report does not contain any conclusion on compliance with this format 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.

- Appointment of Statutory Auditors

We were appointed Statutory Auditors of ATEME by your Shareholders' Meeting on 30 June 1997 for BL2A and on 11 April 2014 for ERNST & YOUNG Audit.

As of 31 December 2020, the BL2A firm was in the twenty fourth year of its unbroken assignment (including seven years since the company's securities were admitted to trading on a regulated market) and the ERNST & YOUNG Audit firm in the seventh year.

Responsibilities of management and members of corporate governance for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present fairly, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and to implement the internal control that management believes is necessary to prepare consolidated financial statements that are free of material misstatement, whether due to fraud or error.

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 process of preparing financial information and for monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

■ 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 anomalies to be detected. Anomalies 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 account users make on the basis of the accounts.

As specified in Article L. 823101 of the French Commercial Code (Code de commerce), our role of certifying the financial statements is not to guarantee the viability or quality of the management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor shall exercise his professional judgment throughout this audit. In addition:

- ▶ It identifies and assesses the risks that the consolidated financial statements contain material misstatement, whether due to fraud or errors, defines and implements audit procedures to address these risks and obtains evidence that it considers sufficient and appropriate to provide a basis for its opinion. The risk of non detection of a significant anomaly arising from fraud is higher than the risk of a significant anomaly arising from an error, as fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumvention of internal control;
- ▶ Takes 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;
- ▶ Assesses 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;
- ▶ It assesses 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 its report, it being noted that subsequent circumstances or events could jeopardise the Group's ability to continue as a going concern. If the fund manager concludes that there is significant uncertainty, he draws the attention of readers of his report to the information provided in the consolidated financial statements about this uncertainty or, if the information is not provided or is not relevant, is certified with reservations or does not certify;
- ▶ Assesses 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, it collects information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and auditing of the consolidated financial statements and for the opinion expressed on these financial statements.

■ Report to the Audit Committee

We submit to the Audit Committee a report presenting, in particular, the scope of the audit work and the work program implemented, as well as the conclusions of our work. 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.

Among the elements communicated in the report to the Audit Committee are the risks of significant misstatement, which we consider to have been the most important for the audit of the consolidated financial statements for the year ended December 31, 2013 and which therefore constitute the key points of the audit, which 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 rules applicable in France as set notably by Articles L. 82210 to L. 82214 of the French Commercial Code and in the Code of Ethics of the profession of Statutory Auditors. Where appropriate, we meet with the Audit Committee to discuss the risks to our independence and the safeguard measures applied.

Savigny sur Orge and Paris La Défense, 29 April 2021

BL2A
Mélanie Hus-Charles

Ernst & YOUNG Audit
Jean Christophe Pernet

18.3.2. OTHER INFORMATION IN THE UNIVERSAL REGISTRATION DOCUMENT AUDITED BY THE STATUTORY AUDITORS

None.

18.3.3. FINANCIAL INFORMATION IN THE UNIVERSAL REGISTRATION DOCUMENT THAT IS NOT EXTRACTED FROM THE ISSUER'S AUDITED FINANCIAL STATEMENTS

None.

18.4. PRO FORMA FINANCIAL INFORMATION

18.4.1. PRO FORMA FINANCIAL INFORMATION AT 31 DECEMBER 2020

Basis of presentation

Pro forma financial information is defined as the unaudited pro forma condensed consolidated financial information of ATEME after taking into account the effects of the acquisition of ANEVIA ('Acquire Entity') on 26 October 2020. The pro forma financial information has been prepared as if the merger and its direct consequences on financing had taken effect on the pro forma income statement as of 1 January 2020 and on the pro forma simplified consolidated statement of financial position as of 31 December 2020

The unaudited Pro forma consolidated financial information is prepared in accordance with the provisions of the Delegated Regulation (EU) 2019-980 on prospectuses, the guidelines of ESMA on prospectuses issued in July 2020 and the AMF Recommendation on the pro forma figures published in January 2021

Pro forma financial information is intended to present the effects of the merger on the historical financial statements and on the financial information of ATEME for the year ended 31 December 2020. It is not necessarily representative of the financial position and performance that would have been observed had the business combination been completed as of 1 January 2020.

The unaudited pro forma consolidated financial information is composed of the unaudited pro forma financial statements as at 31 December 2020 (the 'Pro Forma consolidated financial statements'):

- Pro forma consolidated income statement
- and explanatory notes.

The unaudited pro forma financial information of ATEME was prepared based on the assumptions summarized below and must be read in conjunction with the following documents:

- ATEME's Consolidated Financial Statements for the year ended 31 December 2020 prepared in accordance with IFRS and audited as disclosed in the Statutory Auditors' report on the consolidated financial statements.
- The cash flows from the 10 month income statement of ANEVIA under IFRS between January 1 and 31 October 2020. ATEME's consolidated financial statements already included 2 months of activities of ANEVIA (between November 1 and 31 December 2020). This information was not subject to any audit or review.

The pro forma financial information does not reflect any expected synergies and does not provide any indication of the results and future position of the business.

The pro forma adjustments presented below are based on the information available to date and on certain assumptions and estimates that ATEME considers reasonable:

- **Adjustment of provisional purchase price allocation: The impacts of the adjustment of the provisional allocation of the purchase price on the income statement have been integrated in a manner consistent with the provisional allocation of the acquisition price of ANEVIA as recorded in ATEME's condensed consolidated financial statements at 31 December 2020; Amortisation of technology was achieved from 1 January 2020;**
- Acquisition financing cost: The cost of net debt has been adjusted in the unaudited pro forma financial information to reflect the impact of the financing structure in place at 31 December 2020 (i.e. loan financing for 4 million euros) as if it had occurred on 1 January 2020.
- The inclusion of ANEVIA's 10 months of operations (from 1 January 2020 to 31 October 2020) in the pro forma income statement incorporating the acquisition costs recognized by ANEVIA of the transaction prior to the takeover by ATEME, and included in the line 'Other operating income and expenses.'
- The equity instruments relating to share based payments by ANEVIA were considered as fully vested as of 1 January 2020.

Taking into account the above mentioned adjustments, the consolidated pro forma financial information is presented in accordance with the acquisition method and IFRS. The pro forma consolidated column reflects the unaudited pro forma financial information.

ATEME pro forma consolidated financial statements

Pro forma consolidated income statement for the year ended 31 December 2020

ATEME Pro Forma income statement	ATEME Group audited consolidated data 31/12/2020 K €	Flows from Anevia SA from January 1 to October 31 (10 months)	Financing	Amortisation of technology	Pro Forma consolidated 12 months K €
Revenue	70,739	9,413			80,151
Cost of sales	(31,836)	(3,238)			(35,074)
Gross profit	38,903	6,174	0	0	45,077
Research and development costs	(12,693)	(2,823)		(720)	(16,235)
Marketing and sales expenses	(20,171)	(3,222)			(23,393)
General and administrative expenses	(4,133)	(2,565)			(6,697)
Recurring operating income	1,906	(2,435)	0	(720)	(1,249)
Other recurring operating income and expenses	(713)	(838)			(1,552)
Profit from operations	1,193	(3,273)	0	(720)	(2,800)
Financial expenses	(327)	(153)	(60)		(539)
Financial income	34	0			34
Foreign exchange gains and losses	(1,089)				(1,089)
Profit before tax	(189)	(3,426)	(60)	(720)	(4,395)
Income tax expense/benefit	(86)				(86)
Net income	(275)	(3,426)	(60)	(720)	(4,481)
Group share	(275)	(3,426)	(60)	(720)	(4,481)
Non controlling interests	0	0	0	0	0

Notes to the pro forma financial information

Note 1: Provisional adjustments related to the application of the acquisition method

➤ Purchase price allocation adjustment

The provisional allocation of the purchase price is presented in Note 3 of ATEME's audited consolidated financial statements for the financial statements ended 31 December 2020 - Section 18.01.06 of this Registration Document. This acquisition was accounted for as a business combination in accordance with IFRS3 Business Combinations, which requires the identifiable assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. ATEME engaged an independent valuation expert to determine the valuation of certain assets and liabilities of ANEVIA. The excess between the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed was recognized as goodwill at 1 January 2020.

At this stage, the allocation of the purchase price is provisional. In accordance with IFRS3, the measurement period shall not exceed one year from the acquisition date. Based on information available to date, the Group's management believes that the final allocation of the purchase price will not materially differ from the provisional allocation, although no assurance can be given that this will be the case.

➤ **Amortization of intangible assets (technology)**

The fair value of ANEVIA brands and customer relationships recognised in the provisional allocation of the acquisition price is based on the external appraiser's report.

The valuation was carried out using various valuation methods such as the royalty saving method and the over profit method.

The depreciation expense related to technology amounted to 0.863 million euros over 12 months and was recorded in the pro forma financial information as of 1 January 2020.

Note 2: Financing of the transaction, related financial costs and expenses

The transaction was financed in part by borrowing 4 million euros, through an exchange of shares and through equity.

Financing costs have been calculated as if the transaction had occurred on 1 January 2020 and the corresponding difference resulted in an increase in the cost of debt of € 60 k in 2020.

Note 3: Acquisition costs

Acquisition costs recognized in the pro forma income statement amounted to € 1.530 k, plus an amount of € 450 k deducted from the issue premium, which is estimated and considered to be fully incurred as of 1 January 2020. This amount is included in 'Other operating income and expenses' in the pro forma financial information statement as this was a non recurring impact related to the transaction.

Note 4: 10 month NAV flows for ANEVIA

The inclusion of ANEVIA's 10 months of operations (from 1 January 2020 to 31 October 2020) in the pro forma income statement, resulting in a net loss of € (3,426) million.

18.4.2. STATUTORY AUDITORS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2020

Statutory Auditors' report on the pro forma financial information for the year ended 31 December 2020.

To the Chairman of the Board of Directors,

In our capacity as Statutory Auditors and in accordance with Regulation (EU) No. 2017/1129 supplemented by Delegated Regulation (EU) No. 2019/980, we have prepared this report on the pro forma financial information of ATEME for the year ended 31 December 2020 included in Section 18.04.01 of the Universal Registration Document (the 'Pro forma Financial Information').

The pro forma financial information has been prepared, for illustrative purposes only, to show the effect that the acquisition of Anevia would have had on the ATEME consolidated income statement for the year ended 31 December 2020 had the transaction occurred on 1 January 2020. Because of its nature, the Pro Forma Information addresses a hypothetical situation and, therefore, does not necessarily represent the actual financial position or results the Company might have experienced had the transaction or event occurred at a date earlier than its actual or envisaged occurrence.

This pro forma financial information has been prepared under your responsibility in accordance with the provisions of Regulation (EU) no. 2017/1129 and the ESMA recommendations on pro forma financial information.

Our role is to express a conclusion, on the basis of our work and in the terms required by Section 3 of Annex 20 to Deputy Regulation (EU) No 2019/980, on the correct compilation of the pro forma financial information on the basis indicated.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures, which do not include an audit or a limited review of the underlying financial information supporting the pro forma financial information, consisted primarily of verifying that the basis on which this pro forma financial information was prepared was consistent with the source documents as described in the explanatory notes to the pro forma financial information, considering the evidence supporting the pro forma adjustments and discussing with the management of ATEME to gather the information and explanations we deemed necessary.

In our opinion:

- The pro forma financial information has been properly prepared on the basis indicated;
- This basis is consistent with the accounting policies applied by the issuer.

