

For translation purposes only

Annual Financial Report

At 31 December 2021



Captivate your audience

About Ateme:

Ateme is a global leader in video compression and broadcasting solutions that help content providers, service providers and streaming platforms increase their audience and customer engagement.

Leveraging a unique R & D working group in the video industry, Ateme's solutions make sustainable television services possible, improve the quality of end user experience, optimise the total cost of acquiring TV/Vod services and generate new revenue sources based on personalisation and the insertion of advertising. Beyond technological agility, Ateme's value proposition is to partner with its customers by offering them great flexibility in the engagement and business models corresponding to their financial priorities. One consequence is a rapid shift to recurring revenues, strengthening the company's resilience and creating long term value for shareholders.

Founded in 1991, Ateme has 500 employees at its head office in France and 20 offices worldwide, including the United States, Brazil, Argentina, the United Kingdom, Spain, Germany, the United Arab Emirates, Singapore, China, Korea and Australia.

Ateme, a public limited company, has been listed on the Euronext Paris market since 2014 and acquired in November 2020 Anevia, a provider of OTT and IPTV software solutions. In 2021, Ateme served nearly 1,000 customers worldwide with sales of 79 million euros, of which 93% outside its domestic market.

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

Address: 6 rue Dewoitine, 78140 Vélizy Villacoublay, France

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1. Statement of responsibility for the annual financial report

1. Person responsible for the annual financial report

Michel Artières, Chairman and Chief Executive Officer of Ateme.

2. Statement by the person responsible

(Article 222-3 - 4 of the AMF General Regulation)

'I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the Group, and that the attached management report presents a true and fair view of the business, results and financial position of the Company and the Group, as well as a description of the main risks and uncertainties facing the Group.'

Vélizy, 28/04/2022

Michel Artières, Chairman and Chief Executive Officer of Ateme.

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

ATEME

Société Anonyme
Share Capital euros 1,571,363.78
Registered office: 6, rue Dewoitine - Immeuble Green Plaza,
78140 Vélizy Villacoublay
382,231,991 RCS Versailles
(The 'Company')

Ladies and gentlemen,

We have convened an annual ordinary general meeting in accordance with the laws and the bylaws of your Company to report to you (i) on the situation and activity of AteME SA (hereinafter the 'Company') and the Group during the financial year ended 31 December 2021 and to submit for your approval the parent company financial statements for the past financial year and the consolidated financial statements for said financial year and the internal control and risk management procedures implemented by the Company.

The presentation of this report has been amended in accordance with the provisions of Order 2017-1162 of 12 July 2017, pursuant to the Sapin 2 Act and its implementing decree 2017-1174 of 18 July 2017.

We will provide you with all details and additional information concerning the documents and documents provided for by the regulations in force and which have been made available to you within the legal deadlines.

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

ECONOMIC AND FINANCIAL INFORMATION

1. Activity and results of the company and the group during the financial year ended 31 December 2021 - highlights of the past financial year - progress made or difficulties encountered

Results and activity of the Company and the Group

1.1 The Company

During the financial year ended 31 December 2021, the Company recorded net sales of 64.0 million euros compared to 51.6 million euros in the previous financial year, an increase of approximately 24%.

- Operating income amounted to €68,180k compared to €53,862k for the previous year;
- Operating expenses amounted to €65,383k, compared with €57,226k for the previous year;
- Operating income amounted to €2,797k, compared with a loss of € (3,364) thousand in the previous financial year.

After taking into account the financial result of € (210) K, the exceptional result of €14k, the tax credit (CIR) of €3,852k, the net result for the financial year ended 31 December 2021 is a net accounting result of €6,453k compared to a net accounting loss of € (1,355) K for the previous financial year.

1.2 The Group

The companies included in the scope of consolidation for 2021 are as follows:

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

It is recalled that Ateme Japan KK has been dormant since 2010 pending its removal from the local trade register.

Revenue from Ateme Canada, Ateme USA, Ateme Australia, Ateme Singapore comes from services billed to the Company and sales of products and services to local customers. We present below the main items of the consolidated income statements under IFRS for the years ended 31 December 2020 and 31 December 2021:

Anevia SA was acquired on 26 October 2020 and has been consolidated since 31 October 2020.

Income statement	31/12/2021 12 months K €	31/12/2020 * 12 months K €
Revenue	78,798	70,104
Cost of sales	(29,841)	(31,576)
Gross profit	48,957	38,528
Research and development costs	(16,012)	(12,639)
Marketing and selling expenses	(27,086)	(20,052)
General and administrative expenses	(4,754)	(3,904)
Recurring operating income	1,105	1,933
Other operating income and expenses	-	(713)
Operating profit	1,105	1,220
Financial expenses	(621)	(327)
Financial income	122	34
Foreign exchange gains and losses	1,010	(1,089)
Income before tax	1,616	(162)
Income tax expense/income	169	(86)
Net income from continuing operations	1,785	(248)
Income from discontinued operations	251	(27)
Proceeds from disposal of discontinued operations	(899)	-
Net income	1,137	(275)
<i>Group share</i>	<i>1,137</i>	<i>(275)</i>
<i>Non controlling interests</i>	<i>-</i>	<i>-</i>
Basic earnings per share (€/share) from continuing operations	0.10	(0.02)
Diluted earnings per share (€/share)	0.10	(0.02)
Basic earnings per share (€/share) from discontinued operations	0.02	(0.00)
Diluted earnings per share (€/share) from discontinued operations	0.02	(0.00)

* Following the disposal of the Enterprise business, the consolidated financial statements have been prepared in accordance with the provisions of IFRS 5 relating to discontinued operations.

Ninth consecutive year of revenue growth

Total revenue for the year ended 31 December 2021 was 78.8 million euros, up 12% compared to 2020. This revenue was stable at constant exchange rates and scope of consolidation.

The EMEA region posted solid growth, with restated revenue of 31.1 million euros. This region benefited from Anevia's substantial revenue, as evidenced by published revenue, up 28%.

In the United States/Canada region, sales were stable at 26.6 million euros.

Sales in Latin America increased by 8% to 8.1 million euros, thanks to a significant contribution from Anevia.

Asia Pacific posted growth of 10% to 13.0 million euros.

Significant increase in recurring revenue flows

Recurring monthly income rose from €1,500k in January 2021 to €1,960k in January 2022, surpassing annual growth expectations by €400k. As a result, AteME starts the year with more than 23.5 million euros in recurring revenue, which significantly improves the quality and visibility of its revenue.

Monthly recurring revenue in K €	January 2021	January 2022
Recurring monthly income ¹	1,500	1,960

Improvement in gross margin

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

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

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

New investments in growth in 2021

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

- The acceleration of the NEA roadmap (formerly Anevia's product range), which includes OTT diffusion technologies such as Cloud DVR and CDN solutions (content distribution networks).
- The creation of teams of global experts to help all regions position, sell and deploy the AteME range of solutions, adapting to the growing complexity of end to end OTT broadcasting solutions, from video network heads to CDN networks.
- Optimising our streaming solutions, saving servers and storage for our customers and helping them achieve their carbon footprint reduction targets.
- The development of products, solutions and services to be launched in 2022 and 2023.

Solid financial structure

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

Cash and cash equivalents amounted to 11.4 million euros, compared to 17.1 million euros in 2020. Cash flows from investing activities amounted to 7.1 million euros, including 3.7 million euros dedicated to the finalisation of the Anevia acquisition.

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

¹ Alternative performance indicator not subject to review by ATEME's Statutory Auditors

All income statement indicators higher than expected

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

EBITDA stood at 6.4 million euros, in line with the forecasts published in January 2021 and above the prudent forecasts of January 2022.

Restated Ebitda

'Recurring operating income' is defined as the difference between total operating income and 'Other operating income' and 'Other operating expenses.'

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

Restated Ebitda (Amounts in K €)	31/12/2021	31/12/2020 * Restated
Recurring operating income	1,105	1,933
(-) DPA on intangible assets and property, plant and equipment	(2,375)	(2,444)
(-) DPA on acquired technologies	(712)	(119)
(-) DPA on rights of use	(895)	(874)
(-) Provision/reversal	(152)	(262)
(-) IFRS share based payment 2	(1,187)	(1,208)
Restated Ebitda	6,426	6,863

*

restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

Disposal of the Enterprise business line

On 4 November 2021, Ateме signed an agreement with Vitec to sell the Hotels and Enterprise business line.

This agreement concerns the sale of the 'Flamingo' business including:

- The customer file comprising all commercial, trading, previous orders, past support and guarantees and customer disputes;
- All exclusive rights and source codes on the following software:
 - o Flamingo software suite;
 - o Any other codes necessary for the operation of the product;
- The domain name 'anevia-hospitality.com' filed with Amen, whose name was renewed on 25 March 2021, accompanied by all the functionalities necessary for its use;
- All intellectual property rights relevant to the operation of the transferred fund;
- The right of use and the right to licence the 'Packeng' bookshop;
- The social file of each employee transferred;
- Tangible and material items made available to transferred employees;
- Any marketing and commercial material and content;
- All contracts concluded with customers and not yet completed;
- All contracts with suppliers and the integrator network;
- All ongoing support contracts with customers;
- Inventories of products related to the transferred Fund.

The sale price of the business is set at €800k, with an earn out for a maximum amount of €1200k, which will be paid in the event that Vitec reaches a gross margin on the business over the next 2 financial years (2022 and 2023).

Net gains on disposals amounted to € (899) thousand.

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

1.3 Highlights of the year

On 19 January 2021, Ateме announced the completion of the acquisition of Anevia, a software publisher for the distribution of live, deferred and on demand television and video (VOD) following the successful takeover bid and the squeeze out.

On 28 January 2021, the company announced that it had received three Emmy® Awards in the 'Technology & Engineering' category from the National Academy of Arts and Television Sciences (NATAS) for its outstanding achievements in video compression that contribute to the efficient delivery and distribution of media, content and TV:

- Development of perceptual measurements for video encoding optimisation
- Optimising artificial intelligence processes for video compression
- Development of optimised compression technologies for mass processing

On 4 February 2021, Ateме announced that its multi platform video broadcasting solution was deployed by Viya, the largest telecommunications and entertainment service provider in the Virgin Islands (United States), part of ATN International.

On 25 February 2021, the company announces that it will facilitate more than 50% of ATSC 3.0 deployments in North America in 2020, guaranteeing technological leadership to the largest American broadcasters.

On 9 March 2021, Anevia (now owned by Ateeme) and the company celebrate the tenth anniversary of their technological partnership. This collaboration was a key factor in making Net + one of Switzerland's most innovative TV service providers.

On 12 March 2021: Ateeme supports the Chinese video industry with the integration of AVS2.

Ateeme today announced that it has integrated the AVS2 codec into its TITAN range, which is the second generation digital audio video compression standard, defined by the AVS working group, designed to meet the needs of the audio and video industry in China. This is a strengthening of its commitment to the Chinese market, where the company already enjoyed a strong reputation as a supplier of innovative video compression solutions. Ateeme's Chinese customers, all leading players, can now take advantage of high quality low speed video and HDR technology to offer viewers an unforgettable quality of experience.

On 16 March 2021: Ateeme teamed up with Digitalrich to offer an integrated solution of advertising inserts to customers around the world.

Digitalrich remains the leading supplier of advertising insertion technology in Korea. Thanks to this partnership, Ateeme TITAN Live and TITAN Mux and Digitalrich's advertising insertion server are now available as an integrated solution for Ateeme customers worldwide. Customers will benefit from a comprehensive advertising replacement solution capable of managing analogue or digital markers as well as advertising campaigns for channels processed by Ateeme video processing components.

On 23 March 2021: Ateeme's TITAN solutions improve the video quality of more than a million viewers across Denmark.

Ateeme today announces that Nuuday, a subsidiary of TDC Group, Denmark's largest telecommunications company, has adopted its TITAN range of solutions to improve the video experience of its viewers. To serve more than a million viewers through its YouSee brands, which provide them with 100 linear channels and VoD services, and Blockbuster, which offers a complete VoD catalogue, Nuuday needed a video encoding solution that could improve video quality and sustain its workflows. To achieve this goal, Nuuday implemented Ateeme's TITAN software solutions for live and VOD applications.