This report is intended solely for the following purposes:

- The filing of the universal registration document with the AMF;
- And cannot be used in another context.

Savigny sur Orge and Paris La Défense, 18 June 2021.

The Statutory Auditors

BL2A
Mélanie Hus-Charles

18.4.3. ANNUAL FINANCIAL STATEMENTS OF ANEVIA AS AT 31 DECEMBER 2020

Bilan Actif

Exprimé en €

Rubriques	Montant Brut	Amort. Prov.	31/12/2020	31/12/2019
Capital souscrit non appelé				
IMMOBILISATIONS INCORPORELLES				
Frais d'établissement	1 617	1 617		
Frais de développement				
Concessions, brevets et droits similaires	140 680	137 305	3 375	6 391
Fonds commercial	549 853		549 853	549 853
Autres immobilisations incorporelles	41 109	40 886	223	38 837
Avances, acomptes sur immo. incorporelles				
IMMOBILISATIONS CORPORELLES				
Terrains				
Constructions	9 155	9 155		
Installations techniques, matériel, outillage	1 174 438	980 500	193 938	187 072
Autres immobilisations corporelles	823 468	652 530	170 938	193 454
Immobilisations en cours				
Avances et acomptes				
IMMOBILISATIONS FINANCIERES				
Participations par mise en équivalence				
Autres participations	75		75	75
Créances rattachées à des participations				
Autres titres immobilisés				
Prêts				
Autres immobilisations financières	245 765	30 000	215 765	217 741
ACTIF IMMOBILISE	2 986 160	1 851 993	1 134 167	1 193 423
STOCKS ET EN-COURS				
Matières premières, approvisionnements				
En-cours de production de biens				
En-cours de production de services				
Produits intermédiaires et finis	566 314	95 335	470 978	414 506
Marchandises				
Avances et acomptes versés sur commandes	46 193		46 193	17 926
CREANCES				
Créances clients et comptes rattachés	4 666 620	165 941	4 500 679	4 481 290
Autres créances	2 197 786		2 197 786	2 366 559
Capital souscrit et appelé, non versé				
DIVERS				
Valeurs mobilières de placement				
(dont actions propres :)				
Disponibilités	3 426 981		3 426 981	1 832 286
COMPTES DE REGULARISATION				
Charges constatées d'avance	662 202		662 202	285 921
ACTIF CIRCULANT	11 566 095	261 276	11 304 819	9 398 487
Frais d'émission d'emprunts à étaler				
Primes de remboursement des obligations				
Ecart de conversion actif	25 128		25 128	33 490
TOTAL GENERAL	14 577 383	2 113 269	12 464 115	10 625 400

Bilan Passif

Exprimé en €

Rubriques	31/12/2020	31/12/2019
Capital social ou individuel (dont versé : 299 569)	299 569	229 349
Primes d'émission, de fusion, d'apport	2 245 682	2 539 173
Ecart de réévaluation (dont écart d'équivalence :)		
Réserve légale	17 756	17 756
Réserves statutaires ou contractuelles		
Réserves réglementées (dont rés. Prov. fluctuation cours)		
Autres réserves (dont achat œuvres originales artistes)	5 365	5 365
Report à nouveau		(2 638 017)
RESULTAT DE L'EXERCICE (bénéfice ou perte)	(1 493 826)	(625 129)
Subventions d'investissement		
Provisions réglementées		
CAPITAUX PROPRES	1 074 546	(471 503)
Produits des émissions de titres participatifs		
Avances conditionnées		
AUTRES FONDS PROPRES		
Provisions pour risques	25 128	66 000
Provisions pour charges		
PROVISIONS	25 128	66 000
DETTES FINANCIERES		
Emprunts obligataires convertibles		
Autres emprunts obligataires		
Emprunts et dettes auprès des établissements de crédit	1 930 000	2 560 365
Emprunts et dettes financières divers (dont empr. participatifs)		
Avances et acomptes reçus sur commandes en cours	19 401	7 750
DETTES D'EXPLOITATION		
Dettes fournisseurs et comptes rattachés	2 367 384	3 247 721
Dettes fiscales et sociales	3 309 031	2 992 356
DETTES DIVERSES		
Dettes sur immobilisations et comptes rattachés	34 734	18 845
Autres dettes	1 232 029	264 735
COMPTES DE REGULARISATION		
Produits constatés d'avance	2 466 084	1 919 269
DETTES	11 358 662	11 011 042
Ecart de conversion passif	5 778	19 860
TOTAL GENERAL	12 464 115	10 625 400

Compte de résultat

Exprimé en €

Rubriques	France	Exportation	31/12/2020	31/12/2019
Ventes de marchandises				3 861
Production vendue de biens	1 708 955	7 464 886	9 173 841	10 761 340
Production vendue de services	822 071	4 715 514	5 537 585	5 000 926
CHIFFRES D'AFFAIRES NETS	2 531 025	12 180 400	14 711 426	15 766 126
Production stockée				
Production immobilisée				
Subventions d'exploitation			12 958	29 791
Reprises sur dépréciations, provisions (et amortissements), transferts de charges			282 999	265 310
Autres produits			191 288	109 788
PRODUITS D'EXPLOITATION			15 198 671	16 171 015
Achats de marchandises (y compris droits de douane)				
Variation de stock (marchandises)				
Achats de matières premières et autres approvisionnements (et droits de douane)			2 197 407	3 099 447
Variation de stock (matières premières et approvisionnements)			38 458	(164 248)
Autres achats et charges externes			4 333 274	5 099 112
Impôts, taxes et versements assimilés			597 887	630 914
Salaires et traitements			6 112 234	5 830 059
Charges sociales			2 814 039	2 665 782
DOTATIONS D'EXPLOITATION				
Sur immobilisations : dotations aux amortissements			217 818	208 645
Sur immobilisations : dotations aux dépréciations				
Sur actif circulant : dotations aux dépréciations			227 232	211 443
Dotations aux provisions			25 128	
Autres charges			342 877	276 824
CHARGES D'EXPLOITATION			16 906 355	17 857 978
RESULTAT D'EXPLOITATION			(1 707 684)	(1 686 963)
OPERATIONS EN COMMUN				
Bénéfice attribué ou perte transférée				
Perte supportée ou bénéfice transféré				
PRODUITS FINANCIERS				
Produits financiers de participations				
Produits des autres valeurs mobilières et créances de l'actif immobilisé				
Autres intérêts et produits assimilés			630	629
Reprises sur dépréciations et provisions, transferts de charges			100 140	3 320
Différences positives de change			54 108	
Produits nets sur cessions de valeurs mobilières de placement				
PRODUITS FINANCIERS			154 878	3 949
Dotations financières aux amortissements, dépréciations et provisions			130 000	140
Intérêts et charges assimilées			157 952	121 484
Différences négatives de change			218 184	
Charges nettes sur cessions de valeurs mobilières de placement				
CHARGES FINANCIERES			506 136	121 624
RESULTAT FINANCIER			(351 258)	(117 675)
RESULTAT COURANT AVANT IMPOTS			(2 058 942)	(1 804 638)

Compte de résultat (suite)

Exprimé en €

Rubriques	31/12/2020	31/12/2019
Produits exceptionnels sur opérations de gestion		2 687
Produits exceptionnels sur opérations en capital	7 180	17 213
Reprises sur dépréciations et provisions, transferts de charges		
PRODUITS EXCEPTIONNELS	7 180	19 900
Charges exceptionnelles sur opérations de gestion	866 067	49 062
Charges exceptionnelles sur opérations en capital	3 075	16 008
Dotations exceptionnelles aux amortissements, dépréciations et provisions		
CHARGES EXCEPTIONNELLES	869 142	65 070
RESULTAT EXCEPTIONNEL	(861 962)	(45 170)
Participation des salariés aux résultats de l'entreprise		
Impôts sur les bénéfices	(1 427 078)	(1 224 679)
TOTAL DES PRODUITS	15 360 729	16 194 864
TOTAL DES CHARGES	16 854 555	16 819 993
BENEFICE OU PERTE	(1 493 826)	(625 129)

CHANGES IN SHAREHOLDERS' EQUITY

Libellé	Ouverture de l'exercice	Augmentation	Diminution	Clôture de la période
Capital souscrit-appelé-versé	229 349	70 220		299 569
Primes d'émission	1 866 101	3 214 947	- 2 877 237	2 203 811
Prime d'apport	633 451		- 633 451	0
Bons de souscription d'actions	39 621	2 250		41 871
Réserve légale	17 756			17 756
Autres réserves	5 365			5 365
Report à nouveau	- 2 638 017	- 625 129	3 263 146	-
Résultat de l'ex. précédent	- 625 129		625 129	-
Total avant résultat	- 471 503	2 662 288	377 587	2 568 371
Résultat de la période			- 1 493 826	- 1 493 826
TOTAL APRES RESULTAT	- 471 503	2 662 288	- 1 116 239	1 074 546

CASH FLOW STATEMENT

Expressed in €

TABLEAU DE FLUX DE TRESOSERIE	31/12/2020	31/12/2019
<u>Flux de trésorerie liés à l'activité</u>		
Résultat Net	(1 493 826)	(625 129)
+ Dotation aux amortissements et aux provisions nettes des reprises (à l'exclusion des provisions sur actif circulant)	244 807	154 172
- Transferts de charges au compte de charge à répartir		
- Plus value de cession, nettes d'impôts	(4 105)	(3 181)
= Marge brute d'autofinancement	(1 253 124)	(474 138)
- Variation des Stocks (+ : diminution ; - : augmentation)	(56 473)	(110 337)
- Variation des Créances d'exploitation (+ : diminution ; - : augmentation)	(19 389)	(1 769 182)
+ Variation des dettes d'exploitation (+ : augmentation ; - : diminution)	(880 337)	1 851 421
- Variation des autres créances liées à l'activité (+ : diminution ; - : augmentation)	(324 462)	(797 541)
+ Variation des autres dettes liées à l'activité (+ : augmentation ; - : diminution)	1 977 019	1 015 121
Flux net de trésorerie généré par l'activité	(556 765)	(284 656)
<u>Flux de trésorerie liés aux opérations d'investissement</u>		
- Frais d'acquisition de Keepixo		
- Position de Trésorerie de Keepixo à l'ouverture		
- Acquisitions d'immobilisations incorporelles	-	(43 050)
- Acquisitions d'immobilisations corporelles	(198 538)	(68 642)
- Acquisitions d'immobilisations financières	(32 422)	(48 946)
+ Cessions d'actifs immobilisés non financiers	-	1 350
+ Cessions d'immobilisations financières	8 643	42 834
+/- Variation des dettes & créances relatifs aux filiales et participations	(55 795)	104 894
+/- Variation des dettes & créances relatifs aux immobilisations incorporelles et corporelles	15 888	15 981
Flux net de trésorerie lié aux opérations d'investissement	(262 224)	4 422
<u>Flux de trésorerie liés aux opérations de financement</u>		
+ Augmentations de capital en numéraire	3 039 874	633 276
- Remboursements d'emprunts	(630 365)	(188 419)
Flux net de trésorerie lié aux opérations de financement	2 409 509	444 857
<u>Variation de trésorerie</u>		
Incidence des variations de change		
Trésorerie d'ouverture	1 832 286	1 667 663
Trésorerie de clôture	3 422 805	1 832 286
Variation de la trésorerie nette	1 590 520	164 623

The cash flows presented above correspond to all net flows from bank or financial institutions' accounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

Introduction

Notes to the financial statements, which have total assets of 12464115 euros and revenue of 14711425 euros. The result is a loss of 1493826 euros.