On 15 April 2021, Ateeme announced today that Nilesat has chosen to deploy its TITAN Live platform for two projects, thereby increasing Ateeme's presence in the region.

On 6 May 2021, DU joined forces with Ateeme on OTT and SHT projects to improve supply in the United Arab Emirates.

On 11 May 2021, Ateeme launched a green delivery solution for video service providers. The Green Delivery solution - an integrated end to end solution allows OTT and DTH operators to significantly reduce the carbon footprint of their video broadcasts, helping them achieve their sustainable development goals.

On 18 May 2021, Ateeme added a latency in broadcasting via just in time conditioners to a world first. These updates make Ateeme the first to market a low latency JIT package - a complex technical challenge that Ateeme has taken up using its own patented technology.

On 25 May 2021, Ateeme transcoders took over the first live sports video project on the Huawei cloud in Brazil.

On 1 June 2021, Ateeme announced the launch of PILOT Media, a native cloud solution that brings business intelligence, workflow automation and efficiency to the media supply chain.

On 8 June 2021, Ateame announced that its NEA streaming solution now supports the creation of complete channels. This allows content owners, broadcasters and service providers to offer content that is more relevant to their viewers through personalised TV channels, resulting in more viewers and increased loyalty to OTT and OTA services.

On 15 June 2021, Ateame announced that Korean broadcaster KBS has selected Ateame's Kyrion encoders to update its existing infrastructure, allowing high quality MPEG-2 HD broadcasting.

On 17 June 2021, Ateame worked with Intel to double coding performance by integrating the latest 3rd generation Intel Xeon scalable processors. The company announces a revolutionary increase in the performance of its video encoders. By working closely with Intel and exploiting the combination of Intel processors and Ateame encoders, Ateame customers will benefit from delivery of up to twice as efficient encoding for OTT, resulting in high visual quality at lower cost.

On 22 June 2021, Ateame announced that TCCL (Thamizhaga Cable TV Communication Pvt Ltd), one of the largest cable distribution companies in India, with a strong focus on quality of service and content, has chosen to implement Ateame's TITAN Live solution for its cable television platform.

On 24 June 2021, Ateame allows AIS to move to next generation OTT delivery.

The company announces that it has provided a state of the art, just in time packaging and storage solution for AIS, Thailand's largest telecommunications and mobile phone operator.

On 29 June 2021, Ateame and Hoist Group, one of the leading providers of new generation hotel technology in the EMEA region, announced the availability of personal network video recording (NPVR) and catch up television, two new television services designed to improve guest entertainment in the hotel sector.

On 6 July 2021, it announced that it had integrated Dolby Vision[®] HDR and Dolby Atmos[®] immersive audio technologies into its solution, which makes it the first solution on the market to encode and offer the two experiments in native mode.

On 8 July 2021, Ateame announced that its Flamingo network head is being deployed to provide next generation television entertainment for the entire family at SODIC October Plaza, a major residential development in the Greater Cairo area.

On 3 August 2021 Ateame announces that the integrated OTT video broadcasting solution has been selected for the re launch of its TV offering in the Armenian market. With a legacy system in place, Telecom Armenia has identified a need for a scalable and efficient video delivery solution as part of a planned service update that included a new front and back office. The operator has chosen Ateame as the sole supplier, allowing the organisation to benefit from a range of OTT technologies, from reception to CDN.

The 5 August Ateame announces that its encoders and decoders Kyrion provide contribution links to enable the Thai operator National Telecommunications (NT PCL) to distribute the Tokyo 2020 Olympic Games to all broadcasters across Thailand.

The use of Ateame's Kyrion encoders/decoders allows NT PCL to offer Thai viewers a high quality viewing experience thanks to the ultra low latency of the technology and its contribution of high video quality.

On September 16, the National Association of Broadcasters decided to cancel the NAB Show 2021, which was scheduled to be held in October in Las Vegas, United States.

'For more than a year, we worked tirelessly to bring our industry together safely in Las Vegas at the NAB Show. Unfortunately, the pandemic and the thrust of the Delta variant presented unexpected and

insurmountable challenges for our global community, 'said Chris Brown, Executive Vice President of the National Association of Broadcasters

The next edition will be held on 22 and 23 April 2022 with the participation of Ateeme.

On 4 November 2021: Vitec strengthened its leadership position with the acquisition of Anevia's 'Hotels and Businesses' video broadcasting business.

Vitec, a world leader in IP video streaming solutions, acquired the video broadcasting business 'Hotels and Businesses' Flamingo of Anevia, a subsidiary of Ateeme. This acquisition strengthens the corporate IPTV activity, Vitec's core business, and with the acquisition of Exterity in April 2021, Vitec is positioned as the world leader in IPTV solutions in the hospitality and business sectors. Ateeme will continue to focus on its core business of video broadcasting software for broadcasting, cable, DTH, IPTV and OTT. This operation will provide existing users of Flamingo products with a sustainable video delivery solution for applications in the hospitality and business sectors.

1.4 Impacts of the COVID-19 health crisis on the financial statements at 31 December 2021

Full business continuity during the Covid-19 crisis

During this period of uncertainty, Ate-me's priorities were twofold: Protect the health and well being of its employees and partners, in strict compliance with official instructions in order to stop the spread of the virus, and provide all possible support to customers. Lockdown has been imposed in most of the regions in which we operate. Fortunately, we have an active and proven telecommuting culture and a robust business continuity plan that allows us to ensure full continuity of all our operations, including R & D, 24/7 support and supply chain functions.

In particular:

- Demonstrations, deliveries and installations of TITAN, Ate-me software, can be carried out remotely.
- Ate-me continues to offer video conferences and other webinars to its customers around the world,
- Our research and development team continues to file new patents

Impact of the Covid-19 crisis on the financial perspective

In the first half of the year; given the restrictions on international travel still in force in most countries, very few customers have resumed meeting with their suppliers. The major trade shows in the sector were postponed (from April to October for the NAB in Las Vegas and from September to December for the IBC in Amsterdam) before being finally cancelled.

However, the situation gradually improved in the second half of the year on the travel front thanks to the deployment of vaccination, which contributed to a rebound in sales in the fourth quarter.

In addition, some semiconductor manufacturers face production difficulties that impact the main server manufacturers. This leads to longer lead times and higher costs, resulting in delays in delivery and impacting the gross margin of projects when our customers purchase equipment through us. We have tried to build a security buffer stock to mitigate the impact on customers.

The impacts on 2021 activity related to the health crisis and are therefore considered ad hoc. This situation does not call into question the medium- and long term trajectory of the Ate-me Group's activity by its management.

1.5 Progress made/Difficulties encountered

Group revenue for 2021 (ended December 31) was €78.8M, up 12% compared to 2020 (2% at constant exchange rates). Ate-me thus recorded a ninth year of consecutive growth (average annual growth of 21% in 2011-2021).

On a full year basis, operating expenses amounted to €48M, compared to €37M in 2020, reflecting an increase of approximately €3M in R & D and €7M in sales & marketing. General and administrative expenses increased by €1M

Net financial income came out at a profit of €511k, mainly due to foreign exchange gains (Us dollar/euro). Net income amounted to €1137k, compared with € (275) thousand in 2020, and included net income of €5517k in the second half

1.6 Forecast developments and outlook

Ateme has constantly used its R & D expertise to innovate in areas ranging from visual quality to Open caching, Cloud DVR and dynamic advertising insertion, in order to deliver value that is always superior to its customers.

Ateme has also embarked on the next step, based on data analysis integration, artificial intelligence/machine learning and blockchain.

The Group's cutting edge expertise in end to end video processing and transport places it at the heart of the transformation of the broadcasting market.

All these market specific elements reinforce the validity of the acquisition of Anevia's broadcasting technologies; Ateme covers a broader scope of value added solutions by enabling its customers to boost their audiences, subscriptions and their own revenue. While TITAN's revenues increase in correlation with the content of its customers, NEA's revenues increase according to the success of customers in terms of audience: An ideal growth driver for Ateme's recurring monthly revenues

1.7 Research and development activities

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

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

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

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

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

3. Significant events since the year end

War in Ukraine

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

Sanctions against Russia are expected to have a significant impact on companies that have business or business ties with Russia.

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

- Sales in Russia and Belarus are limited (approximately 1 million euros in 2021); shipments to these countries have been suspended since 24 February.
- Ateme does not depend in any way (supply chain, R & D or finance) on the countries concerned and does not have any late payments from customers in these markets.

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

The Company could be exposed in several ways:

- Supply problems, particularly on metals (titanium, etc.) or electronics;
- Higher product production costs linked to the surge in raw materials and energy.

On 11 January 2022, the long standing collaboration between Canal + and Ateeme moved up a gear. Canal + subscribers can now enjoy HP and UHD streaming sports events with low latency via the myCANAL app, with an almost non-existent offset between the live event and its broadcast on the screen.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and Ateeme announced that they had worked together to add Ateeme's BISS CA standard to Globecast's arsenal of cutting edge security options. Given the central role of content security in the sector, this is an important addition.

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

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

On 29 March 2022, Ateeme announced that it had enabled Solbox, the market leader in CDN and cloud computing solutions in Korea, to build a private cloud Vod transcoding platform for OTT service providers.

LEGAL INFORMATION

1. Subsidiaries - Affiliates - Branches

1.1 Results of the Company's subsidiaries and investments

The subsidiaries achieved the following results:

- Anevia France: € (1 8221) K;
- Ateeme Inc USA: €79k;
- Ateeme Canada: €35k
- Ateeme Singapore: (58) K €
- Ateeme Australia: (219) K €

The main financial information of the Company's subsidiaries and investments is described in the notes to the parent company financial statements.

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

The Company completed the acquisition of 100% of the shares in January 2021. At 31 December 2020, the Company held 87% of ANEVIA shares.

1.3. Disposals of investments

None.

1.4 Share transfers and cross shareholdings

None.

1.5 Controlled companies - treasury shares

The Company controls Ateme USA Inc., Ateme Canada Inc., Ateme Japan KK., Ateme Singapore Pte. Ltd, Ateme Australia Pty. Ltd and Anevia SA (from 31 October 2020).

None of these companies holds an interest in our Company.

1.6 Branches

On 23 May 2021, Ateme created a representative office under the following corporate name: Ateme Middle East. This office is located in Dubai Studio City, Commercial Building 03-209 - Dubai 73,000 UAE.

2. Income - proposed appropriation of income

2.1 Proposed appropriation of net income

We ask you to approve the annual financial statements (balance sheet, income statements and notes) for the financial year ended 31 December 2021 as presented, showing a net profit of €6453k, which we propose to allocate in full to retained earnings, which would have the effect of bringing its amount to a credit balance of €11415k.

2.2 Dividends paid

In accordance with the provisions of Article 243 bis of the French General Tax Code, we remind you that no dividend has been distributed for the previous three financial years.

2.3 Non tax deductible expenses and expenses

In accordance with the provisions of Article 223 quater of the French General Tax Code, we inform you that no expense or expense referred to in Article 39-4 of said Code was incurred for the past financial year.

2.4 Five year financial summary

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the table showing the Company's results over each of the last five financial years is appended to this report (Appendix 1).

3. Objective and exhaustive analysis of the development of the business, results and financial position of the Company and the Group - Main risks facing the Company and the Group

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

The Group's available cash of €11447k at 31 December 2021 and the collection of trade receivables (€32289k at 31 December 2021) in the first quarter of 2022 should enable the Group to meet its budget targets for 2022.

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

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

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

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

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

The Company only presents its specific risks.

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

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

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

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

The 11 risks identified, specific and specific to the Company, are mapped below by combining an assessment of the extent of the impact of the risk and its probability of occurrence. They are described in the Universal Registration Document, registered with the AMF on 18 June 2021 under number R021-035.

Summary of risk mapping

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

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

The Group has implemented a policy of covering the main insurable risks with amounts of guarantees that it considers compatible with the nature of its business.

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

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

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

4.1 General risk management principles

4.1.1 Definition

Ateme is continuing to formalise its risk management approach.

This approach aims to identify all risks and risk factors that may affect the activities and processes of the Company and the companies included in the scope of consolidation and to define the means to manage these risks and maintain or reduce them to a level acceptable to the Company. Its purpose is to cover all types of risk and to apply to all the Group's activities.

4.1.2 Risk management objectives

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

- Create and preserve the value, assets and reputation of the Company;
- Secure the Company's decision making and processes to promote the achievement of objectives;
- Promote consistency of actions with the Company's values;
- Mobilising employees around a shared vision of the Company's main risks.

4.1.3 Components of the risk management system

Risk mapping is carried out jointly by General Management and the operational departments concerned. It is discussed with the Statutory Auditors.

These risks are reviewed annually in order to update these risks with the persons directly concerned. The purpose of this review will be to formalise the list of actions to be taken to control these risks, as well as to assess their effectiveness.

The risks identified and the resources implemented to manage these risks are presented in the annual management report.

4.2 Articulation between risk management and internal control

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

At the same time, the internal control system relies in particular on risk management to identify the main risks to be controlled. The Company is committed to coordinating the two systems, which aims in particular to identify the control procedures to be applied to the Company's key processes that may be affected by risks considered as 'major.'

4.3 General principles of internal control

4.3.1 Definition and objectives of internal control

The Company has adopted the definition of internal control proposed by the Autorité des Marchés

Financiers, according to which internal control is a system implemented by the Company that aims to ensure:

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

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

4.3.2 Components of internal control

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

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

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

All Group companies submit monthly operational and financial reports to the Company's Finance Department, which are subject to in depth review by the Finance Department.

The Management Committee meets every fifteen days to review the activity and review the financial and operating indicators of the Company and the Group.

Operational process procedures

Ateme has broken down its organisation into processes:

Implementation process

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

They include:

- The Gate Process, whose activities follow the life cycle of products, solutions & services, from the analysis of market needs to the end of the product's life. This process brings together the marketing, qualification and R & D teams and is at the heart of Ateme's business.
- The Lead to Order, whose activities follow the analysis of customers' needs, up to the order intake. This process combines pre sales activities (system engineering, demonstrations, commercial proposals) and sales activities (prospecting, fairs, customer relationship monitoring), it is the central process of the relationship between customers and Ateme.
- Procure to Stock, Order to Delivery and Delivery to Cash track order intake up to customer delivery by integrating inventory management, procurement, unit preparation, delivery, all managed through our ERP.
- Ateme offers all its customers technical support. Technical Support manages customer issues by providing access to a VAS and Project Management works with customers to provide installation services and training sessions.

Support process

- **Resources process**, which brings together the Human Resources, Material Resources and Information System management processes. They contribute to the smooth functioning of other processes by providing the necessary human or material resources.
- **Steering process**: Participates in and contributes to the determination, development of the policy and deployment of Ateme's general objectives. This is the decision making process, based on the factual information reported during management reviews: Quality policy & objectives, dashboards, customer feedback, audit results
- **Continuous Improvement Process** that monitors the operation of the QMS and allows for the implementation of improvement actions

Organisation of the accounting and finance department

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

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

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

The financial statements, which are produced internally, are submitted for review by the Company's Statutory Auditors and then presented to and discussed with the Audit Committee. This ensures full compliance of the Company's practises with French and international standards (IFRS) and consistency in the presentation of the financial statements.

Budget process and 'monthly reporting'

The Company prepares an annual revenue and expenditure budget, which is reviewed quarterly in the form of a projection taking into account actual expenditure, adjustments to be made in terms of both revenue and outstanding expenditure.

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

Delegation of powers

The Company has implemented a procedure for delegations of authority and signatures for the payment of invoices and the signing of purchase orders.

4.4 Persons involved in risk management and internal control

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

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

4.5 Risk management and internal control limitations and areas for improvement

In 2022, the Company will focus on adapting and optimising its risk management system to its information system and improving the monitoring of identified action plans.

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

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

The Company is below the thresholds set by Article R. 225-104 2 of the French Commercial Code. However, it has undertaken a free process to prepare a Corporate Social Responsibility Report in accordance with the standards used by the Company.

This report is available on the Company's website.

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

None.

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

The Company is below the thresholds set by Article R. 225-104 2 of the French Commercial Code. However, it has undertaken a free process to prepare a Corporate Social Responsibility Report in accordance with the standards used by the Company.

This report is available on the Company's website.

6. Payment terms

In accordance with the provisions of the Order of 20 March 2017 pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code (Code de commerce), we hereby present the information relating to the payment terms of invoices due to suppliers and customers at the end of the last fiscal year in terms of number and amount:

	Invoices received but not paid at year end					
	Term expired in € k					
	0 day (Indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and +)
(A) Late payment bands						
Number of invoices concerned	523					427
Amount of invoices concerned including tax	6,481	1,700	644	35	752	3,130
Percentage of total purchases for the year H.T	15%	4%	1%	0%	2%	7%
(B) Invoices excluded from (A) relating to disputed or unrecognised debts and receivables						
Number of invoices excluded	N/A					
Total amount of invoices excluded including tax						
(C) Reference payment terms used (contractual or legal period - Article L. 441-6 or L. 443-1 of the French Commercial Code						
Payment terms used to calculate late payments	Contractual deadlines					

Invoices issued but not paid at year end						
Due in K €						
	0 day (Indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and +)
(A) Late payment bands						
Number of invoices concerned	212					404
Amount of invoices concerned including tax	10,398	7,631	1,140	2,343	7,060	18,174
Percentage of revenue for the year including tax	16%	12%	2%	4%	11%	28%
(B) Invoices excluded from (A) relating to disputed or unrecognised debts and receivables						
Number of invoices excluded	N/A					
Total amount of invoices excluded including tax						
(C) Reference payment terms used (contractual or legal period - Article L. 441-6 or L. 443-1 of the French Commercial Code						
Payment terms used to calculate late payments	Statutory deadlines					

7. Inter company loans

During the financial year ended 31 December 2021, the Company renewed the following inter company loan arrangements referred to in Article L. 511-6 of the French Monetary and Financial Code.

- An intragroup loan agreement between AteME SA and AteME Australia PTY Ltd;
- An intragroup loan agreement between AteME SA and AteME Singapore PTE Ltd;
- A cash management agreement between AteME SA and AteME Australia PTY Ltd and AteME Singapore PTE Ltd;
- Management fees re-invoicing agreement between AteME Singapore PTE Ltd and AteME SA

8. Information concerning the share capital

8.1 Breakdown of share capital and voting rights

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and taking into account the information received pursuant to Article L. 233-7 of said Code, we hereby indicate the identity of the shareholders who directly or indirectly hold more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, one eighteenth (90%) or nineteen twentieths (95%) of the share capital or voting rights as of 31 December 2021.

Shareholders	At 31/12/2021
	% of share capital
Michel Artières	1.78%
SEREITRA	9.03%
Total concert Artières	10.81%
Otus Capital	10.29%
Keren Finance	5.30%
NJJ Capital	5.02%
Other < 5%	68.57%
TOTAL	100.00%

8.2 Changes in share capital during the year ended (recorded by the Board of Directors before 31 December 2021)

	Number of shares	Nominal value (In euros)	Share capital (In euros)
Shares comprising the share capital at the beginning of the year	11,060,404	0.14	1,548,456.56
Shares cancelled during the year		-	
Shares issued during the year	130,733	0.14	18,302.62
Shares comprising the share capital at the end of the year	11,191,137	0.14	1,566,759.18

The Articles of Association have been amended accordingly.

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

In accordance with the provisions of Article L. 225-211 of the French Commercial Code, we hereby report to you on the Company's share buyback transactions pursuant to the provisions of Article L. 225-209 of the French Commercial Code:

- Shares purchased or sold by the Company under the liquidity agreement (Kepler Cheuvreux):
 - o 101,415 shares were purchased at an average price of €14.74
 - o 96,618 shares were sold at an average price of €14.65
- No shares were purchased or sold by the Company outside the liquidity contract.

At year end, the 11,357 shares held under the share buyback programme were allocated to the following objectives:

Objectives	Securities	Nominal value (€)	Carrying amount (€)	% of share capital
Liquidity contract	11,357	11.67	132,575	0.10%
Hedging of stock option plans				
Subsequent delivery for exchange or payment as part of an external growth transaction				
Hedging of debt securities giving access to capital				
Cancellation of shares:				
Total	11,357	11.67	132,575	0.10%

8.4 Share price trends

Between 1 January 2021 and 26 April 2022, the change in the share price was as follows



Source: Boursorama

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

None.

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

None.

8.7 Stock options

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

8.8 Free shares

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, we have prepared a special report in order to report to you on the free allocation of shares pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code.

8.9 Restrictions imposed by the Board of Directors on the exercise of options or the sale of free shares granted to executives

In accordance with the provisions of Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, we hereby inform you that no stock options or bonus shares have been granted to executive corporate officers.

8.10 Employee shareholding threshold

We inform you that, at the end of the financial year, the employees of our Company and its affiliates do not hold any interest in the share capital of the Company within the meaning of Article L. 225-102 of the French Commercial Code.

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

None.

10. Penalties for anti competitive practises

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

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

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

12. Works Council observations

None.

We hope that the above proposals will receive your approval and that you will vote in favour of the resolutions submitted to you.

The Board of Directors

Michel Artières

APPENDIX 1
TABLE SHOWING THE RESULTS OF THE COMPANY DURING EACH OF THE FINANCIAL YEARS ENDED IN RESPECT OF THE LAST FIVE FINANCIAL YEARS

TYPE OF INDICATION	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017
I. Share capital at year end					
Share capital (in euros)	1,571,364	1,548,480	1,465,039	1,458,658	1,438,540
Number of existing ordinary shares	11,224,027	11,060,569	10,464,563	10,418,984	10,275,289
Number of preferred shares (without voting rights) outstanding	0	0	0	0	0
Maximum number of future shares to be created					
By conversion of bonds	0	0	0	0	0
By exercise of subscription rights					
II. Operations and results of the financial period					
Net sales (in '000 euro)	63,983	51,620	58,294	51,728	48,423
Income before tax, employee profit sharing, depreciation, amortisation and provisions (in € '000)	4,125	-2,254	5,539	318	3,159
Income tax (in '000 euro)	-3,852	-3,082	-2,142	-2,093	-1,678
Employee profit sharing due for the financial year (in '000 euro)	0	0	8	0	0
Earnings after tax, employee profit sharing, depreciation, amortisation and provisions (in € '000)	6,453	-1,355	5,999	1,603	3,789
Profit distributed					
III. Earnings per share					
Earnings after tax, employee profit sharing but before depreciation, amortisation and provisions (in euros)	0,711	0,075	0,734	0,231	0,471
Earnings after tax, employee profit sharing, depreciation, amortisation and provisions (in euros)	0,575	-0,123	0,573	0,154	0,369
Dividend per share					
IV. Personnel					
Average number of employees during the year	205	166	141	126	126
Total payroll for the year (in '000 euro)	15,248	11,463	10,113	8,614	8,203
Amount paid in respect of employee benefits for the year (social security, welfare) (in '000 euro)	6,119	4,633	4,322	3,748	3,642

3. Report of the Board of Directors on corporate governance

Ladies and gentlemen,

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

A/ADMINISTRATION AND CONTROL OF THE COMPANY

1. Governance of the Company

1.1 Executive Management procedures

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

Consequently, Michel Artières is responsible for the general management of the Company.

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

1.2 Corporate Governance Code

The Company refers to the MiddleNext Corporate Governance Code of December 2009, in its updated September 2016 revision, for medium and small stocks (hereinafter the 'Middlenext Code') as part of the implementation of its governance. This code is available on the Middlenext website (www.middlenext.com).

This report will report on the implementation of the recommendations of the Code
And in the event of non application, the justification of this non application.

The table below details the progress of the Company's reflections on the application of the principles of the Middlenext Code:

- the Company believes that it complies with the recommendations of the Middlenext code set out in the table under the heading 'Adopted';
- the Company is currently considering the recommendations of the Middlenext code on which it considers that it is not in compliance today and which appear in the table under the heading 'In the process of adoption.'