The financial year covered 12 months from 01/01/2020 to 31/12/2020.

The following notes and tables form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 24 March 2021.

1. Highlights

Acquisition of control over the Company by ATEME

A Memorandum of Understanding (the 'Agreement') was signed on 6 October 2020 between ATEME SA, the Company and Anevia's principal shareholders (the 'Majority Shareholders'). This Agreement provides for the acquisition of all of the Company's shares held by majority shareholders, i.e., (i) 4,283,703 existing shares (the 'Emises Shares') and (ii) 689,790 additional shares (the 'Supplemental Shares' and together with the Emises Shares, the 'Bloc de Contrôle Shares') that would result from the exercise of 2,723,660 equity warrants and equity warrants of the company creator (the 'Warrants'), partly through contributions in kind (the 'Contribution') and the cash balance (the 'Acquisition').

The contribution auditors submitted their two reports on 15 October 2020, one on the contribution value and the other on the contribution remuneration in accordance with the applicable legal and regulatory provisions. The Apport Value Report was also filed on 16 October 2020 with the Registry of the Versailles Commercial Court.

On 26 October 2020, the majority shareholders (i) contributed to ATEME SA 4,283,620 Issued Shares and (ii) exercised the Warrants giving rise to the issue of 689,790 Supplemental Shares.

On 28 October 2020, the majority shareholders contributed 689,790 additional shares to ATEME SA and sold its remaining stake to ATEME SA. Accordingly, the contribution and the purchase were completed on October 28.

The transfer to ATEME of 4,973,493 Company shares on 26 and 28 October 2020 (the 'Disposal of the Bloc de Contrôle') was followed by the filing by ATEME of a simplified alternative tender offer for all securities issued by the Company that would not be held by ATEME on that date in accordance with the provisions of Articles 234-1 et seq. and Articles 235-1 et seq. of the General Regulations of the Autorité des marchés financiers (the 'AMF'), followed, where applicable, by a squeeze out.

Following the AMF's decision to comply with the Offer made on 8 December 2020, the Offer opened on 10 December 2020 until 8 January 2021 inclusive.

It should be noted that the Offer was a simplified alternative offer consisting of two branches, one for purchase, the other for so called mixed exchange, as follows, it being specified that neither of these two branches was capped:

- ATEME offered to ANEVIA shareholders to purchase the shares they held and holders of BSA to purchase the BSA they held at a price of 3.50 euros per share in ANEVIA, 1.06 euro per BSA 2017C, 1.64 euro per BSA2019A, 0.24 euro per BSA A and 1.54 euro per BSA B (the 'Purchase Line'), and, alternatively,
- ATEME offered to ANEVIA shareholders an option to exchange their ANEVIA shares for ATEME shares to be issued based on a ratio of 1 ATEME shares to be issued for 10 ANEVIA shares tendered (the 'contributed shares'), plus a cash payment of 2 euros per ANEVIA share provided (i.e. 1 ATEME share and 20 euros for 10 ANEVIA shares contributed) (the 'Combined Line').

The Company's shareholders could thus contribute their ANEVIA shares (i) to the Buyback business line, (ii) to the Combined (Ordinary and Extraordinary) business line, (iii) to the Purchase business line and the Combined (Ordinary and Extraordinary) business line.

Appointment of two new Directors by co option

Following the takeover by ATEME and in accordance with the Agreement, Mr. Alexis Delb, Mr. Laurent Grimaldi and LBO France Gestion, whose permanent representative is Valéry Huot, each signed on 26 October 2020 a letter of resignation from their duties as member of the

Board of Directors, with effect during the meeting of the Company's Board of Directors which took note of their resignation.

At its meeting on 28 October, the Board therefore noted the resignation of LBO France Gestion, Mr. Alexis Delb and Mr. Laurent Grimaldi with immediate effect and appointed, on a provisional basis in accordance with the provisions of Article L. 225-24 of the French Commercial Code (Code de commerce), as director, Mr. Michel Artières and Mr. Laurent Cadieu with immediate effect, for the remaining term of office of their predecessors, i.e., until the end of the Annual General Meeting to be held in 2021 to approve the financial statements for the year ending 31 December 2020, it being specified that this appointment by co option will have to be ratified by the next Ordinary General Meeting of shareholders. The Board also decided not to replace Mr Laurent Grimaldi immediately.

Separation of the functions of Chairman and Chief Executive Officer, Appointment of a new Chairman, and Confirmation of Mr Laurent Lafarge from the functions of Chief Executive Officer.

At its meeting on 28 October 2020, the Board decided to change the Company's governance structure by separating the functions of Chairman and Chief Executive Officer, as allowed under Article 22 of the bylaws.

Pursuant to this decision and in accordance with the Agreement, the Chairman, Mr Laurent Lafarge resigned from his duties as Chairman with effect from the close of the Board meeting of October 28, which decided to appoint Mr Michel Artières as Chairman of the Company's Board of Directors. Michel Artières has declared that he accepts this position for a period not exceeding his term of office as Director, i.e., until the end of the Annual General Meeting to be held in 2021 and called to approve the financial statements for the year ending 31 December 2020.

Mr. Laurent Lafarge was confirmed in his capacity as Chief Executive Officer of the Company for a period that may not exceed his term of office as Director, i.e., until the end of the Annual General Meeting to be held in 2022, called to approve the financial statements for the year ending 31 December 2021.

Recognition of the period of BSA and BSPCE

Following the acquisition of the company by ATEME, numerous equity warrants and warrants were exercised during the year. The table below shows all the financial years that occurred in 2020.

Type de bons	Nombre de bons	Nombre d'actions émises	Prix d'exercice	Prime d'émission	Augmentation de capital	Date de CA constatant l'augmentation de capital
BSA A	1 322 420	240 440	540 990,00 €	528 968,00 €	12 022,00 €	CA du 25/03/2020
BSA B	168 240	168 240	336 480,00 €	328 068,00 €	8 412,00 €	CA du 25/03/2020
Total CA du 25/03/2020		408 680	877 470,00 €	857 036,00 €	20 434,00 €	
BSA A	41 360	7 520	16 920,00 €	16 544,00 €	376,00 €	CA du 29/09/2020
BSA B	18 250	18 250	36 500,00 €	35 587,50 €	912,50 €	CA du 29/09/2020
Total CA du 29/09/2020		25 770	53 420,00 €	52 132	1 288,50 €	CA du 29/09/2020
BSA A	2 487 430	452 260	1 017 585,00 €	994 972,00 €	22 613,00 €	CA du 26/10/2020
BSA B	46 230	46 230	92 460,00 €	90 148,50 €	2 311,50 €	CA du 26/10/2020
BSA 2019A	30 000	30 000	62 100,00 €	60 600,00 €	1 500,00 €	CA du 26/10/2020
BSA 2019B	15 000	15 000	34 050,00 €	33 300,00 €	750,00 €	CA du 26/10/2020
BSA 2017B	15 000	15 000	47 850,00 €	47 100,00 €	750,00 €	CA du 26/10/2020
BSA 2015B	15 000	15 150	45 450,00 €	44 692,50 €	757,50 €	CA du 26/10/2020
BSPCE 2015A	110 000	111 100	333 300,00 €	327 745,00 €	5 555,00 €	CA du 26/10/2020
BSPCE 2016A	5 000	5 050	16 564,00 €	16 311,50 €	252,50 €	CA du 26/10/2020
Total CA du 26/10/2020		689 790	1 649 359,00 €	1 614 870	34 489,50 €	
BSA A	2 915	530	1 192,50 €	1 166,00 €	26,50 €	CA du 07/12/2020
BSA B	180	180	360,00 €	351,00 €	9,00 €	CA du 07/12/2020
BSA 2018	240 000	240 000	600 000,00 €	588 000,00 €	12 000,00 €	CA du 07/12/2020
BSPCE 2015A	20 000	20 200	60 600,00 €	59 590,00 €	1 010,00 €	
Total CA du 07/12/2020		260 910	662 152,50 €	649 107,00 €	13 045,50 €	
BSA A	93 830	17060	38 385,00 €	37 532,00 €	853,00 €	CA du 11/01 mais reçu en 2020
BSA B	2 190	2 190	4 380,00 €	4 270,50 €	109,50 €	CA du 11/01 mais reçu en 2020
Total reçu en 2020 et constaté par le CA du 11/01/2021		19250	42 765,00 €	41 802,50 €	962,50 €	
Total exercices 2020		1 404 400	3 285 166,50 €	3 214 946,50 €	70 220,00 €	

Covid-19 health crisis

In 2020, the Covid-19 health crisis occurred.

To date, all safety measures have been taken to preserve the integrity and health of its staff, including the travel ban and the introduction of teleworking for all Group employees.

The Agile method the company has put in place for several years, the collaborative and remote management tools that employees have used for many years, and the teams' strong adaptability and responsiveness have enabled it to continue to perform its services throughout 2020 and maintain high standards of service for its customers.

The impact of the health crisis was mainly felt in the company business, which saw its revenues fall by 26% in 2020. Telecom remained stable over the year. The Company did not benefit from PGE but benefited from the postponement of the March and June maturities by BPI. It was also able to benefit from the postponement of the social deadlines stipulated by the government.

Significant events since 31 December 2020

Recognition of results of the public offer and Mandatory listing

As a result of the public tender offer, ATEME held 97.97% of Anevia shares.

The Autorité des marchés financiers (the 'AMF') announced on 12/01/2021 the date of the squeeze out of shares and BSA B ANEVIA (ISIN codes FR0011910652 & FR0013469319), i.e., 19/01/2021.

As a result, the shares and BSA B ANEVIA have been cancelled from Euronext Growth Paris since 19/01/2021.

In accordance with the AMF's General Regulations, the non tendered B shares and warrants held by minority shareholders were transferred to ATEME on 19/01/2021. On the same day, ATEME deposited in a blocked account opened with SOCIETE GENERALE SECURITIES SERVICES (affiliated 42) the funds corresponding to the compensation for these shares and BSA B for a period of ten years starting 19/01/2021. The award is set at 3.50 EUR per ANEVIA share and 1.54 EUR per BSA B ANEVIA share.

Recognition on exercise of BSA B

The Company received a transfer in the amount of 2460 € relating to the financial year 1230 BSA B, resulting in the creation of 1,230 Anevia shares. Additional paid in capital amounts to 2399 € and the capital increase amounts to € 61.50.

Termination of the liquidity agreement and capital reduction

Following the delisting, the Company terminated its liquidity contract with Gilbert Dupont, which had a balance of 5,110 shares and cash of 25477 €. The book value of the 5,110 shares on the day of termination was 12589 €.

At the Board of Directors' meeting of January 28,, it was decided to carry out a share capital reduction following the cancellation of 5,110 shares under the liquidity agreement, i.e. a reduction of a nominal amount of 255.5 €. The difference between the net carrying amount of these shares and their par value was recorded as a reduction in additional paid in capital for an amount of 12333.50 €.

2. Accounting principles, rules and methods

General information on accounting rules

The Company's financial statements have been prepared in accordance with the accounting standards and methods defined by the ANC (Autorité des Normes Comptables) regulation 2018-07 of 10 December 2018.

The general accounting principles were applied in accordance with the prudence principle and with the following basic assumptions:

- going concern,
- consistency of accounting policies from one financial year to the next,
- financial year independence.

The basic method used to measure items recorded in the accounts is the historical cost method.

The following notes or tables form an integral part of the Annual Financial Statements.

Consistency of methods

The valuation methods used remained unchanged compared with the previous year.