Recommendations of the Middlenext Code	Adopted	In the process of adoption
I. Supervisory power		
R1: Ethics of Board members	X	
R2: Conflict of interest	X	
R 3: Composition of the Board - Independent members on the Board	X	
R 4: Information for Board members	X	
R 5: Organisation of Board and Committee meetings	X	
R 6: Setting up of committees		
R 7: Establishment of internal rules for the Board of Directors	X	
R 8: Selection of each director	X	
R 9: Term of office of Board members		
R 10: Director's compensation	X	
R 11: Implementation of an assessment of the Board's work	X	
R 12: Relations with shareholders		
II. Executive power		
R 13: Definition and transparency of the remuneration of Corporate officers	X	
R 14: Preparation of the succession of senior executives.	X	
R 15: Combining employment contract and corporate office (1)	X	
R 16: Severance pay (2)	X	
R 17: Supplementary pension plans (3)	X	
R 18: Stock options and free shares	X	
R 19: Review of points of vigilance	X	

(1): No corporate officer is bound to the Company by an employment contract.

(2): Corporate officers are not entitled to any severance pay.

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

2. Composition and operation of the Board of Directors

2.1 Reminder of the provisions of the by laws

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

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

No Director may be appointed if, having exceeded the age of seventy five, his appointment has the effect of increasing to more than one third of the members of the Board the number of directors having exceeded this age.

2.2 Composition of the Board of Directors at 31 December 2021

As of 31 December 2021, the Board of Directors was composed of the following 4 directors:

First name, first name, Business address	Directorships and main positions held in the Company	Date of first appointment	Expiry date of the Mandate
Michel Artières	Chairman of the Board of Directors and Chief Executive Officer	Directorship :: Shareholders' Meeting of 17 November 1997 <u>Chairman and Chief Executive Officer</u> <u>General:</u> Board of Directors 27 March 2002	Directorship: Expires at the end of the Shareholders' Meeting Approving the financial statements for the year ended 31 December 2026 <u>Chairman and Chief Executive Officer: Expires at the end of the Annual General Meeting called to approve the financial statements</u> 31 December 2026
Gaudeto sprl Permanent Representative: Jacques Galloy	Independent Director	Consulting 23 January 2015 by co option ratified at the Annual General Meeting of 9 June 2015	Expires at the end of the Annual General Meeting called to approve the financial statements 31 December 2022
Benoit Fouchard	Director	Shareholders' Meeting of 23 December 2005	Expires at the end of the Annual General Meeting called to approve the financial statements 31 December 2023
Joanna Darlington	Independent Director	Shareholders' Meeting of 9 June 2015	Expires at the end of the Annual General Meeting called to approve the financial statements 31 December 2026

2.3 Offices and positions held

2.3.1 Position of directors' terms of office

Only one directorship will expire during the fiscal year beginning on or after 1 January 2022. Gaudeto Sprl's term of office as a director will be the subject of a proposal for renewal via a resolution presented to the General Meeting to be held in June 2023.

2.3.2 List of directorships and positions held

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

Discharge to directors

We ask you to discharge the directors from the performance of their terms of office for the past financial year.

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

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

2.4 Operating rules of the Board of Directors

Multiple directorships

In accordance with Recommendation R1 of the Middlednext Code, we inform you that the Chairman and Chief Executive Officer does not hold any other directorship in listed companies.

Independence of members

To date, the Board has two independent members, as defined in recommendation R3 of the Middlednext Code

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

- Has not been, during the last five years, an employee or executive corporate officer of the Company or a company of its group;
- Have not been in any material business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.) during the last two years;
- Not to be the reference shareholder of the Company or to hold a significant percentage of voting rights;
- Not to have a close or close family relationship with a corporate officer or major shareholder;
- Has not been, in the last six years, an auditor of the company.

Thus, the Company complies with Recommendation R3 prescribed by the Middlednext Code.

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

Pursuant to the provisions of Article L. 225-18-1 of the French Commercial Code, the proportion of directors of each gender may not be less than 40% since 1 January 2017. However, when the Board of Directors is composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two.

Consequently, given the number of directors on the Board of Directors to date, i.e., 4 directors, including one woman and 3 men, the Board's diversity rules comply with the provisions of Article L. 225-18-1 of the French Commercial Code.

Choice of directors

In accordance with recommendation R8 of the Middlednext Code, information on the experience and competence of each director is provided in the annual report and to the shareholders' meeting when the directors are appointed or reappointed. Thus, the information sheets of the new directors appointed as of January 1, 2017 will be made available to shareholders in accordance with the provisions of Article R. 225-83 of the French Commercial Code and made available on the Company's website prior to the general meeting deciding on their appointment or renewal of their term of office in accordance with recommendation R8 of the Middlednext Code.

Rules of procedure

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

The internal regulations may be consulted at the registered office.

Directors' ethics

In accordance with recommendation R1 of the Middlednext Code, at its meeting of 26 July 2017, the Board of Directors adopted a Directors' Charter in order to enable Directors to carry out their duties in full knowledge of their obligations, particularly those relating to the prevention of insider trading. This Directors' Charter was amended by the Board of Directors on 27 March 2018. In addition, as indicated above, a stock market ethics charter aimed at strengthening the prevention of insider trading was adopted by the Board of Directors on 27 March 2018.

With regard to the prevention of conflicts of interest, and in accordance with recommendation R2 of the Middlednext Code, the Internal Regulations of the Board of Directors adopted on 28 March 2017 and the aforementioned charter provide that 'Each Director is required to inform the Chairman of the Board of Directors of any situation concerning him that may create a conflict of interest with the Company or one of the group companies. They must abstain from taking part in the vote on the corresponding decision (s).'

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

Directors' information

In accordance with recommendation R4 of the Middlednext Code, all documents and information necessary for the performance of the Directors' duties are communicated to them within a reasonable period prior to the meetings of the Board of Directors.

In addition, each Director may request all documents that he/she deems useful for the performance of his/her duties.

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

2.5 Missions of the Board of Directors

The Board of Directors determines the Company's business strategy and oversees its implementation. Subject to the powers expressly granted by law to Shareholders' Meetings and within the limits of the corporate purpose, it deals with any issue relating to the smooth running of the Company and settles through its deliberations the affairs that concern it.

In accordance with recommendation R19 of the Middlednext Code, each year the Board will review the points of vigilance referred to in the Middlednext Code and regularly review them at its meetings.

Report on the Board's activities in 2021

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

In accordance with recommendation R5 of the Middlednext Code, it is specified below that during the 2021 financial year, the Company's Board of Directors met 8 times on the days and months listed below:

Date of Board meeting	Number of members present or represented	Participation rate
11 January 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
28 January 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
24 March 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
5 May 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
15 July 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
27 September 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
7 October 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
4 November 2021	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%
Average number of participants in Board meetings	Members: 4 Non voting director: 1	Members: 100% Non voting member: 100%

During the year just ended, the main topics discussed during the meetings of the Board of Directors were as follows:

- Presentation and approval of the annual budget;
- Approval of management planning documents;
- Update on quarterly activity;
- Allocation of stock warrants, free shares to employees and stock options;
- Operational management of the Covid-19 health crisis
- Universal transfer of assets and liabilities of Anevia
- Approval of the annual, consolidated and half yearly financial statements, approval of management planning documents;
- Recognition of the exercise of stock options and the completion of

- Consecutive share capital;
- Allocation of attendance fees;
- Setting up of bank financing;

2.6 Succession of executives

In accordance with Recommendation R14 of the Middledex Code, the Board of Directors will regularly decide on the succession of current executives in order to ensure the Company's sustainability.

3. Report on the delegations of authority granted by Shareholders' Meetings to the Board of Directors

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

4. Assessment of the work of the Board of Directors

In accordance with recommendation R11, the Chairman of the Board of Directors called on the Directors to assess the work of the Board of Directors at its meeting of 23 March 2022.

This assessment revealed a generally positive assessment of the Board of Directors' ability to fulfil its mission.

5. Specialised committees

Pursuant to the decisions of 28 March 2017, the Board of Directors adopted the internal rules of the Board of Directors in which it determines all the rules relating to the composition and missions of specialised committees (the 'Committees'), the main terms of which are described below.

Committee members are appointed by the Board of Directors.

These Committees study and prepare certain Board of Directors' deliberations and submit their opinions, proposals or recommendations to the Board of Directors.

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

Members of the Committee, as well as any outside persons attending its meetings, are bound by a duty of confidentiality with regard to all information provided to the Committee in which they participate.

The conditions for referral to each Committee are as follows:

- It shall deal with any matter falling within the area of competence assigned to it by this Regulation and shall set its annual programme;
- It may be asked by the Chairman of the Board of Directors of any matter appearing or to be included in the agenda of the Board;
- The Board and its Chairman may also refer other matters to it at any time Within its jurisdiction.

The Chairman of the Board of Directors ensures that the information necessary for the performance of their duties is made available to the Committees. It also ensures that each Committee is kept regularly informed of the legislative and regulatory changes observed and relating to its field of competence. The proposals, recommendations and opinions issued by the Committees are the subject of reports sent by the Chairman of the Committees to the Chairman of the Board for communication to its

members.

5.1 Compensation Committee

The Company has had a Compensation Committee since 2010. Pursuant to the decisions of 24 March 2014, the Board of Directors formalised the creation of this committee and defined its missions, which were further specified by the Board of Directors on 28 March 2017.

Composition

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

At the date of this report, the Compensation Committee had the following three (3) members:

- Mrs. Darlington and
- Mr. Fouchard and
- Gaudeto sprl, represented by Jacques Galloy

It is chaired by Ms. Darlington.

Operation - Missions

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

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

The Compensation Committee meets at least once a year, and as often as necessary, in particular 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.

In addition, it meets as necessary when convened by its Chairman, at its initiative or at the request of the Chairman of the Board of Directors.

In addition, the Compensation Committee gives its opinion on (i) the appointment and dismissal of corporate officers and (ii) the recruitment of any employee whose gross annual compensation exceeds euros150,000.

The Compensation Committee may invite Executive Management to attend its meetings when it deals with issues relating to the recruitment of any employee whose gross compensation exceeds euros150,000.

These recommendations concern all the components of the compensation of the corporate officers, in any capacity whatsoever, and in particular: The fixed portion includes benefits in kind, the variable portion, any severance payments, supplementary pension and death & disability plans, the allocation of stock options, purchase options or free shares, whether these items are paid, granted or assumed by the Company, the company that controls it or a company that it controls. They also concern the balance of the various components of 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 the shareholders at the annual ordinary general meeting concerning the compensation of executive corporate officers.

5.2 Audit Committee

Pursuant to the decisions of 23 January 2015, the Board of Directors decided to set up an audit

committee separate from the Board.

It met for the first time on 18 March 2015.

Composition

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

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

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

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

Operation - Missions

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

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

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

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

To carry out its duties, the Committee must interview the Statutory Auditors and also the Chief Financial Officers. These hearings must be able to be held, when the Committee so wishes, without the presence of the general management.

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

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

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

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

- Ensures compliance with the accounting standards adopted for the preparation of the parent company and consolidated financial statements;
- Examines the accounting and financial information and in particular the financial statements by questioning the accounting translation of significant events or complex transactions that have had an impact on the parent company and consolidated financial statements
- Ensures the existence of internal control and risk management systems and their deployment and ensures that any weaknesses identified give rise to corrective actions;
- Reviews changes to the accounting standards applied in the preparation of the financial statements, as well as any possible non compliance with these standards;
- Ensures the quality of procedures to ensure compliance with applicable financial and stock market regulations.
- Examines with the Statutory Auditors the factors likely to compromise their independence and the safeguards taken to mitigate these risks;
- Monitors the Statutory Auditors' fees budget to ensure that the proposed budgets are in line with the mission;
- Ensures that the process for preparing press releases exists when all accounting or financial information is published.

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

- Nature, frequency and scope of communication with the Audit Committee, the management body and the administrative or supervisory body of the controlled entity;
- Audit approach used and comparison with the previous year;
- Scope of the statutory audit and timetable for its completion;
- Distribution of tasks between the Statutory Auditors;
- Quantitative materiality threshold applied to perform the statutory audit of the financial statements;
- Assessments of events or conditions that could seriously question the entity's ability to continue as a going concern, specifying whether they constitute significant uncertainties;
- Analysis of the valuation methods applied, including the potential impact of changes in methods;
- Significant deficiencies identified in the internal financial control system or its accounting system;
- Any other important point for the Audit Committee, for the supervision of the financial reporting process.

At its meeting of the Board of Directors on 25 March 2020, the Board of Directors proposed to the Committee that the Board of Directors set up a procedure to regularly assess whether agreements relating to ordinary operations and concluded under normal conditions meet these conditions. Persons directly or indirectly interested in any of these agreements will not be able to participate in its assessment.