Business continuity

The 2020 financial statements were prepared on a going concern basis. Following the exercise of the BSA and BSPCE for € 3214 k, capital was restored to € 1075 k at 31/12/2020. On the other hand, ATEME, which now holds 100% of the Company's share capital, is now ready to support its subsidiary if necessary. Consequently, the going concern is not impaired over the next 12 months.

Use of estimates

To prepare this financial information, the company's management must make estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses, and the disclosures in the notes to the financial statements.

The Company's management makes these estimates and assessments on an ongoing basis based on past experience and on various other factors considered reasonable and forming the basis of these assessments. The figures in future financial statements may differ from these estimates as a result of changes in these assumptions or circumstances. The main estimates made by management in the preparation of the financial statements concern the valuation and useful lives of operating assets, property, plant and equipment and intangible assets, trade receivables, provisions for risks and other provisions related to operations, and assumptions used to calculate employee benefit obligations.

Research and development costs

Since its creation, the company has opted to recognise research and development expenditure as an expense.

In 2020, research and development costs recognized as expenses amounted to At € 4,742 k.

Property, plant and equipment and intangible assets

Property, plant and equipment are stated at acquisition cost (acquisition costs and incidental expenses) or at production cost. Interest on borrowings necessary to purchase these assets is not taken into account in determining the acquisition cost.

Intangible assets mainly include:

- licenses and software recognized at acquisition or production cost

- purchased goodwill, including the portion of losses not allocated to identifiable assets contributed.

Financial assets

Equity investments are recognised at their purchase or creation value. An impairment loss is recognized against financial assets when the recoverable amount of these investments is lower than their carrying amount.

The recoverable amount of investments in non consolidated companies is assessed on the basis of their net assets at the end of the reporting period.

Treasury shares and liquidity agreement

In 2014, the Company engaged Gilbert Dupont to implement a liquidity agreement in the amount of € 150 k. At the date of signature of the contract, the amounts presented to the Stock Exchange Company were recorded under 'Other long term receivables' to take into account their unavailability.

Treasury shares purchased are recorded in the Company 's financial statements as treasury shares.

Capital gains and losses on each transaction are recorded in the income statement, with no netting option. An impairment loss is recorded if the carrying amount of the investment, corresponding to the average share price for the last month before the end of the financial year, is less than its historical value.

Inventories

Inventories consist of finished products corresponding mainly to new servers, cards and spare parts, and are valued at the purchase price excluding taxes, according to the 'weighted average unit cost' method.

Provisions for impairment are recognized on a case by case basis when the net realisable value less costs to sell is lower than the book value.

Trade receivables

Trade receivables are recognized when the risks and benefits are transferred to the customer.

The receivables were valued at their nominal value.

An impairment loss is recognized when their carrying amount, based on the probability of recovery, falls below their nominal value.

Factoring

The company signed a factoring agreement with Cofacredit in 2012.

To the extent that Anevia has drawing rights on the factor equal to the amount of the receivable excluding withholding tax and fees, the available reserve was recorded in cash and cash equivalents. The guarantee fund and the restricted reserve are recognised under Other Receivables.

Impairment of assets

Intangible assets with indefinite useful lives are not amortized but are tested for impairment on an annual basis. The asset is tested for impairment by comparing its carrying amount with its value in use or market value. Value in use is based on the discounted future cash flows to be derived from these assets. An impairment loss is recognized against the difference as necessary.

Other fixed assets are tested for impairment whenever there is an indication that they may be impaired. In order to assess whether there is any indication of impairment, the Company considers the following external and internal indicators:

External indexes:

- A decrease in the fair value of the asset greater than the expected effect of the passage of time or normal use of the asset;
- Significant changes with an adverse effect on the entity that have taken place during the year or in the near future in the technical, economic or legal environment or in the market in which the entity operates or to which the asset is dedicated.

Internal indexes:

- Existence of an indication of obsolescence or physical damage of an asset not covered by the depreciation plan;
- Significant changes in the manner in which the asset is used;
- Worse than expected asset performance;
- A significant decline in the level of future cash flows generated by the company.

Where there is evidence of impairment, an impairment test is carried out: The carrying amount of non current assets is compared to their present value.

The net carrying amount of an asset is its gross value less accumulated depreciation and impairment losses for depreciable assets.

Present value is an estimate value determined by reference to the market and the utility of the asset to the entity. It results from a comparison between fair value and value in use. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, less costs to sell, at the balance sheet date.

Cash and cash equivalents in euros

Cash at bank was valued at their nominal value.

Cash and cash equivalents denominated in foreign currencies

Immediate cash balances in foreign currencies were converted into euros at the exchange rate prevailing prior to the year end. Translation adjustments were recognised as foreign exchange gains or losses in the income statement for the period.

Income and expenses denominated in foreign currencies are recorded at their euro equivalent value on the transaction date. Receivables, cash and liabilities denominated in foreign currencies are translated at the year end exchange rate.

Shareholders' equity

External costs related to share capital increases are offset against share premiums.

Provisions for contingencies and charges

A provision is recorded when the Group has a present obligation as a result of past events towards a third party, which will give rise to a reliable or probable outflow of resources without equivalent consideration being received. Provisions are measured based on the best estimate of foreseeable expenses.

There are no governmental, legal or arbitration proceedings (including any proceedings of which the Company is aware, which are in progress or of which it is threatened) that could have or have had in the past 12 months a material impact on the Company's financial position or profitability.

Revenue recognition

Revenues are recognized when the risks and rewards of the product or service are transferred to the customer. In practice, the transfer of risks and rewards depends on the types of products and/or services provided for in the contracts:

- Sales of systems and licenses are recognized on availability
- Revenues for maintenance services are recognised over the life of the contract on a pro rata basis
- Revenues from ancillary services and consulting services are recognised using the percentage of completion method.

Research tax credit

Industrial and commercial companies taxed under the real regime and carrying out research expenses are entitled to a tax credit for their research activities. The tax credit is calculated for each calendar year and is deducted from the tax due by the Company in respect of the year in which the research expenses were incurred. As the company does not pay corporate income tax it is seeking reimbursement of the research tax credit. The research tax credit is deducted from 'Income tax expense.'

Innovation tax credit

Industrial and commercial companies taxed under the real regime and spending on innovation can benefit from a tax credit for their innovation activities. The tax credit is calculated per calendar year and is deducted from the tax due by the company for the year in which the innovation expenses were incurred. Because the company does not pay corporate income tax, it plans to reclaim the innovation tax credit. The innovation tax credit is deducted from 'Income tax.'

Presentation of foreign exchange gains and losses related to trade receivables

In order to comply with the ANC regulation 2015-05, the Company recognises foreign exchange gains and losses on trade receivables and payables as operating income.

3. Property, plant and equipment

Movements in property, plant and equipment, gross

Immobilisations

Exprimé en €

Rubriques	Début d'exercice	Réévaluation	Acquisit., apports
FRAIS D'ETABLISSEMENT ET DE DEVELOPPEMENT	1 617		
AUTRES POSTES D'IMMOBILISATIONS INCORPORELLES	885 532		
Terrains			
Dont composants			
Constructions sur sol propre			
Constructions sur sol d'autrui			
Const. Install. générales, agenc., aménag.	9 155		
Install. techniques, matériel et outillage ind.	1 163 810		148 118
Installations générales, agenc., aménag.	279 977		
Matériel de transport			
Matériel de bureau, informatique, mobilier	517 805		50 421
Emballages récupérables et divers			
Immobilisations corporelles en cours			
Avances et acomptes			
IMMOBILISATIONS CORPORELLES	1 970 747		198 538
Participations évaluées par mise en équivalence			
Autres participations	75		
Autres titres immobilisés			
Prêts et autres immobilisations financières	217 880		289 421
IMMOBILISATIONS FINANCIERES	217 955		289 421
TOTAL GENERAL	3 075 850		487 960

Rubriques	Virement	Cession	Fin d'exercice	Valeur d'origine
FRAIS D'ETABLISSEMENT ET DEVELOPPEMENT			1 617	
AUTRES POSTES IMMOB. INCORPORELLES		153 890	731 642	
Terrains				
Constructions sur sol propre				
Constructions sur sol d'autrui				
Constructions, installations générales, agenc.			9 155	
Installations techn., matériel et outillages ind.		137 490	1 174 438	
Installations générales, agencements divers			279 977	
Matériel de transport				
Matériel de bureau, informatique, mobilier		24 734	543 492	
Emballages récupérables et divers				
Immobilisations corporelles en cours				
Avances et acomptes				
IMMOBILISATIONS CORPORELLES		162 224	2 007 061	
Participations évaluées par mise équivalence				
Autres participations			75	
Autres titres immobilisés				
Prêts et autres immobilisations financières		261 537	245 765	
IMMOBILISATIONS FINANCIERES		261 537	245 840	
TOTAL GENERAL		577 650	2 986 160	

Goodwill relating to the merger with Keepixo in 2018 is included in intangible assets of € 550 k.

Changes in depreciation and amortization

Amortissements

Exprimé en €

Rubriques	Début d'exercice	Dotations	Reprises	Fin d'exercice
FRAIS D'ÉTABLISSEMENT ET DE DÉVELOPPEMENT	1 617			1 617
AUTRES IMMOBILISATIONS INCORPORELLES	290 451	3 630	115 890	178 191
Terrains				
Constructions sur sol propre				
Constructions sur sol d'autrui				
Constructions installations générales, agenc., aménag.	9 155	39 266		48 421
Installations techniques, matériel et outillage industriels	540 518	65 773	107 200	499 090
Installations générales, agenc. et aménag. divers	141 050	27 600		168 650
Matériel de transport				
Matériel de bureau et informatique, mobilier	899 498	81 550	55 023	926 024
Emballages récupérables, divers				
IMMOBILISATIONS CORPORELLES	1 590 221	214 188	162 224	1 642 185
TOTAL GENERAL	1 882 288	217 818	278 113	1 821 993

Depreciation periods and methods

Désignation	Modes	Durées
<u>Immobilisations incorporelles</u>		
- Frais d'établissement	Non amorti	
- Autres immobilisation incorporelles		
- Fonds Commercial	Linéaire	2 à 5 ans
- Concessions, brevets et droits similaires		
- Frais de développement		
<u>Immobilisations corporelles</u>		
- Terrains		
- Constructions	Linéaire	5 à 10 ans
- Installations techniques, matériels et outillages	Linéaire	2 à 5 ans
- Autres immobilisations corporelles	Linéaire	2 à 5 ans
- Instal, agencements, aménagements divers		
- Matériels de transport		
- Matériels de bureau et informatique		
- Emballages récupérables, divers		

Maturities of long term investments

FINANCIAL FIXED ASSETS	Less than one year	More than one year
Investments in associates		
Other investments	75	
Other investment securities		
Loans and other financial assets	48,931	196,833
FINANCIAL FIXED ASSETS	49,006	196,833

Financial assets comprise shares in subsidiaries (75 euros), guarantee deposits (207698 euros) and a liquidity contract (38066 euros).

The breakdown of this contract at 31/12/2020 is as follows:

- Cash: 25477 euros
- Treasury shares: 12589 euros

Change in treasury shares

Number of treasury shares	
Held at 31/12/2019	9,175
Vested during the period	57,017
Sold during the period	61,082
Held at 31/12/2020	5,110

4. Inventories

The impairment recognized amounted to 95335 euros at 31 December 2020.