5.3 Strategy Committee

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

Composition

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

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

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

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

Missions - Operation

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

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

2. Control of the Company

6.1 Status of Statutory Auditors' mandates

We remind you that the term of office of BL2A as Joint Statutory Auditors expired at the end of the 2020 financial year and that, as a result, a resolution renewing the term of office was submitted to the shareholders of the company at the general meeting held on 9 June 2021; this resolution was adopted by the latter. We also remind you that the term of office of the Alternate Statutory Auditor also expired at the end of the 2020 financial year and that the company proposed to the general meeting of shareholders the candidacy of Axen & Gu for this term of office which was also submitted to vote at the general meeting of shareholders on 9 June 2021, this resolution was adopted by the said meeting.

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

None.

6. Terms and conditions of participation and powers of shareholders in general meetings

The various information relating to shareholder participation in General Meetings is specified in Article 22 of the Articles of Association.

The prior notice of meeting published in the BALO published by the Company before any meeting sets out all the procedures for participation and the powers of shareholders at meetings.

B/REMUNERATION POLICY FOR CORPORATE OFFICERS

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

1.1 Corporate office employment contract

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

1.2 Compensation of corporate officers

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

Michel Artières, Chairman and Chief Executive Officer

Michel Artières, since a decision of the Board of Directors on 23 September 2020, on the recommendation of the Appointments and Compensation Committee, has ratified a corporate office agreement for his term of office as Chief Executive Officer, the effects of which are retroactive to 1 July 2020. SerEITRA, a limited liability company of which it is the manager and sole partner, entered into an assistance agreement with the Company. On 23 September 2020, the Board of Directors approved the termination of this agreement with retroactive effect from 30 June 2020.

The services provided by SEREITRA under this contract consisted of management and management assistance to the Company as well as commercial assistance. Michel Artières therefore performs his duties as Chief Executive Officer defined by this corporate office agreement.

1.3 Compensation policy for corporate officers

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

The compensation policy for corporate officers is in line with the Company's corporate interests, contributes to its sustainability and is part of AteME's development strategy.

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

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

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

1.4 Deferred compensation

Corporate officers are not entitled to any deferred compensation, severance pay or retirement benefit referred to in recommendations R16 and R17 of the Middledenext Code.

1.5 Stock options - Free shares

The Chairman and Chief Executive Officer received 3 free shares during the year ended 31 December 2021.

No stock options or bonus shares were granted to the other executive corporate officers.

1.6 Directors' compensation

The compensation allocated to directors is part of an overall allocation approved by shareholders at the Annual General Meeting.

Under the terms of the deliberations of 9 June 2021, the General Meeting authorised the allocation of an amount of euros100000 as directors' fees to be distributed among the directors from today until the meeting of the Board of Directors ruling on the annual financial statements for the current financial year.

Pursuant to the decisions of 26 January 2022, the Board of Directors, after consulting the Compensation Committee, decided to allocate the sum of euros55125 in directors' fees.

In accordance with recommendation R10 of the Middledex Code, the allocation of directors' fees was determined by the Board of Directors based on the directors' attendance at meetings of the Board of Directors and, where applicable, the committees and the time they devote to their duties. It will be determined in the same way for the year ended 31 December 2021.

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

2.1 Total compensation and benefits in kind

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

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

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

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

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

1° Structure of the Company's share capital:

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and taking into account the information received pursuant to Article L. 233-7 of said Code, we hereby indicate the identity of the shareholders who directly or indirectly hold more than one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, one eighteenth (90%) or nineteen twentieths (95%) of the share capital or voting rights as of 31 December 2019:

Shareholders	At 31/12/2021
	% of share capital
Michel Artières	1.78%
SEREITRA	9.03%
Total concert Artières	10.81%
Otus Capital	10.29%
Keren Finance	5.30%
NJJ Capital	5.02%
Other < 5%	68.57%
TOTAL	100.00%

2° Restrictions in the Articles of Association on the exercise of voting rights and share transfers or clauses of agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code:

To the best of the Board of Directors' knowledge, there are no such statutory or contractual restrictions. To the best of its knowledge, there is no commitment to hold shares in force.

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

Sereitra is controlled by Michel Artières.

4° List of holders of any securities with special control rights and description of those rights:

Pursuant to Article L.225-123 paragraph 3, double voting rights are attached to all fully paid up registered shares registered in the name of the same holder for at least two years.

5. Control mechanisms provided for in any employee shareholding system, when control rights are not exercised by the employee

To the best of the Board of Directors' knowledge, there is no control mechanism relating to the employee shareholding system.

6. Agreements between shareholders of which the Company is aware that could lead to restrictions on the transfer of shares and the exercise of voting rights

To the best of the Board of Directors' knowledge, there are no agreements between shareholders that could restrict the transfer of shares and the exercise of voting rights.

7. Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Articles of Association

The Company is administered by a Board of Directors of at least three and no more than eighteen members. The term of office of directors is six years.

These duties end at the end of the Ordinary General Meeting convened to approve the financial statements for the previous fiscal year and held in the year in which the term of office of the director concerned expires. Directors may be re-elected. They may be dismissed at any time by the ordinary general meeting.

The Extraordinary General Meeting may only amend the Articles of Association. As an exception, the Board of Directors may amend the bylaws in order to bring them into line with the laws and regulations in force, subject to ratification of the amendments made by the next extraordinary general meeting. However, it may not increase shareholders' commitments, except in the case of transactions resulting from the consolidation of shares regularly carried out.

8. Powers of the Board of Directors, in particular the issue or redemption of shares

Paragraph A.3 above

9. Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, unless such disclosure, except in cases of legal obligation to disclose, would seriously harm its interests

To the best of the Board of Directors' knowledge, there are no significant agreements entered into by the Company that would be modified or terminated in the event of a change of control.

10° Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment ends due to a public offer

To the best of the Board's knowledge, there is no agreement providing for compensation for members of the Board of Directors or employees if they resign or if they are dismissed without real and serious cause or if their employment ends due to a public tender or exchange offer.

The Board of Directors

Michel Artières

APPENDIX 1
List OF CORPORATE OFFICERS AND FUNCTIONS HELD IN ANY COMPANY ('Company Concerned') BY CHACUN OF THE CORPORATE OFFICERS OF THE SOCIETE DURING THE PAST FINANCIAL YEAR

Identity of the corporate officer	Directorships and positions held within the Company	Name of any company in which the corporate officer exercises other mandates or functions	Directorship/position held in said company
Michel Artières	Chairman and Chief Executive Officer Director	Ateme Inc. Ateme Canada Sereitra	Chairman Chairman Manager
Benoît Fouchard	Director	Peak Scientific SARL	Regional Director Western Europe
Jacques Galloy, legal representative of Gaudeto sprl	Director	Gaudeto sprl Meusinvest S.A. Osimis S.A. A7 Software S.A. Trasis S.A. Seraphin S.A. Upper Room S.A.S. RCF Groupe HEC Université de Liège	Partner and Manager Director Director Director Director Director Director Director, and Member of the Governance Board
Joanna Darlington	Director	EUTELSAT SA EUTELSAT (UK) Ltd Europe Broadband infrastructure	Director of Financial Communication and Head of Group Transformation Director Director

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

Date of the meeting	Type of authorisation	Duration and end date of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year/Amount used/Number of securities issued/subscribed
9 June 2021	Authorisation granted to the Board of Directors to issue equity warrants ('BSA 2021') with cancellation of shareholders' preferential subscription rights for the benefit of categories of persons. (200,000) (28th resolution)	18 months. (Until 10 December 2023)	Maximum number of shares that may be subscribed under the delegation is 200,000.	None
10 June 2020	Authorisation granted to the Board of Directors to grant free shares ('2020 AGM'), existing or to be issued. (200,000) (25th resolution)	38 months. (Until 10 August 2023)	The total number of shares that may be granted under this delegation may not exceed 200,000	None
9 June 2021	Authorisation granted to the Board of Directors to issue shares, securities or securities with preferential subscription rights (Euros700,000; 15 million euros) (19th resolution)	26 months (Until 10 August 2023)	(I) The total maximum nominal amount of capital increases that may be carried out pursuant to the sixteenth, seventeenth, eighteenth, nineteenth, twentieth and twenty first resolutions of the Ordinary and Extraordinary Shareholders' Meeting may not exceed euros700,000, it being specified that the nominal amount of any additional shares to be issued in the event of new financial transactions in order to preserve the rights of holders of securities giving access to the share capital shall be added to this ceiling, if applicable.	None
9 June 2021	Authorisation granted to the Board of Directors to issue shares, securities or securities without preferential subscription rights by public offering (Euros700,000; 15 million euros) (20th resolution)	26 months (Until 10 August 2023)		None
9 June 2021	Authorisation granted to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, ordinary shares and/or securities giving access to the Company's share capital and/or by issuing	26 months (Until 10 August 2023)	(II) The total nominal amount of debt securities giving access to the Company's share capital that may be issued under the above	None

Date of the meeting	Type of authorisation	Duration and end date of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year/Amount used/Number of securities issued/subscribed
	securities giving entitlement to the allocation of debt securities, by private placement referred to in Article L.41 1-2, II of the French Monetary and Financial Code (Euros700,000; 15 million euros; limit of 20% of share capital) (21st resolution)		mentioned delegations may not exceed 15 million euros.	
9 June 2021	Authorisation granted to the Board of Directors to increase the amount of each issue with or without preferential subscription rights that would be decided pursuant to the delegations of authority referred to in the three previous resolutions (Limit of 15% of the initial issue) (22nd resolution)	26 months (Until 10 August 2023)		None
9 June 2021	Authorisation granted to the Board of Directors to issue ordinary shares and/or securities giving access to the Company's share capital in the event of a public exchange offer initiated by the Company (Euros700,000; 15 million euros) (23rd resolution)	26 months (Until 10 August 2023)		None
9 June 2021	Authorisation granted to the Board of Directors to issue ordinary shares and/or securities giving access to the Company's share capital, in consideration for contributions in kind granted to the Company and consisting of equity securities or securities giving access to the Company's share capital (Limit of 10% of the share capital) (24th resolution)	26 months (Until 10 August 2023)		None

Date of the meeting	Type of authorisation	Duration and end date of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year/Amount used/Number of securities issued/subscribed
9 June 2021	Authorisation granted to the Board of Directors to increase the share capital by capitalising premiums, reserves, profits or other items (27th resolution)	26 months (Until 10 August 2023)	Maximum nominal amount: Euros700,000	None
9 June 2021	Authorisation granted to the Board of Directors to issue 500,000 equity warrants ('BSA 2021') with cancellation of shareholders' preferential subscription rights to categories of persons (28th resolution)	18 months (Until 10 December 2023)	Maximum number of shares that may be issued, purchased, subscribed, granted under the delegations (or authorizations) granted under the terms of (i) the 25th resolution of the Ordinary and Extraordinary General Meeting of 7 June 2018 (BSA), (ii) the 19th resolution of the Combined General Meeting of 8 June 2017 (SO) and (iii) the 24th resolution of the Combined General Meeting of 9 June 2016 (AGM): 500,000	1 - Board of Directors' meeting of 5 November 2018 Number of shares granted: 28,000 ('BSA 2018-1') Subscription price: Euros10.8 Opening date: 1 December 2019 Maturity date: 4 November 2026 included 2 - Board of Directors' meeting of 18 July 2019 Number of shares granted: 45,000 ('BSA 2018-2') Subscription price: Euros12.6 Opening date: 1 August 2020 Maturity date: 17 July 2027 included
10 June 2020	Authorisation to grant 500,000 stock options ('SO 2020') (26th resolution)	38 months (Until 10 August 2023)	Maximum number of shares that may be issued, purchased, subscribed, granted under the delegations (or authorizations) granted under the terms of (i) the 19th resolution of the Combined General Meeting of 8 June 2017 (SO) and (ii) the 24th resolution of the Combined General Meeting of 9 June 2016 (AGM): 500,000	1 - Board of Directors' meeting of 5 November 2018: Number of shares granted: 69,000 ('SO 2017-1') Subscription price: Euros10.8 Opening date: 1 December 2019 Maturity date: 4 November 2026 included 2 - Board of Directors' meeting of 18 July 2019: Number of shares granted: 102,000 ('Options 2017-2') Subscription price: Euros12.6 Opening date: 1 August 2020 Maturity date: 17 July 2027 included

Date of the meeting	Type of authorisation	Duration and end date of the delegation	Amount authorised	Use of delegations by the Board of Directors during the past financial year/Amount used/Number of securities issued/subscribed
10 June 2020	Authorisation granted to the Board of Directors to grant free shares in the Company ('2020 AGM') (500,000) (25th resolution)	38 months (Until 10 August 2023)		1 - Board of Directors' meeting of 26 July 2016: Number of shares granted: 29,500 ('2016-1 AGM') Vesting period: 12 months Holding period: 12 months 2 - Board of Directors' meeting of 26 July 2017: Number of shares granted: 8,000 ('2016-2 AGM') Vesting period: 24 months No holding period 3 - Board of Directors' meeting of 5 November 2018: Number of shares granted: 33,000 ('2016-3 AGM') Vesting period: 24 months No holding period 4 - Board of Directors' meeting of 18 July 2019 27 4 - Board of Directors' meeting of 18 July 2019: Number of shares granted: 53,500 ('2016-4 AGM') Vesting period: 24 months No holding period

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

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

This report was prepared and approved by the Board of Directors at its meeting of 23 March 2022 in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code.

It presents the compensation policy for corporate officers, which presents all the components of the fixed and variable compensation of corporate officers of the Company (Chairman, Chief Executive Officers or Deputy Chief Executive Officers and member of the Board of Directors).

In the absence of such a compensation policy, the compensation is determined in accordance with the compensation awarded for the previous financial year or, in the absence of compensation awarded for the previous financial year, in accordance with existing practices within the Company.

The compensation policy for corporate officers is in line with the Company's corporate interests, contributes to its sustainability and is part of AteME's development strategy.

The provisions introduced by Act No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy, known as the 'Sapin II Act' and supplemented by Act No. 2019-486 of 22 May 2019 on the growth and transformation of companies known as the 'Pacte Act' require a vote by the General Meeting of Shareholders on the compensation policy for corporate officers and on the compensation of corporate officers of companies whose shares are admitted to trading on a regulated market,

There are two types of votes:

- The ex ante vote, pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code relating to the compensation policy for the Company's corporate officers. The compensation policy for corporate officers must be in line with the Company's corporate interests, contribute to its sustainability and be part of its commercial strategy. It describes all the components of fixed and variable compensation and explains the decision making process followed for its determination, revision and implementation. This vote concerns the compensation policy as determined by the Board of Directors. This vote will be proposed each year to the shareholders and was proposed for the first time at the Ordinary General Meeting of 8 June 2017 (pursuant to the provisions in force before the entry into force of the above mentioned Covenant law);
- The ex post vote, which will take place at the General Meeting following the one that approved the compensation policy (ex ante vote referred to above). This vote will concern the amounts of compensation paid or attributable to each executive for the previous financial year; it will determine, where applicable, the payment to the Chairman and Chief Executive Officer of the variable or exceptional elements of his compensation for the previous financial year. This vote will be proposed each year to the shareholders and during each major change in the remuneration policy. It was first proposed to shareholders at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2017.

The draft resolutions relating to (i) the compensation policy for corporate officers and (ii) the approval of the amount of compensation paid or attributable to the Chairman and Chief Executive Officer are proposed by the Board of Directors and presented in this report attached to the report on corporate governance.

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

- The compensation policy that it has previously approved may apply;
- In the absence of a previously approved compensation policy, the compensation policy approved

for the previous year will be applied;

- If no compensation policy has been established for the previous financial year, the compensation policy will be granted in accordance with existing practices within the Company.

In this case, the Board of Directors will submit for the approval of the annual general meeting approving the financial statements for the financial year ended 31 December 2021 a draft resolution presenting a revised compensation policy and indicating how the vote of the shareholders and, where applicable, the opinions expressed at the general meeting were taken into account.

In view of the regulations currently applicable, the compensation (fixed, variable or exceptional) of the Chairman and Chief Executive Officer will have to be approved by the general meeting of shareholders voting by a majority of votes.

Consequently, this year you are asked to approve (i) the compensation policy applicable to the members of the Board of Directors and the Chairman and Chief Executive Officer for the financial year ending 31 December 2022 and (ii) the amount of compensation paid or attributable to the Chairman and Chief Executive Officer, if any, for the financial year ending 31 December 2021.

I - REMUNERATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

1.1 Fixed - Variable - Exceptional

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

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

In addition, Michel Artières may receive variable compensation capped at euros180,000 gross depending on the achievement of objectives; this variable compensation breaks down as follows:

- Euros90,000 potential linked to the achievement of the target based on the deferred gross margin
- Euros90,000 potential related to targets based on net income from continuing operations the company

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

1.2 Compensation of Michel Artières for his directorship

As a director of the Company, compensation for his duties (formerly called directors' fees) may be paid to the Chairman of the Board of Directors based on his attendance at the various meetings of the Board of Directors held during each financial year.

During the financial year ended 31 December 2021, no compensation in respect of his directorship was paid to the Chairman and Chief Executive Officer.

1.3 Stock options and bonus shares

At its meeting on 5 May 2021, the Board decided to grant 3,000 free shares to Michel Artières.

1.4 Other remuneration

None

II - RESOLUTIONS SUBMITTED TO THE VOTE OF THE GENERAL MEETING OF SHAREHOLDERS

As a result of the above, we ask you to approve the following resolutions submitted to your vote at this Ordinary General Meeting:

Ninth resolution

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

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

Tenth resolution

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

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

Eleventh resolution

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

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

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The Board of Directors

APPENDIX 4
COMPENSATION OF CORPORATE OFFICERS

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

(In euros)	31/12/2021	31/12/2020 (a)
Michel Artières - Chairman and Chief Executive Officer - Director		
Compensation due for the year (detailed in Table 2) (a)	318,173	366,759
Value of options granted during the year (detailed in Table 4)		
Value of free shares granted (detailed in Table 6)	46,860	
TOTAL	365,033	366,759

(A) Fees including tax due to SEREITRA, of which Michel Artières is the Executive Chairman, for the period from 1 January 2020 to 30 June 2020, then compensation of Michel Artières under his corporate office contract for the period from July 1 to 31 December 2020.

Table 2. Summary table of the compensation of each executive corporate officer

(In euros)	31/12/2021		31/12/2020 (a)	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Michel Artières - Chairman and Chief Executive Officer - Director				
Fixed compensation (a)	175,000	175,000	274,340	274,340
Annual variable compensation	143,173	107,790	63,195	15,790
Multi year variable compensation				
Exceptional compensation			29,224	0
Remuneration of the director in respect of his mandate (formerly called attendance fees)				
Benefits in kind				
TOTAL	318,173	282,790	366,759	290,130

(A) Fees including tax due to SEREITRA, of which Michel Artières is the Executive Chairman, for the period from 1 January 2020 to 30 June 2020, then compensation of Michel Artières under his corporate office contract for the period from July 1 to 31 December 2020.

Table 3. Compensation awarded to non executive corporate officers

Non executive corporate officers (members of the Board of Directors) (In euros)	Amounts granted during the year ended 31/12/2021	Amounts granted during the year ended 31/12/2020
Benoît Fouchard		
Directors' fees	20,563	24,500
Other remuneration		-
Joanna Darlington		
Directors' fees	16,625	24,500
Other remuneration		-
Gaudeto sprl represented by Jacques Galloy		
Directors' fees	17,938	28,000
Other remuneration		-
TOTAL	55,125	77,000

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

None

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

None.

Table 6. Free shares granted to each corporate officer

Free shares granted to each corporate officer						
Free shares granted by the General Meeting of Shareholders during the financial year to each corporate officer	Plan number and grant date	Number of shares granted during the year	Value of shares according to the method used for the consolidated financial statements (1)	Acquisition date	Availability date	Performance conditions
<i>Michel Artières, Chairman and Chief Executive Officer and Director</i>	AGA2019-2 05.05.2021	3,000	15.62 €	24 months	05.05.23	Presence

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

Table 7. Bonus shares that have become available to each corporate officer

None.

Table 8. History of grants of stock options

Information on stock options		
Date of the meeting	08.06.17	TOTAL
Date of Board meeting	05.11.18	
Total number of shares that may be subscribed or purchased, the number of which may be subscribed or purchased by:	69,000	69,000
<i>Corporate officers:</i>		
<i>Michel Artières, Chairman and Chief Executive Officer and Director</i>	25,000	25,000
Start date for exercising options	(1)	(1)
Expiry date	04.11.26	04.11.26
Subscription or purchase price	10.80 €	10.80 €
Exercise conditions (when the plan includes several tranches)	(1)	(1)
Number of shares subscribed at 31.12.2021	5,000	5,000
Cumulative number of share subscription or purchase options expired or cancelled	18,000	18,000
Subscription or purchase options remaining at the end of the year	46,000	46,000

- (1) This share subscription plan is structured into 4 one year tranches representing one quarter of the grant. Stock options may be exercised from the first day following the maturity date of each tranche

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

Stock options granted to and exercised by the top 10 employee beneficiaries other than corporate officers	Total number of options granted/shares subscribed or purchased	Weighted average price	1 Plan
Options granted during the fiscal year by the Company and any company included in the scope of allocation of options to the ten employees of the Company and of any company included in this scope, whose number of options thus granted is the highest (global information)	28,500	15.30 €	05.05.21
Options held on the Company and the companies referred to above, exercised during the financial year by the ten employees of the Company and these companies, whose number of options thus purchased or subscribed is the highest (overall information)	24,025	7.79 €	

Table 10. History of free share grants

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

Table 11. Compensation and other benefits granted to executive corporate officers

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

4. Consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2021 and 31 December 2020

Statement of Financial Position	Notes	31/12/2021 K €	31/12/2020 K €
ASSETS			
Goodwill	11	12,886	13,186
Intangible assets	12	8,877	10,850
Property, plant and equipment	13	3,203	2,889
Rights of use	14	2,862	2,616
Other non current financial assets	16	975	1,198
Deferred tax assets	8	1,508	1,203
Total non current assets		30,311	31,942
Inventories	17	6,558	4,436
Trade receivables	18.1	32,289	31,665
Other current receivables	18.2	12,548	8,335
Cash and cash equivalents	19	11,447	17,095
Total current assets		62,842	61,531
Total Assets		93,153	93,473
LIABILITIES			
Share capital	21	1,571	1,548
Additional paid in capital	21	26,554	25,137
Translation reserve	21	291	111
Other comprehensive income	21	(88)	(217)
Reserves - Group share	21	10,125	9,257
Net income - Group share	21	1,137	(275)
Equity, Group share		39,590	35,561
Non current liabilities			
Employee benefit obligations	24	1,224	1,223
Provisions for charges	25	41	41
Non current financial debt	23	15,189	16,154
Non current lease liabilities	23.2	2,201	1,788
Deferred tax liabilities	8	10	28
Non current liabilities		18,665	19,234
Current liabilities			
Debt on Anevia acquisition	11	-	3,738
Current financial debt	23	6,529	4,633
Current lease liabilities	23.2	745	909
Trade payables and related accounts	26.1	14,173	14,605
Tax and social security liabilities	26.2	5,728	6,490
Other current liabilities	26.3	7,723	8,303
Current liabilities		34,898	38,678
Total Liabilities		93,153	93,473

Income statement	Notes	31/12/2021 12 months K €	31/12/2020 Restated * 12 months K €	31/12/2020 Published 12 months K €
Revenue	3	78,798	70,104	70,739
Cost of sales	4.1	(29,841)	(31,576)	(31,836)
Gross profit		48,957	38,528	38,903
Research and development costs	4.2	(16,012)	(12,639)	(12,693)
Marketing and selling expenses	4.3	(27,086)	(20,052)	(20,171)
General and administrative expenses	4.4	(4,754)	(3,904)	(4,133)
Recurring operating income		1,105	1,933	1,906
Other recurring operating income and expenses	4.5	-	(713)	(713)
Operating profit		1,105	1,220	1,193
Financial expenses	7	(621)	(327)	(327)
Financial income	7	122	34	34
Foreign exchange gains and losses	7	1,010	(1,089)	(1,089)
Income before tax		1,616	(162)	(189)
Income tax expense/income	8	169	(86)	(86)
Net income from continuing operations		1,785	(248)	(275)
Income from discontinued operations		251	(27)	
Gains or losses on disposal of discontinued operations		(899)	-	
Net income		1,137	(275)	(275)
<i>Group share</i>		1,137	(275)	(275)
<i>Non controlling interests</i>			-	
<i>Weighted average number of shares outstanding for basic earnings</i>	9	11,167,335	10,585,138	10,585,138
<i>Weighted average number of shares outstanding for diluted earnings</i>	9	11,591,429	11,027,161	11,027,161
Basic earnings per share (€/share) from continuing operations	9	0.10	(0.02)	(0.03)
Diluted earnings per share (€/share) from continuing operations	9	0.10	(0.02)	(0.03)
Basic earnings per share (€/share) from discontinued operations	9	0.02	0.00	0.00
Diluted earnings per share (€/share) from discontinued operations	9	0.02	0.00	0.00

* Following the disposal of the Enterprise business, the consolidated financial statements have been prepared in accordance with IFRS 5 on discontinued operations (see Note 2.2.1 and Note 10).