5. Receivables

Maturity of receivables

Créances et dettes

Exprimé en €

ETAT DES CREANCES	Montant brut	1 an au plus	plus d'un an
Créances rattachées à des participations			
Prêts			
Autres immobilisations financières	245 765	144 787	100 978
Clients douteux ou litigieux	12 517	12 517	
Autres créances clients	4 654 103	4 654 103	
Créance représentative de titres prêtés			
Personnel et comptes rattachés	5 000	5 000	
Sécurité Sociale et autres organismes sociaux			
Etat, autres collectivités : impôt sur les bénéfices	1 427 078	1 427 078	
Etat, autres collectivités : taxe sur la valeur ajoutée	116 937	116 937	
Etat, autres collectivités : autres impôts, taxes, versements assimilés			
Etat, autres collectivités : créances diverses	183 400	183 400	
Groupe et associés			
Débiteurs divers	465 371	465 371	
Charges constatées d'avance	662 202	662 202	
TOTAL GENERAL	7 772 372	7 671 394	100 978

The balance of miscellaneous debtors mainly comprises guarantee funds and restricted reserves relating to factoring, as well as assets receivable.

6. Factoring

Balance sheet positions at year end break down as follows:

Designation	Accounting allocation	Amount
Guarantee funds	Other receivables	200,361
Restricted reserve	Other receivables	84,253
Available reserves	Cash	1,045,445
	Total	1,330,058

Receivables sold totalled 1278272 euros at 31 December 2020.

7. Accrued income and prepaid expenses

Designation	Period		Operating	Financial	Exceptional
	The	At			
CH. Prepaid expenses - General expenses	01/01/2020	31/12/2020	249,295.19		
CH. Prepaid expenses - Production	01/01/2020	31/12/2020	214,259.87		
CH. Prepaid - Withholding at source	01/01/2020	31/12/2020	170,995.54		
CH. Prepaid expenses - CIR	01/01/2020	31/12/2020		27,651.31	
Total			662,201.91	0	0

8. Shareholders' equity

Composition of share capital

	Nombre d'actions mouvementées	Valeur nominale (€)	Capital social (€)	Prime d'émission
1. Actions composant le capital social au début de l'exercice 2020	4 586 978	0,05	229 348,90	1 866 101,09
2. Actions émises au cours de l'exercice				
Augmentation de capital suite à l'exercice de 3 947 955 BSA A	717 810	0,05	35 890,50	1 579 182,00
Augmentation de capital suite à l'exercice de 235 090 BSA B	235 090	0,05	11 754,50	458 425,50
Augmentation de capital suite à l'exercice de 30 000 BSA 2019A	30 000	0,05	1 500,00	60 600,00
Augmentation de capital suite à l'exercice de 30 000 BSA 2019B	15 000	0,05	750,00	33 300,00
Augmentation de capital suite à l'exercice de 15 000 BSA 2017B	15 000	0,05	750,00	47 100,00
Augmentation de capital suite à l'exercice de 15 000 BSA 2015B	15 150	0,05	757,50	44 692,50
Augmentation de capital suite à l'exercice de 130 000 BSPCE 2015A	131 300	0,05	6 565,00	387 335,00
Augmentation de capital suite à l'exercice de 5 000 BSPCE 2016A	5 050	0,05	252,50	16 311,50
Augmentation de capital suite à l'exercice de 240 000 BSA 2018	240 000	0,05	12 000,00	588 000,00
Imputation du RAN débiteur sur la prime d'émission				-2 629 694,44
Frais sur augmentation de capital				-247 542,27
3. Actions composant le capital social au 31 décembre 2020	5 991 378	0,05	299 568,90 €	2 203 810,88 €
Augmentation de capital suite à l'exercice de 1 230 BSAB	1230	0,05	61,5	2399
Réduction de capital	-5110	0,05	-255,5	-12589
4. Actions composant le capital social au 24 mars 2021	5 987 498	0,05	299 374,90 €	2 193 620,88 €

Warrants

As a result of the tender offer by ATEME, many BSA that were in the money were exercised. Beneficiaries of the equity warrants who were not in the money waived them. As of 31/12/2020, the only BSA still outstanding were those tendered to the offer. Only 1,460 BSA B were not tendered and were consequently delisted.

Description	BSA 3	BSA 4	BSA 2015B	BSA 2017B	BSA 2017C	BSA 2018-1	BSA 2018-2	BSA 2019A	BSA A	BSA B	BSA 2019B
Date d'attribution	29-juin-10	27-juin-11	15-févr.-16	26-sept.-17	12-avr.-18	18-déc.-18	18-déc.-18	23-juil.-19	10-déc.-19	28-févr.-20	11-juin-20
Nombre de BSA initialement émis et attribués	1 500	500	30 000	30 000	15 000	120 000	120 000	100 000	4 586 978	240 440	15 000
Prix de souscription	0,10 €	0,10 €	0,15 €	0,15 €	0,15 €	0,00 €	0,00 €	0,15 €	0,00 €	0,00 €	0,15 €
Nombre d'actions acquises sur exercice des BSA	0	0	15 150	15 000	0	120 000	120 000	30 000	717 810	235 080	15 000
Nombre de BSA annulés ou caducs	1 500	500	15 000	15 000	2 500			20 000	630 044	0	0
Nombre de BSA encore exerçables	0	0	0	0	12 500	0	0	50 000	0	5 350	0
Point de départ du délai d'exercice	Date d'émission	Date d'émission	Date d'émission	Date d'émission	Date d'émission	Date d'émission	Date d'émission	Date d'émission	20-déc.-19	29-févr.-20	11-juin-20
Date limite d'exercice	29/06/2020	27-juin-21	14-févr.-21	25-sept.-22	11-avr.-23	19-déc.-21	19-déc.-21	22-juil.-24	21-déc.-20	28-févr.-22	10-juin-25
Prix d'exercice (1)	146,00 €	146,00 €	3,00 €	3,19 €	2,86 €	2,50 €	2,50 €	2,07 €	2,25 €	2,00 €	2,27 €
Ratio d'exercice avant introduction en bourse	1 action ordinaire par BSA3	27/06/2014 : 1 action ordinaire par BSA4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ratio d'exercice après introduction en bourse et augmentation de capital de juillet 2015 et mars 2017 (2)	20,35 actions ordinaires par BSA3	20,35 actions ordinaires par BSA4	1,01/12 d' action ordinaire par BSA 2015B par trimestre à compter du 15/02/2016 ; 1,01 action ordinaire par BSA 2015B à compter du 15/02/2019	1/12 d' action ordinaire par BSA 2017B par trimestre échu à compter du 26/09/2017 ; 1 action ordinaire par BSA 2017B à compter du 26/09/2020	1/12 d' action ordinaire par BSA 2017C par trimestre échu à compter du 12/04/2018 ; 1 action ordinaire par BSA 2017C à compter du 12/04/2021	1 action par BSA 2018-1	1 action par BSA 2018-2	1 action par BSA 2019A	10 actions pour 55 BSA A	1 action par BSA B	1 action par BSA 2019B
Montant nominal de l'augmentation du capital résultant de l'exercice des BSA	0,00 €	0,00 €	0,00 €	0,00 €	625,00 €	0,00 €	0,00 €	2 500,00 €	0,00 €	3 610,00 €	0,00 €
Dilution maximale en actions issue de l'exercice des BSA en circulation	67 850										

The maximum dilutive effect of the outstanding warrants is 67,850 shares.

Equity warrants

Following the acquisition by ATEME, the BSPCE in the money was exercised by employees to contribute them to the offer. Beneficiaries waived the non money BSPCE. As of 31/12/2020, no BSPCE remained outstanding.

Description	BSPCE 2011	BSPCE 2013	BSPCE 2015A	BSPCE 2016A	BSPCE 2016B	BSPCE 2017A
Date d'attribution	27/06/2011	28/06/2013	19/11/2015	22/09/2016	27/03/2017	19/05/2017
Nombre de BSPCE initialement émis et attribués	1 380	3 150	135 000	10 000	60 000	75 000
Nombre d'actions acquises sur exercice des BSPCE	0	0	131 300	5 050	0	0
Nombre de BSPCE annulés ou caducs	1380	3 150	5 000	5 000	60 000	75 000
Nombre de BSPCE attribués et encore exerçables	0	0	0	0	0	0
Point de départ du délai d'exercice	01/01/2012	28/06/2013	19/11/2015	22/09/2016	27/03/2017	19/05/2017
Date limite d'exercice	01/01/2021	27/06/2023	18/11/2020	21/09/2021	26/03/2022	18/05/2022
Prix d'exercice (1)	146€ par action	146€ par action	3€ par action	3,28€ par action	4€ par action	4,81€ par action
Ratio d'exercice avant introduction en bourse et augmentation de capital	1 action ordinaire par BSPCE 2011	1 action ordinaire par BSPCE 2013	1 action ordinaire par BSPCE 2015A	1 action ordinaire par BSPCE 2016A	1 action ordinaire par BSPCE 2016B	1 action ordinaire par BSPCE 2017A
Introduction en bourse et augmentation de capital en 07 2015 et en mars 2017 (2)	20,35 actions ordinaires par BSPCE 2011	20,35 actions ordinaires par BSPCE 2013	1,01 action par BSPCE 2015A	1,01 action par BSPCE 2016A	1 action par BSPCE 2016B	1 action par BSPCE 2017A
Montant nominal de l'augmentation du capital résultant de l'exercice des BSPCE	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Dilution maximale en actions issue de l'exercice des BSPCE en circulation	0					

9. Provisions for contingencies and charges

A provision for foreign exchange losses relating mainly to trade receivables or payables arising in 2020 and denominated in US dollars is recognized in an amount of 25128 euros.

There are no governmental, legal or arbitration proceedings (including any proceedings of which the Company is aware, which are in progress or of which it is threatened) that could have or have had in the past 12 months a material impact on the Company's financial position or profitability.

10. Liabilities

Maturity of payables

Dettes				
Exprimé en €				
ETAT DES DETTES	Montant brut	1 an au plus	plus d'1 an,-5 ans	plus de 5 ans
Emprunts obligataires convertibles				
Autres emprunts obligataires				
Emprunts et dettes à 1 an maximum à l'origine				
Emprunts et dettes à plus d' 1 an à l'origine	1 930 000	600 000	1 330 000	
Emprunts et dettes financières divers				
Fournisseurs et comptes rattachés	2 367 384	2 367 384		
Personnel et comptes rattachés	1 318 641	1 318 641		
Sécurité sociale et autres organismes sociaux	1 648 028	1 648 028		
Etat : impôt sur les bénéfices				
Etat : taxe sur la valeur ajoutée	60 503	60 503		
Etat : obligations cautionnées				
Etat : autres impôts, taxes et assimilés	281 859	281 859		
Dettes sur immobilisations et comptes rattachés	34 734	34 734		
Groupe et associés	128 682	128 682		
Autres dettes	1 103 346	1 103 346		
Dettes représentatives de titres empruntés				
Produits constatés d'avance	2 466 084	2 466 084		
TOTAL GENERAL	11 339 261	10 009 261	1 330 000	
Emprunts souscrits en cours d'exercice				
Emprunts remboursés en cours d'exercice	612 500			
Emprunts, dettes contractés auprès d'associés				

The company did not take out any new loans in 2020.

11. Accruals and other liabilities

The portion of maintenance contracts maturing after more than one year is recognised as deferred income.