IFRS	31/12/2021	31/12/2020
Consolidated Statement of Comprehensive Income	K €	K €
Net income for the year	1,137	(275)
Actuarial gains and losses	150	(109)
Tax effect related to these items	(20)	7
Items not recyclable to income	130	(102)
Consolidation translation adjustments	180	7
Items recyclable to income	180	7
Comprehensive Income	1,447	(370)
<i>Group share</i>	1,447	(370)
<i>Non controlling interests</i>	-	-

Change in shareholders' equity

Change in consolidated shareholders' equity	Share capital Number of shares	Share capital K €	Share premium K €	Reserves and Income K €	Goodwill Conversio n K €	Actuarial gains and losses K €	Equity, Group share K €	Interest Non controlling interests K €	Capital Own K €
At 31 December 2019	10,464,562	1,465	17,307	8,366	104	(115)	27,127	0	27,127
Net income 2020				(275)			(275)		(275)
Other comprehensive income					7	(102)	(95)		(95)
Comprehensive income							(370)		(370)
Issuance of new shares	497,343	70	7,390				7,460		7,460
Vesting of bonus shares	32,000	4	(4)				0		0
Exercise of stock options	66,664	9	444				453		453
Cancellation of treasury shares resulting from the liquidity contract				132			132		132
Share based payments				1,208			1,208		1,208
Capital increase costs				(450)			(450)		(450)
At 31 December 2020	11,060,569	1,548	25,137	8,981	111	(217)	35,560	-	35,560
Net income 2021				1,137			1,137		1,137
Other comprehensive income					180	130	310		310
Comprehensive income							1,447		1,447
Issuance of new shares	74,920	10	1,113				1,123		1,123
Vesting of free shares	52,500	7	(7)				0		0
Exercise of stock options	36,039	6	311				317		317
Cancellation of treasury shares resulting from the liquidity contract				(44)			(44)		(44)
Share based payments				1,187			1,187		1,187
At 31 December 2021	11,224,028	1,571	26,554	11,261	291	(88)	39,590	-	39,590

Consolidated statement of cash flows	Notes	31/12/2021 K €	31/12/2020 Restated * K €	31/12/2020 Published K €
Net income from continuing operations		1,785	(248)	(275)
Net income from discontinued operations		(648)	(27)	-
Net income		1,137	(275)	(275)
Elimination of amortisation of intangible assets	12	792	966	966
Elimination of technology depreciation	12	712	119	144
Elimination of depreciation of property, plant and equipment	13	1,583	1,501	1,510
Elimination of IFRS amortisation 16	14	895	874	874
Additions to provisions	25	152	262	262
Share based payment expense	22	1,187	1,208	1,208
Gross interest paid	7	561	231	231
Losses on disposal of fixed assets		(92)	(5)	(5)
Other		48	109	109
Income taxes (including deferred taxes)	8	(169)	85	85
Cash flow from operating activities before net finance costs and taxes		7,453	5,102	5,109
Change in operating working capital	27	(9,126)	778	898
Operating cash flow from continuing operations		(1,673)	5,880	6,007
Operating cash flow from discontinued operations		1,121	127	-
Cash flow from operating activities		(552)	6,007	6,007
Acquisition of intangible assets	12	(364)	(308)	(308)
Capitalised development costs	12	(661)	(582)	(582)
Acquisition of property, plant and equipment	13	(1,982)	(1,588)	(1,588)
Change in other non current financial assets	16	21	(97)	(97)
Exercise of Anevia Warrants by minority interests	22	0	702	702
Anevia: Earn out		(3,738)	(7,417)	(7,417)
Deconsolidated (Anevia Inc)		0	(21)	(21)
Vitec receivable		(399)	-	-
Net cash from (used in) investing activities		(7,123)	(9,311)	(9,311)
Net cash from (used in) investing activities		-	-	-
Cash flows from investing activities		(7,123)	(9,311)	(9,311)
Exercise of stock options	22	1,440	453	453
Allocation of capital increase costs		0	(450)	(450)
Collection of new borrowings	23	5,430	12,078	12,078
Gross interest paid	7	(563)	(242)	(242)
Repayment of conditional loans and advances	23	(3,654)	(975)	(975)
Repayments of lease liabilities (IFRS 16)	23.2	(794)	(859)	(859)
Changes in assets related to financing flows	23	50	(56)	(56)
Cash flows from continuing operations		1,909	9,949	9,949
Cash flows from discontinued operations		-	-	-
Cash flows from financing activities		1,909	9,949	9,949
Impact of exchange rate fluctuations		121	106	106
Net cash from (used in) discontinued operations		-	-	-
Increase (decrease in cash and cash equivalents)		(5,645)	6,751	6,751
Net cash and cash equivalents at beginning of period		17,092	10,341	10,341
Net cash and cash equivalents at end of period	19	11,447	17,092	17,092
Increase (decrease in cash and cash equivalents)		(5,645)	6,751	6,751
		31/12/2021	31/12/2020 Restated	31/12/2020 Published
Cash and cash equivalents	19	11,447	17,095	17,095
Bank overdrafts		0	(3)	(3)
Cash and cash equivalents at end of period (including bank overdrafts)		11,447	17,092	17,092

* Following the disposal of the Enterprise business, the consolidated financial statements have been prepared in accordance with IFRS 5 on discontinued operations (see Note 2.2.1 and Note 10).

Detailed analysis of the change Working Capital Requirement (in K €)	31/12/2021	31/12/2020 restated	31/12/2020 published
Inventories (net of inventory impairment)	(1,983)	(918)	(999)
Trade receivables (net of trade receivables)	188	(751)	(689)
Other receivables	(4,438)	(542)	(642)
Trade payables and related accounts	(846)	2,220	2,281
Tax and social security liabilities	(860)	(8)	125
Other current liabilities	(1,187)	777	822
Total changes	(9,126)	778	898

Notes to the Financial Statements

(Unless otherwise indicated, the amounts mentioned in these notes are in K €)

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Note 1: Presentation of business and major events

The following information constitutes the Notes to the consolidated financial statements Under IFRS, which is an integral part of the financial statements presented for the years ended 31 December 2021 and 2020. As part of the application of IFRS 5 as of 31 December 2021, the income statement and cash flow statement data have been restated compared to the publication of 31 December 2020. For this purpose, the data of 31 December 2020 have been restated. Each of these financial years has a duration of twelve months covering the period from January 1 to December 31.

1.1 Information on the Company and its business

Created in June 1991, Ateame (a French public limited company) is responsible for the production of electronic and computer devices and instruments for the acquisition, processing and transmission of information.

Ateame offers products and solutions to cover:

- The contribution: Encoders embedded in mobile control cars and decoders installed in studios,
- The 'File' and 'Live' broadcasts: Content transcoding solution for broadcast on all types of screens to monetise content.

Registered office address: 6 rue Dewoitine, 78140 Vélizy Villacoublay

Number of the Trade and Companies Register: 382,231,991 RCS de VERSAILLES

Ateame and its subsidiaries are hereinafter referred to as the 'Company' or the 'Group' or 'Ateame.'
The Company is listed on Euronext Paris Compartment B.

1.2 Significant events of the financial year 2021

On 19 January 2021, Ateame announced the completion of the acquisition of Anevia, a software publisher for the distribution of live, deferred and on demand television and video (VOD) following the successful takeover bid and the squeeze out.

On 28 January 2021, the company announced that it had received three Emmy® Awards in the 'Technology & Engineering' category from the National Academy of Arts and Television Sciences (NATAS) for its outstanding achievements in video compression that contribute to the efficient delivery and distribution of media, content and TV:

- Development of perceptual measurements for video encoding optimisation
- Optimising artificial intelligence processes for video compression
- Development of optimised compression technologies for mass processing

On 4 February 2021, Ateame announced that its multi platform video broadcasting solution was deployed by Viya, the largest telecommunications and entertainment service provider in the Virgin Islands (United States), part of ATN International.

On 25 February 2021, the company announces that it will facilitate more than 50% of ATSC 3.0 deployments in North America in 2020, guaranteeing technological leadership to the largest American broadcasters.

On 9 March 2021, Anevia (now owned by Ateame) and the company celebrate the tenth anniversary of their technological partnership. This collaboration was a key factor in making Net + one of Switzerland's most innovative TV service providers.

On 12 March 2021: Ateame supports the Chinese video industry with the integration of AVS2. Ateame today announced that it has integrated the AVS2 codec into its TITAN range, which is the second generation digital audio video compression standard, defined by the AVS working group, designed to meet the needs of the audio and video industry in China. This is a strengthening of its commitment to the Chinese market, where the company already enjoyed a strong reputation as a supplier of innovative video compression solutions. Ateame's Chinese customers, all leading players, can now take advantage of high quality low speed video and HDR technology to offer viewers an unforgettable quality of experience.

On 16 March 2021: Ateame teamed up with Digitalrich to offer an integrated solution of advertising inserts to customers around the world.

Digitalrich remains the leading supplier of advertising insertion technology in Korea. Thanks to this partnership, Ateame TITAN Live and TITAN Mux and Digitalrich's advertising insertion server are now available as an integrated solution for Ateame customers worldwide. Customers will benefit from a comprehensive advertising replacement solution capable of managing analogue or digital markers as well as advertising campaigns for channels processed by Ateame video processing components.

On 23 March 2021: Ateame's TITAN solutions improve the video quality of more than a million viewers across Denmark.

Ateame today announces that Nuuday, a subsidiary of TDC Group, Denmark's largest telecommunications company, has adopted its TITAN range of solutions to improve the video experience of its viewers. To serve more than a million viewers through its YouSee brands, which provide them with 100 linear channels and VoD services, and Blockbuster, which offers a complete VoD catalogue, Nuuday needed a video encoding solution that could improve video quality and sustain its workflows. To achieve this goal, Nuuday implemented Ateame's TITAN software solutions for live and VOD applications.

On 15 April 2021, Ateame announced today that Nilesat has chosen to deploy its TITAN Live platform for two projects, thereby increasing Ateame's presence in the region.

On 6 May 2021, DU joined forces with Ateame on OTT and SHT projects to improve supply in the United Arab Emirates.

On 11 May 2021, Ateame launched a green delivery solution for video service providers. The Green Delivery solution - an integrated end to end solution allows OTT and DTH operators to significantly reduce the carbon footprint of their video broadcasts, helping them achieve their sustainable development goals.

On 18 May 2021, Ateame added a latency in broadcasting via just in time conditioners to a world first. These updates make Ateame the first to market a low latency JIT package - a complex technical challenge that Ateame has taken up using its own patented technology.

On 25 May 2021, Ateame transcoders took over the first live sports video project on the Huawei cloud in Brazil.

On 1 June 2021, Ateame announced the launch of PILOT Media, a native cloud solution that brings business intelligence, workflow automation and efficiency to the media supply chain.

On 8 June 2021, Ateame announced that its NEA streaming solution now supports the creation of complete channels. This allows content owners, broadcasters and service providers to offer content that is more relevant to their viewers through personalised Tv channels, resulting in more viewers and increased loyalty to OTT and OTA services.

On 15 June 2021, Ateame announced that Korean broadcaster KBS has selected Ateame's Kyrion encoders to update its existing infrastructure, allowing high quality MPEG-2 HD broadcasting.