Breakdown of deferred income

Designation	Period		Operating	Financial	Exceptional
	The	At			
Pdts const. Prepaid - Maintenance	01/01/2020	31/12/2022	2,153,324		
Pdts const. Prepaid - Services	01/01/2020	31/12/2020	312,760		
Total			2,466,084	0	0

12. Income tax expense

The Company does not recognize any current income tax expense as it was entitled to € 29,656,050.50 in ordinary tax losses on previous years as of 31/12/2020.

Tax receivables and payables at 31 December 2020 break down as follows:

- Current tax liability: 0 €
- CIR receivable: 1427078 € (with respect to 2020)

The repayment of the 2019 CIR was made in April 2020 to our financing organisation. Following the prefinancing of the CIR, an amount of 97523 € corresponding to 4% of the CIR 2018 and 2019 is still selected by the funding organisation under the collective insurance scheme and will be returned upon liquidation of the Fund, the maturity of which is set at 31/12/2020. Following the pre financing of the CIR 2020, an amount of 26421 € corresponding to 4% is still used by the funding organisation under the collective insurance scheme and will be returned upon the liquidation of the Fund, the maturity of which is set at 31/12/2025. In addition, 52145 € corresponding to 5% is also used for individual insurance and will be returned upon repayment by DGFIP.

13. Other information

Breakdown of accrued income

Designation	Amount
Customers - Factures to be established	213,621
Accrued income	0
Other - Accrued income	8,742
Total	222,363

Accrued expenses

Designation	Amount
Suppliers, Unreached Factures	1,124,452
Clients, Assets at ESTABLISHMENT	5,779
Provisions for Shared Services	576,841
Provisions for Salaries to be paid	727,609
Employee benefits expense on provisions for pensions and other post employment benefit obligations	275,832
Employee benefits expense on Provisions Payable Salaries	320,485
Payable	234,504
Other accrued expenses	-1,053
Accrued interest payable	0
Total	3,264,448

Provisions and impairment

Provisions et dépréciations

Exprimé en €

Rubriques	Début d'exercice	Dotations	Reprises	Fin d'exercice
Provisions gisements miniers, pétroliers				
Provisions pour investissement				
Provisions pour hausse des prix				
Amortissements dérogatoires				
Dont majorations exceptionnelles de 30 %				
Provisions pour prêts d'installation				
Autres provisions réglementées				
PROVISIONS REGLEMENTEES				
Provisions pour litiges	66 000		66 000	
Provisions pour garanties données aux clients				
Provisions pour pertes sur marchés à terme				
Provisions pour amendes et pénalités				
Provisions pour pertes de change		25 128		25 128
Provisions pour pensions, obligations similaires				
Provisions pour impôts				
Provisions pour renouvellement immobilisations				
Provisions pour gros entretiens, grandes révis.				
Provisions charges soc. fisc. sur congés à payer				
Autres provisions pour risques et charges		100 000	100 000	
PROVISIONS RISQUES ET CHARGES	66 000	125 128	166 000	25 128
Dépréciations immobilisations incorporelles				
Dépréciations immobilisations corporelles				
Dépréciations titres mis en équivalence				
Dépréciations titres de participation				
Dépréciations autres immobilis. financières	140	30 000	140	30 000
Dépréciations stocks et en cours	199 748	95 335	199 748	95 335
Dépréciations comptes clients	45 290	131 897	11 246	165 941
Autres dépréciations				
DEPRECIATIONS	245 177	257 232	211 134	291 276
TOTAL GENERAL	311 177	382 361	377 134	316 404
Dotations et reprises d'exploitation		252 361	276 994	
Dotations et reprises financières		130 000	100 140	
Dotations et reprises exceptionnelles				
Dépréciation des titres mis en équivalence à la clôture de l'exercice				

Breakdown of net sales (French Commercial Code Art. R 123-198-4°; PCG Art. 531-2/15)

The company generated 81% of its revenues from the Telecom customer segment and 19% from the Corporates customer segment, with the following breakdown:

France revenue: 2534503 euros

Export revenue: 12176922 euros

Breakdown of net sales by type of service

Systems and Licensing revenue: € 9174 k

Maintenance revenue: € 3963 k

Service revenue: € 1575 k

Transfer of charges (PCG Art. 531-2/14)

Expense transfers in 2020 amounted to 6005 €.

Breakdown of exceptional income and exceptional expenses

Designation	Amount
Write off of COFACE receivables	0
Gains on repurchase of treasury shares under a liquidity contract	7,180
Total	7,180

Designation	Amount
Other non recurring expenses on non capital transactions	7,713
Market penalties	0
Investigation fees on potential targets	0
Late payment penalties social security contributions	11,601
Trade receivables written off	0
Malis on repurchase of treasury shares related to a liquidity contract	3,075
ATEME redemption fee	826,517
Exceptional expenses on prior year transactions	20,237
Total	869,142

Statutory Auditors' fees.

The Statutory Auditor's fee recognised in the income statement for the financial year was 44000 €.

These fees correspond to the fees due in respect of the statutory audit of the financial statements.

Compensation of management and supervisory bodies

The total compensation paid to the Group's corporate officers amounted to 236,965 euros in 2019 and 302715 euros in 2020.

Anevia paid Directors' fees amounting to 30000 € in respect of 2018 and 16250 € in respect of 2020. No Directors' fees were paid in respect of 2019.

Headcount

The workforce below includes employees with an employment contract under French law with Anevia SA.

Category	Average number of employees
Managers	79
Administrative, technical and junior management	3

List of subsidiaries and affiliates

In Euro

Société	Capital (Eur)	Quote-part du capital détenu en %	Valeur comptable des titres détenus		Chiffre d'affaire du dernier exercice (1) (2)	Résultat du dernier exercice (2)	Dividendes encaissés par la société
			brute	nette			
Anevia Inc.	74	100	74	74	443 456	21 118	0
Anevia (Asia Pacific) Pte Ltd	1	100	1	1	13 279	619	0

(1) Rebilling of subsidiaries' expenses plus a margin of 5%

(2) Amounts translated at 31 12 2020 rate

Transactions with related parties

Financial assets

Designation	2020	2019
Anevia Inc.	74	74
Stake in Anevia (Asia Pacific) Pte Ltd	1	1
Total	75	75

Receivables

Designation	2020	2019
Current account Anevia Inc.	0	0
Anevia current account (Asia Pacific) Pte Ltd	0	0
Total	0	0

Liabilities

Designation	2020	2019
Current account Anevia Inc.	115,387	165,128
Anevia current account (Asia Pacific) Pte Ltd	13,295	19,349
Total	128,682	184,477

Operating expenses

Designation	2020	2019
Charge backs Anevia Inc.	443,456	699,413
Charge backs on Anevia (Asia Pacific) Pte Ltd	13,279	14,837
Total	456,735	714,250

Related party disclosures

Transactions with related parties entered into or which remained in force during the period were entered into on arm's length terms.

Off balance sheet commitmentsEndorsements and guarantees

None

Amount of notes payable and notes remitted to discount and collection

None

Pensions and retirement commitments

The company has not signed any specific agreements in respect of pension commitments. The latter are therefore limited to the contractual retirement benefit.

Retirement benefits are calculated on the basis of retirement at age 65 for all employees, a discount rate of 0.5% aligned with the bond index (IBOXX Corporates AA rate), a company wide turnover rate in 2019, a mortality rate based on the INSEE 2017 table for managers and the INSEE 2018 table for employees, and a social security contribution rate of 47% for managers and 45% for employees. Month salary entitlements result from the application of the SYNTEC collective agreement Research Offices. The calculation also includes a 50% contribution on retirement indemnities paid to employees in respect of which the employer is liable.

The total amount of the obligation calculated in this way amounts to 350343 €. This commitment is not covered by a provision in the financial statements at 31 December 2020 and is an off balance sheet commitment.

Factoring

Receivables sold totalled 1278272 euros at 31 December 2020.

18.5. DIVIDEND POLICY

18.5.1. DIVIDEND POLICY

Given the Company's development stage, it is not expected to initiate a short term dividend payment policy.

18.5.2. HISTORICAL DISTRIBUTION

Since its creation, the Company has not paid any dividends.

18.6. LEGAL AND ARBITRATION PROCEEDINGS

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

The group is involved in litigation of unfair competition and parasitism against a small structure operating on the same market. The company initiated a lawsuit in the Rennes Commercial Court in 2019 to cease parasitism and unfair competition against it. The procedures in this case are still ongoing, with the intervention of technical experts, and discussions of conclusions falling within the jurisdiction of the Trial Chamber on the merits are still being studied. In its entries, the company requested the court to grant it up to approximately 2.5 million euros on all the allegations. This dispute is accompanied by an out of court dispute which is normally handled by the Legal Department and its counsel and for which the Company has not made a provision to the extent that it is required to file a claim in each of these proceedings.

Apart from the foregoing, as of the date of registration of this Universal Registration Document, there are no other governmental, judicial or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or threatened, which may have, or have had in the past 12 months, significant effects on the financial position or profitability of the Company and/or Group.

18.7. SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR TRADING POSITION

Impacts of COVID-19

As of the date of the publication of this document, the COVID-19 pandemic does not yet appear to mark a complete and definitive setback, the only event likely to provide sufficient assurance of a return to normal activity.

Meanwhile, the Company remains vigilant about the conditions for carrying out its operations, both internally and with its customers. It had demonstrated in 2020 that it had been able to adapt its operations and expenditures to the constraints imposed by the pandemic; it intended to build the means to pursue that line in 2021 and subsequent years.

Chapitre 19. **ADDITIONAL INFORMATION**

19.1. SHARE CAPITAL

19.1.1. AMOUNT OF ISSUED CAPITAL

On the filing date of this document, the share capital has been set at 1,559,409.18 €. It is divided into 11,138,637 fully subscribed and paid ordinary shares with a nominal value of 0.14 €. There are no outstanding shares.

COMPOSITION OF SHARE CAPITAL	31/12/2020	31/12/2019
Capital (in thousands of euros)	1,548	1,465
Number of shares	11,060,569	10,464,563
(Of which ordinary shares)	11,060,569	10,464,563
Nominal value (in euros)	0.14 €	0.14 €

19.1.2. SHARES NOT REPRESENTING CAPITAL

There are no shares not representing capital.

19.1.3. TREASURY SHARES AND SHARE BUYBACK PROGRAM

On 14 October 2019, the Company announced that it had signed a liquidity agreement with the Kepler Cheuvreux asset management company. This agreement complies with the Professional Code of Conduct issued by the French Association of Financial and Investment Firms (Association française des marchés financiers - AMAFI) on 8 March 2011, approved by the French financial markets authority (Autorité des marchés financiers - AMF) on 21 March 2011.

The next Annual General Meeting to be called to approve the financial statements for the financial year ended 31 December 2020, to be held on 9 June 2021, will decide on the renewal of the share buyback programme, renewed as authorized by the Shareholders' Meeting of 10 June 2019, as described below.

As of 31 December 2020, the Company held 6,560 ATEME shares acquired at an average price of 16.7 € and valued at that date for a total amount of € 110 k. As of 31 December 2019, the Company held 12,625 ATEME shares acquired at an average price of 11.24 € and valued at that date for a total amount of € 142 k.

Information about the purchase by the company of its own shares

Summary of shares bought and sold since the liquidity contract was set up with Kepler Cheuvreux:

Pursuant to the liquidity agreement entrusted by ATEME to Kepler Cheuvreux, the following resources were allocated to the liquidity account as of 31 December 2020:

- 6,560 shares
- 176035.13 € in cash

It should be noted that, on the date the contract was signed, the following resources were recorded in the liquidity account:

- 13,475 Securities
- 62343.03 € in cash

Management of courses

Security	Details
Objectives	Maintaining a liquid market in the Company's shares through an investment services provider (Kepler Cheuvreux) acting independently under a liquidity agreement that complies with the AMAFI Code of Ethics recognised by the AMF;
Block trades	Maximum authorized: 5% of the share capital
Number of shares	9,742
Maximum price	40 €
Maximum amount of funds	109000 €

Share buyback program

ATEME share buyback program authorized by Shareholders' Meeting of 10 June 2020

Period	Acquisition of shares	Sale of shares	Purchase		Sale	
			Volume traded Securities	Volume traded €	Volume traded Securities	Volume traded €
1 January 2020 to 30 June 2020	51,949	54,833	51,949	617218.01 €	54,833	664887.53 €
1 July 2020 to 31 December 2020	37,444	40,625	37,444	596953.98 €	40,625	649477.06 €

19.1.4. AMOUNT OF CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR SECURITIES WITH WARRANTS

The Company has issued or allocated securities or rights giving future access to the Company's share capital in order to retain and interest the teams working in the development of the Company:

- Stock options ('SO');

- Warrants (the 'BSA');
- Free shares (the 'AGM').

As of 31 December 2020, the definitive grant of the AGMs and the full exercise of all the instruments granting access to the share capital granted and outstanding as of today would allow the subscription of 438,375 new shares, i.e. a dilution of 4% based on the share capital as of 31 December 2020, i.e. 11,060,569 shares.

No stock options were awarded to the Chairman and Chief Executive Officer in 2020, or to any AGM or BSA.

History of SO and BSA allocations

Information on stock options												
Date of Shareholders' Meeting	12.03.10	11.05.11	11.05.11	20.02.13	20.02.13	02.06.14	02.06.14	02.06.14	08.06.17	08.06.17	08.06.17	TOTAL
Date of Board of Directors' meeting	04.05.10	11.05.11	07.03.13	07.03.13	24.03.14	20.01.16	04.05.16	28.03.17	05.11.18	18.07.19	06.05.20	
Total number of shares that can be subscribed or purchased	152,000	42,000	92,400	117,500	92,500	80,000	30,000	106,500	69,000	82,000	87,000	863,900
Michel Artières, Chairman & Chief Executive Officer and Director	-	-	-	-	-	-	-		25,000			25,000
Dominique Edelin, Senior Executive Vice President and Director	-	-	-	-	-	-	-					0
Siparex Proximité Innovation, represented by Dominique Agrech, Director	-	-	-	-	-	-	-					0
Benoit Fouchard, Director	-	-	-	-	-	-	-					0
Ventech, represented by Jean Bourcereau, director	-	-	-	-	-	-	-					0
Joanna Darlington, Director	-	-	-	-	-	-	-					0
Gaudeto, represented by Jacques Galloy	-	-	-	-	-	-	-					0
Xavier Niel, Director	-	-	-	-	-	-	-					0
Start date for exercising options	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	
Expiry date	04.05.17	11.05.18	07.03.20	07.03.20	24.03.21	19.01.24	03.05.24	27.03.25	04.11.26	17.07.27	05.05.24	
Subscription or purchase price	€ 5.60	€ 5.60	€ 5.60	€ 5.60	€ 5.60	€ 4.00	€ 3.75	€ 9.45	€ 10.80	€ 12.60	€ 12.60	
Exercise conditions (where the plan has several tranches)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	
Number of shares subscribed at 31.12.2020	92,000	40,000	65,400	50,000	62,781	34,375	16,875	49,062	5,000	5,000	0	420,993
Cumulative number of lapsed or cancelled subscription or purchase options	60,000	2,000	27,000	67,500	20,594	45,625	7,500	54,313	18,000	0	0	322,532
Subscription or purchase options outstanding at year end	0	0	0	0	9,125	0	5,625	3,125	46,000	77,000	87,000	227,875

BSA

The exercise of the warrants is not subject to a performance condition. However, he is subject to an employment condition.

These plans are classified as equity settled or equity settled. The Company has no commitment to repurchase these instruments from employees.

BSA 2018

The Board of Directors' meeting of 5 November 2018 allocated 28,000 share subscription warrants to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 8 June 2017.

The share subscription warrants under the 'BSA 2018' plan are divided into 4 tranches and are definitively acquired after one year of grant subject to their continued employment.

BSA 2018 2

The Board of Directors' meeting of 18 July 2019 allocated 45,000 share subscription warrants to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 7 June 2018.

The share subscription warrants under the 'BSA 2018-2' plan are divided into 4 tranches and are definitively acquired after one year of grant subject to their continued employment.

BSA 2019 1

The Board of Directors' meeting of 6 May 2020 allocated 36,000 share subscription warrants to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 6 June 2019.

The share subscription warrants under the 'BSA 2019-1' plan are divided into 4 tranches and are definitively acquired after one year of grant subject to their continued employment.

At 31 December 2020, the outstanding BSA represented a potential number of 102,000 shares, representing a potential dilution of 1% (given that share capital was composed of 11,060,569 shares at 31 December 2020).

Stock options (SO)

These plans are classified as equity settled or equity settled. The Company has no commitment to repurchase these instruments from employees.

SO 2010

The Board of Directors' meeting of 4 May 2010 granted 152,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 12 March 2010.

So 2010 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2011 1

The Board of Directors' meeting of 11 May 2011 granted 42,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 11 May 2011.

So 2011-1 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2011 2

The Board of Directors' meeting of 18 January 2012 granted 20,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 11 May 2011.

So 2011-2 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2011 3

The Board of Directors' meeting of 7 March 2013 granted 92,400 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 11 May 2011.

So 2011-3 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2013 1

The Board of Directors' meeting of 7 March 2013 granted 117,500 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 20 February 2013.

So 2013-1 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2013 2

The Board of Directors' meeting of 24 March 2013 granted 92,500 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 20 February 2013.

So 2013-2 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2014 1

The Board of Directors' meeting of 20 January 2016 granted 80,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 2 June 2014.

So 2014-1 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2014 2

The Board of Directors' meeting of 4 May 2016 granted 30,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 2 June 2014.

So 2014-2 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2014 3

The Board of Directors' meeting of 28 March 2017 granted 106,500 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 2 June 2014.

So 2014-3 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2017 1

The Board of Directors' meeting of 5 November 2018 granted 69,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 8 June 2017.

So 2017-1 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2017 2

The Board of Directors' meeting of 18 July 2019 granted 82,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 8 June 2017.

So 2017-2 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

SO 2017 3

The Board of Directors' meeting of 6 May 2020 granted 87,000 stock options to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 8 June 2017.

So 2017-1 stock subscription warrants are divided into 4 tranches and vest after one year after being granted subject to continued employment.

As of 31 December 2020, SO outstanding represented a potential number of 227,875 shares, representing a potential dilution of 2% (taking into account 11,060,569 shares as of 31 December 2020).

Free shares

AGA 2016-01

The Board of Directors' meeting of 26 July 2016 granted 29,500 free shares to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 9 June 2016.

The free shares under the 'AGM 2016-01' plan will vest after one year after the award, subject to the beneficiaries' continued employment with the Group.

AGA 2016-02

The Board of Directors' meeting of 28 July 2017 granted 8,000 free shares to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 9 June 2016.

The free shares under the 'AGM 2016-02' plan will vest after one year after the award, subject to the beneficiaries' continued employment with the Group.

AGA 2016-03

The Board of Directors' meeting of 5 November 2018 granted 33,000 free shares to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 9 June 2016.

The free shares under the 'AGM 2016-03' plan will vest after one year after the award, subject to the beneficiaries' continued employment with the Group.

AGA 2016-04

The Board of Directors' meeting of 18 July 2019 granted 53,500 free shares to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 9 June 2016.

The free shares under the 'AGM 2016-02' plan will vest after 24 months following the award subject to beneficiaries' continued employment with the Group.

AGA 2019-01

The Board of Directors' meeting of 6 May 2020 granted 56,000 free shares to the Company's employees pursuant to the authorization granted by the Shareholders' Meeting of 6 June 2019.

The free shares under the 'AGM 2019-01' plan will vest after 24 months following the award subject to beneficiaries' continued employment with the Group.

Summary table of free shares

Date	Type	Number of AGM issued	Number of lapses	Number of vested AGM	Number of AAUs outstanding	Maximum number of shares to be issued
15/11/2018	2016-03	33,000	1,000	32,000	-	-
18/07/2019	2016-04	53,500	1,000	-	53,500	53,500
06/05/2020	2019-01	56,000	-	-	56,000	56,000
31/12/2020		142,500	2,000	32,000	108,500	108,500

As of 31 December 2020, the outstanding AGMs represent a potential number of 108,500 shares, representing a potential dilution of 1% (given that share capital was composed of 11,060,569 shares as of 31 December 2020).

19.1.5. TERMS GOVERNING ANY ACQUISITION RIGHTS OR OBLIGATIONS IN RELATION TO AUTHORISED (BUT NOT ISSUED) CAPITAL OR TO ANY UNDERTAKING TO INCREASE THE CAPITAL

The Extraordinary General Meeting of 10 June 2020 delegated to the Board of Directors its powers and/or powers, as follows:

Resolutions	Purpose of the resolution	Proposed ceiling (Maximum amount)	Terms and conditions for determining the Issue price	Duration of The authorization	Implementation of delegations Change in minority interests for
AGOE 10 June 2020 15th resolution	<u>Issue with pre emptive subscription rights</u> Delegation of authority to be granted to the Board of Directors to issue ordinary shares and securities granting access to the Company's share capital, with preferential rights Subscription rights	700,000 €	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months	
AGOE 10 June 2020 16th resolution	<u>Authorisation for the Board of Directors to issue shares and/or securities carrying rights to shares of the Company, without pre emptive subscription rights for existing shareholders.</u>	700,000 €	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue. The issue price will be at least equal to the volume weighted average price of the three trading days preceding the setting of the issue price, less a maximum discount of five (5%)	26 months	

Resolutions	Purpose of the resolution	Proposed ceiling (Maximum amount)	Terms and conditions for determining the Issue price	Duration of The authorization	Implementation of delegations Change in minority interests for
AGOE 10 June 2020 17th resolution	Delegation of authority to be granted to the Board of Directors to decide Share capital increase via the issue without pre-emptive subscription rights Ordinary shares and/or securities granting access to the Company's share capital and/or the issue Securities giving the right to the allotment of debt securities.	700,000 €	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months	
AGOE 10 June 2020 18th resolution	Delegation of authority to be granted to the Board of Directors to increase the Number of securities to be issued in the event of a capital increase with or without pre-emptive subscription rights;	Possibility to issue up to 15% more securities than the initial issue	The Board of Directors sets the amount of the capital increase, the issue price and the amount of the premium that may be asked to issue, and this delegation allows the addition of up to 15% additional securities.	26 months From 10 June 2020	
AGOE 10 June 2020 19th resolution	Review of a proposed delegation of authority to be 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 €	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months From 10 June 2020	

Resolutions	Purpose of the resolution	Proposed ceiling (Maximum amount)	Terms and conditions for determining the Issue price	Duration of The authorization	Implementation of delegations Change in minority interests for
AGOE 10 June 2020 <i>20th resolution</i>	Delegation of authority to be 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 granted to the Company in the form of shares or Of securities granting access to the Company's share capital.	10% of the share capital	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months From 10 June 2020	This authorization was used for the delivery of ATEME shares in exchange for the ANEVIA shares tendered as part of the mixed offer and communicated to the market on 9 November 2020.
AGOE 10 June 2020 <i>21st resolution</i>	Authorisation to be granted to the Board of Directors in the event of an issue without preferential subscription rights of shareholders, to set the issue price within the limit of 10% of the share capital in accordance with the conditions set by the Shareholders' Meeting.	10% of the share capital	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months	
AGOE 10 June 2020 <i>23rd resolution</i>	Delegation of authority to be granted to the Board of Directors to decide Share capital increase through capitalisation of retained earnings, profits or other items	700,000 €	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months	
AGOE 10 June 2020 <i>24th resolution</i>	Delegation of authority to be granted to the Board of Directors to issue subscription warrants ('BSA 2020') with cancellation of pre-emptive subscription rights for categories of person.	200,000 shares	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	18 months	

Resolutions	Purpose of the resolution	Proposed ceiling (Maximum amount)	Terms and conditions for determining the Issue price	Duration of The authorization	Implementation of delegations Change in minority interests for
AGOE 10 June 2020 <i>25th resolution</i>	Authorisation to be granted to the Board of Directors to freely allocate existing or new shares ('AGM 2020')	200,000 shares	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	38 months	
AGOE 10 June 2020 <i>26th resolution</i>	Authorization to be granted to the Board of Directors to grant options to subscribe for or purchase shares.	500,000 shares	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	38 months	
AGOE 10 June 2020 <i>27th resolution</i>	Authorisation to be granted or Board of Directors to reduce the share capital by means of share buybacks and cancellations	437,597.3 euros	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	18 months	
AGOE 10 June 2020 <i>28th resolution</i>	Delegation of authority to be granted or Board of Directors to decide Share capital increase without pre emptive subscription rights Shareholders benefiting members of an employee savings plan	66,427 euros	The Board of Directors sets the amount of the capital increase, the issue price and the amount of any premium that may be requested for the issue	26 months	

19.1.6. CAPITAL UNDER OPTION OR AGREED CONDITIONALLY OR UNCONDITIONALLY TO BE PUT UNDER OPTION

ATEME's capital is not under option or agreed conditionally or unconditionally to be put under option.

19.1.7. HISTORY OF SHARE CAPITAL

Changes in the share capital of ATEME since 31 December 2017

Date	Type of transaction	Number of shares in issue	Increase in share capital	Number of shares comprising the share capital	Amount of share capital
31 Dec 20		634,920	€ 88,888.80	11,060,404	€ 1,548,456.56
04.11.20	Free share grants	32,000			
28.10.20	Capital increase	68,979			
26.10.20	Capital increase	428,362			
06.10.21	Exercise of stock options	10,500			
23.09.20	Exercise of stock options	56,000			
30.01.20	Exercise of stock options	39,079			
31 Dec 19		140,945	€ 19,732.30	10,425,484	€ 1,459,567.76
18.07.19	Free share grants	6,500			
30.01.19		134,445			
31 Dec 18		50,031	€ 7,004.34	10,284,539	€ 1,439,835.46
31.01.18	Exercise of stock options	50,031			
31 Dec 17		156,625	€ 21,927.50	10,234,508	€ 1,432,831.12

19.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

During the period of validity of this Registration Document, the latest update of the memorandum and articles of association of ATEME may be consulted on a physical basis at the registered office of ATEME.

19.2.1. ATEME'S CORPORATE PURPOSE - ARTICLE 2 OF THE BYLAWS

The Company's corporate purpose in France and abroad is to:

- Any and all achievements of electronic and IT equipment and instruments intended for the acquisition, processing and transmission of information.
- All intellectual services, including consulting, training, assistance, developing and distributing products in the areas of micro computing, electronics and micro electronics.
- The participation of the Company, by any means, in any transactions which may relate to its purpose by the creation of new companies, the subscription or purchase of securities or corporate rights, the merger or otherwise.
- And generally all financial, commercial, industrial, personal and real property transactions that may be directly or indirectly associated with the aforementioned purpose or with any similar or related purposes that may favour its development or expansion.

Please refer to section 4.2 with respect to the Company's registration number.

19.2.2. SHARE CLASSES

There is only one share class for the share capital of ATEME.

Fully paid up shares may be held in either registered or bearer form, at the shareholder's discretion. They shall be registered in an account in accordance with the terms and conditions provided for by the laws and regulations in force.

Shares are freely negotiable.

Each share confers entitlement to ownership of the Company's assets in proportion to the percentage of capital it represents. It also gives entitlement to a proportionately equal share of social benefits.

19.2.3. CONDITIONS THAT MAY DIFFER, DELAY OR PREVENT A CHANGE OF CONTROL

The Company's Articles of Association do not contain any provision for delaying, deferring or preventing a change in control.

Chapitre 20. **MATERIAL CONTRACTS**

At the date of the Registration Document and in the last two fiscal years, the Company has not entered into any material contracts other than those entered into in the normal course of business.

Chapitre 21. AVAILABLE DOCUMENTS

During the validity of this Registration Document, the following documents may be consulted in physical form at the registered office of ATEME:

- The latest update of the memorandum and articles of association of ATEME;
- All reports, letters and other documents, assessments and statements prepared by an expert at the request of ATEME some of which are included or referred to in the Universal Registration Document.

The Company has set up a 'Investors' section on its website: www.ATEME.com where regulated information can also be consulted.

In addition to this regular means of information, the Company will no doubt strengthen its communication policy for any significant transaction, or for any change in its environment or policy.

Person responsible for financial information:

Fabrice Sana, Chief Financial Officer

Contact: investors@ateme.com

21.1. FINANCIAL AGENDA

Indicative calendar of publications in 2021

Date	Press release
Friday, 29 January 2021	Annual revenue 2020
Thursday, 25 March 2021	Annual results 2020
Thursday, 6 May 2021	First quarter 2021 revenue
Wednesday, 9 June 2021	Shareholders' General Meeting.
Friday, 16 July 2021	First half 2021 sales
Tuesday, 28 September 2021	2021 half year results
Friday, 5 November 2021	Third quarter 2021 sales

All publications will take place after the closing of the Euronext Paris markets.

ANNEXE 1. Annual financial report cross reference table

Title	URD section
Parent company financial statements	Paragraph 18.01.01. Audited historical financial information
Consolidated financial statements	Paragraph 18.01.06. Consolidated Financial Statements
Management report	Appendix 2 - Management Report concordance table
Revenue analysis	Chapter 7. Operating and financial review
Analysis of results	Chapter 7. Operating and financial review
Analysis of the financial position	Chapter 7. Operating and financial review
Main risks and uncertainties	Chapter 3. Risk factors
Share buybacks	Paragraph 19.01.03. Treasury shares and share buyback program
Statutory Auditors' report on the parent company financial statements	Paragraph 18.01.01. Audited historical financial information
Statutory Auditors' report on the consolidated financial statements	18.01.06 Auditing of historical annual financial information
Board of Directors' report on corporate governance	Not included in the Registration Document - Annual Financial Report filed with the AMF on 29/04/2021
Statements by the natural persons responsible for the Annual Financial Report	Paragraph 1.2. Declaration by the person responsible

ANNEXE 2. Cross reference table for the management report

The cross reference table below enables the information that constitutes the Annual Management Report to be identified in this Registration Document in accordance with Articles L. 225-100-1 et seq. of the French Commercial Code.

Title	URD section
1. Information about the business of the Company and the Group	Chapter 5. Business overview Chapter 7. Operating and financial review
Overview of the financial position and results of the issuer, its subsidiaries and the companies it controls by business line	Chapter 5. Business overview Chapter 7. Operating and financial review
Foreseeable changes in the issuer and/or group	Chapter 10. Trend information Chapter 11. Profit forecasts or estimates
Post closing events of the issuer and/or group	Paragraph 10.1.1. Most significant trends since 31 December 2019
Research and development activities of the issuer and the Group	Paragraph 7.1.2. Probable future developments and research and development activities
Review of the business, results of operations and financial position of the issuer, in relation to the volume and complexity of the business of the issuer and the group	Chapter 7. Operating and financial review
Principal risks and uncertainties faced by the issuer	Chapter 3. Risk factors
Financial risks related to the effects of climate change and presentation of measures taken to reduce them	Chapter 3. Risk factors
Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information	Chapter 3. Risk factors
Information on the use of financial instruments, - Exposure to price, credit, liquidity and cash flow risks of the company and the group	Chapter 3. Risk factors
ATEME SA five year financial summary	Paragraph 18.01.01. Audited historical financial information
2. Legal, financial and tax information of the issuer	
Ownership structure and changes	Paragraph 16.1. Changes in the share ownership of the ATEME Group
Names of controlled companies	Chapter 6. Organizational structure
Employee share ownership	Paragraph 15.3. Arrangements for involving the employees in the capital
Significant shareholdings in companies with registered offices in France	Chapter 6. Organizational structure

Acquisition and sale by the issuer of its own shares (share buyback program)	Paragraph 19.01.03. Treasury shares and share buyback program
Injunctions or monetary penalties for anti competitive practices	None.
Dividends distributed over the last 3 fiscal years	Paragraph 18.5. Dividend policy
Supplier and customer payment terms	Paragraph 3.4.1. Risks relating to suppliers
Conditions governing the exercise and holding of options by corporate officers	Paragraph 15.2. Shareholdings and stock options
Conditions for holding free shares granted to executive directors and officers	Paragraph 15.2. Shareholdings and stock options
Summary statement of transactions involving Company shares carried out by executives	Paragraph 15.2. Arrangements for involving the employees in the capital
Social and environmental information	Chapter 15. Employees

ANNEXE 3. Cross reference table for the governance report

Title	French Commercial Code	URD or AFR section
Compensation policy for Corporate Officers	Article L. 22-10-08, I., paragraph 2 of the French Commercial Code Article R. 22-10-14 of the French Commercial Code	Chapter B/COMPENSATION POLICY FOR CORPORATE OFFICERS Section 1.3 p. 45 (AFR)
Compensation and benefits in kind paid during the year or granted in respect of the year to each executive corporate officer	Article L. 22-10-09, I., 1° of the French Commercial Code Article R. 22-10-15 of the French Commercial Code	Chapter B/COMPENSATION POLICY FOR CORPORATE OFFICERS section 2.1 P. 46 (AFR)
Relative proportion of fixed and variable compensation	Article L. 22-10-09, I., 2° of the French Commercial Code	Chapter B/Appendix 4 - Compensation of Corporate Officers Table 2 p. 60 (AFR)
Remuneration paid or awarded by a company within the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	Article L. 22-10-09, I., 5° of the French Commercial Code	Chapter B section 2.1/Total compensation and benefits (AFR)
Ratios between the level of remuneration of each executive corporate officer and the average and median remuneration of company employees	Article L. 22-10-09, I., 6° of the French Commercial Code	Chapter 13/p. 94 (URD)
22-10-34 of the French Commercial Code	Article L. 22-10-09, I., 9° of the French Commercial Code	33 P 108 (URD)
List of all directorships and positions held in companies by each executive officer during the fiscal year	Article L. 225-37-4, 1° of the French Commercial Code	Chapter 17.1 Related party transactions, P.116 (URD)

Summary table of current authorizations granted by the Annual General Meeting to increase share capital	Article L. 225-37-4, 3° of the French Commercial Code	Chapter 19, section 10.1.5/. 284 (URD)
Terms and conditions of Executive Management	Article L. 225-37-4, 4° of the French Commercial Code	Chapter 3 - Report of the Board of Directors on corporate governance. Section 1. P.31 (AFR)