On 17 June 2021, Ateame worked with Intel to double coding performance by integrating the latest 3rd generation Intel Xeon scalable processors. The company announces a revolutionary increase in the performance of its video encoders. By working closely with Intel and leveraging the combination of Intel processors and Ateame encoders, Ateame customers will benefit from delivery of up to 2 times more efficient encoding for OTT, resulting in high visual quality at lower cost.

On 22 June 2021, Ateame announced that TCCL (Thamizhaga Cable TV Communication Pvt Ltd), one of the largest cable distribution companies in India, with a strong focus on quality of service and content, has chosen to implement Ateame's TITAN Live solution for its cable television platform.

On 24 June 2021, Ateame allows AIS to move to next generation OTT delivery.

The company announces that it has provided a state of the art, just in time packaging and storage solution for AIS, Thailand's largest telecommunications and mobile phone operator.

On 29 June 2021, Ateame and Hoist Group, one of the leading providers of new generation hotel technology in the EMEA region, announced the availability of personal network video recording (NPVR) and catch up television, two new television services designed to improve guest entertainment in the hotel sector.

On 6 July 2021, it announced that it had integrated Dolby Vision[®] HDR and Dolby Atmos[®] immersive audio technologies into its solution, which makes it the first solution on the market to encode and offer the two experiments in native mode.

On 8 July 2021, Ateame announced that its Flamingo network head is being deployed to provide next generation television entertainment for the entire family at SODIC October Plaza, a major residential development in the Greater Cairo area.

On 3 August 2021 Ateame announces that the integrated OTT video broadcasting solution has been selected for the re launch of its TV offering in the Armenian market. With a legacy system in place, Telecom Armenia has identified a need for a scalable and efficient video delivery solution as part of a planned service update that included a new front and back office. The operator has chosen Ateame as the sole supplier, allowing the organisation to benefit from a range of OTT technologies, from reception to CDN.

The 5 August Ateame announces that its encoders and decoders Kyrion provide contribution links to enable the Thai operator National Telecommunications (NT PCL) to distribute the Tokyo 2020 Olympic Games to all broadcasters across Thailand.

The use of Ateame's Kyrion encoders/decoders allows NT PCL to offer Thai viewers a high quality viewing experience thanks to the ultra low latency of the technology and its contribution of high video quality.

On September 16, the National Association of Broadcasters decided to cancel the NAB Show 2021, which was scheduled to be held in October in Las Vegas, United States.

'For more than a year, we worked tirelessly to bring our industry together safely in Las Vegas at the NAB Show. Unfortunately, the pandemic and the thrust of the Delta variant presented unexpected and insurmountable challenges for our global community,' said Chris Brown, Executive Vice President of the National Association of Broadcasters

The next edition will be held on 22 and 23 April 2022 with the participation of Ate me.

On 4 November 2021: Vitec strengthened its leadership position with the acquisition of Anevia's 'Hotels and Businesses' video broadcasting business.

Vitec, a world leader in IP video streaming solutions, acquired the video broadcasting business 'Hotels and Businesses' Flamingo of Anevia, a subsidiary of Ate me. This acquisition strengthens the corporate IPTV activity, Vitec's core business, and with the acquisition of Exerity in April 2021, Vitec is positioned as the world leader in IPTV solutions in the hospitality and business sectors. Ate me will continue to focus on its core business of video broadcasting software for broadcasting, cable, DTH, IPTV and OTT. This operation will provide existing users of Flamingo products with a sustainable video delivery solution for applications in the hospitality and business sectors.

1.3 Impacts of the COVID-19 health crisis on the financial statements at 31 December 2021

Full business continuity during the Covid-19 crisis

During this period of uncertainty, Ate me's priorities were twofold: Protect the health and well being of its employees and partners, in strict compliance with official instructions in order to stop the spread of the virus, and provide all possible support to customers. Lockdown has been imposed in most of the regions in which we operate. Fortunately, the Company has an active and proven telecommuting culture and a robust business continuity plan that ensures complete continuity of all operations, including R & D, 24/7 support and supply chain functions.

In particular:

- Demonstrations, deliveries and installations of TITAN, Ate me software, can be carried out remotely.
- Ate me continues to offer video conferences and other webinars to its customers around the world,
- The research and development team continues to file new patents

Impact of the Covid-19 crisis on the financial perspective

In the first half of the year; given the restrictions on international travel still in force in most countries, very few customers have resumed meeting with their suppliers. The major trade shows in the sector were postponed (from April to October for the NAB in Las Vegas and from September to December for the IBC in Amsterdam) before being finally cancelled.

However, the situation gradually improved in the second half of the year on the travel front thanks to the deployment of vaccination, which contributed to a rebound in sales in the fourth quarter.

In addition, some semiconductor manufacturers face production difficulties that impact the main server manufacturers. This leads to longer lead times and higher costs, resulting in delays in delivery and impacting the gross margin of projects when our customers purchase equipment through us. Ate me has tried to build a security buffer stock to mitigate the impact on customers.

The impacts on 2021 activity related to the health crisis are therefore considered ad hoc. This situation does not call into question the medium- and long term trajectory of the Ate me Group's activity by its management.

1.4 Subsequent events 2021

War in Ukraine

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

Sanctions against Russia are expected to have a significant impact on companies that have business or business ties with Russia.

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

- Sales in Russia and Belarus are limited (approximately 1 million euros in 2021); shipments to these countries have been suspended since 24 February.
- Ateme does not depend in any way (supply chain, R & D or finance) on the countries concerned and does not have any late payments from customers in these markets.

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

The Company could be exposed in several ways:

- Supply problems, particularly on metals (titanium, etc.) or electronics;
- Higher product production costs linked to the surge in raw materials and energy.

On 11 January 2022, the long standing collaboration between Canal + and Ateme moved up a gear. Canal + subscribers can now enjoy HP and UHD streaming sports events with low latency via the myCANAL app, with an almost non existent offset between the live event and its broadcast on the screen.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and Ateme announced that they had worked together to add Ateme's BISS CA standard to Globecast's arsenal of cutting edge security options. Given the central role of content security in the sector, this is an important addition.

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

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

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

Note 2: Accounting principles, rules and methods

The financial statements are presented in K € unless otherwise indicated.

2.1 Accounting principles

Statement of compliance

Ateme has prepared its consolidated financial statements approved by the Board of Directors on 23 March 2022, in accordance with the standards and interpretations published by the International Accounting Standards Boards (IASB) and adopted by the European Union on the date of preparation of the financial statements, for all periods presented.

These standards, which are available on the European Commission's website, incorporate international accounting standards (IAS and IFRS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

The accounting principles, methods and options adopted by the Company are described below. In some cases, IFRS leaves the choice between the application of a reference or other permitted treatment.

Principle of preparation of financial statements

The Group's financial statements have been prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, in accordance with IFRS. The categories concerned are mentioned in the following notes.

Going concern

The assumption of going concern over the next 12 months from 31 December 2021 has been adopted by the Board of Directors on the basis of available cash and revised revenue and gross margin growth assumptions.

Accounting policies

The accounting policies described below have been applied on an ongoing basis 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 IFRS 4 published on 16 December 2020,**
- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 published on 14 January 2021,**
- **Amendments to IFRS 16 - Covid-19- Related Rent Concessions beyond 30 June 2021, published on 31 August 2021.**

The other standards, amendments and interpretations have had no impact on the Group's financial statements or are not applicable

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

The other standards, amendments and interpretations have had no impact on the Group's financial statements or are not applicable.

Standards, amendments to standards and interpretations adopted by the European Union but not yet mandatory for the annual financial statements 2021

The Group has elected not to early adopt the standards, amendments and interpretations adopted by the European Union but whose early application would have been possible and which will come into force after 31 December 2021.

These mainly include:

- ***Amendments to IFRS 3, IAS 16, IAS 37, published on 14 May 2020,***
- *Improvements to IFRS 2018-2020 cycle of IAS 41, IFRS 1, IFRS 9 and IFRS 16, published on 28 June 2021.*
- ***IFRS 17 - Insurance contract published on 23 November 2021.***

The Group does not expect the amendments to have a material impact on its financial statements. There are no standards, amendments and interpretations published by the IASB and mandatorily applicable for financial years beginning on or after 1 January 2021, but not yet approved at European level (and whose early application is not possible at European level), which would have a significant impact on the financial statements for this financial year.

Standards and interpretations published by the IASB and not yet adopted by the European Union at 31 December 2021

- ***Amendments to IAS 12: 'Deferred tax on assets and liabilities arising from the same transaction (application planned for 1 January 2023 by the IASB, date of application by the EU not known),***
- ***IFRS 14: Regulatory deferral accounts (application scheduled for 1 January 2016 by the IASB, date of application by the EU not known),***
- ***Amendments to IAS 1: Classification of liabilities as current or non current (application planned by the IASB on 1 January 2023, date of application by the EU not known),***
- ***Amendments to IAS 1: Disclosures on accounting principles and methods (application planned for 1 January 2023 by the IASB, date of application by the EU not known),***
- ***Amendments to IAS 8: Definition of an accounting estimate (application planned for 1 January 2023 by the IASB, date of application by the EU not known),***
- ***Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and an associate or joint venture.***

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

Consolidation principles

Fully consolidated companies

The consolidated financial statements include, in full consolidation, the financial statements of subsidiaries over which the Group directly or indirectly exercises exclusive control. The Group considers that it has exclusive control over an entity when it has the ability to direct the operating and financial policies of that entity in order to obtain economic benefits. Full consolidation makes it possible to take into account, after elimination of internal transactions and results, all assets, liabilities and income statement items of the companies concerned, the share of income and equity reselling to Group companies (Group share) being distinguished from that relating to the interests of other shareholders (Non controlling interests). All material transactions between the Consolidated Companies as well as internal results (including dividends) are eliminated.

Main Group companies at 31 December 2021

Subsidiaries

Subsidiaries are all entities for which the Company has the power to govern financial and operating policies, generally accompanied by the holding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which the Company acquires control. They are deconsolidated from the date on which control ceases to be exercised.

Intra group transactions and balances are eliminated. The financial statements of the subsidiary are prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting methods.

At 31 December 2021, seven companies were fully consolidated. The companies held directly are as follows:

Companies	Countries	Group control in%	Interest in%
Ateme SA	France	Parent company	
Ateme USA Inc	United States	100	100
Ateme Canada Inc	Canada	100	100
Ateme Singapore	Singapore	100	100
Ateme Japan KK	Japan	100	100
Ateme Australia	Australia	100	100
Anevia SA	France	100	100

2.2 Recent events and changes to previously published financial statements

Discontinued operations

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

This agreement concerns the sale of the 'Flamingo' business including:

- The customer file comprising all commercial, trading, previous orders, past support and guarantees and customer disputes;
- All exclusive rights and source codes on the following software:
 - o Flamingo software suite;
 - o Any other codes necessary for the operation of the product;
- The domain name 'anevia-hospitality.com' filed with Amen, whose name was renewed on 25 March 2021, accompanied by all the functionalities necessary for its use;
- All intellectual property rights relevant to the operation of the transferred fund;
- The right of use and the right to licence the 'Packeng' bookshop;
- The social file of each employee transferred;
- Tangible and material items made available to transferred employees;
- Any marketing and commercial material and content;
- All contracts concluded with customers and not yet completed;
- All contracts with suppliers and the integrator network;
- All ongoing support contracts with customers;
- Inventories of products related to the transferred Fund.

The sale price of the business is set at €800k, with an earn out for a maximum amount of €1200k, which will be paid in the event that Vitec reaches a gross margin on the business over the next 2 financial years (2022 and 2023).

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

2.3 Use of judgements and estimates

To prepare the financial statements in accordance with IFRS, estimates, judgements and assumptions have been made by Group Management; they may have affected the amounts presented for assets and liabilities, contingent liabilities at the date of preparation of the financial statements, and the amounts presented for income and expenses for the year.

These estimates are based on the assumption of going concern and are based on information available at the time of preparation. They are measured continuously on the basis of past experience and various other factors considered reasonable which form the basis of the assessments of the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual results may differ significantly from these estimates depending on different assumptions or conditions.

The main estimates or significant judgements made by the Company's management relate in particular to the following:

- Allocation of stock options or equity warrants to employees and executives
 - The fair value of share based payments is determined using the Black & Scholes option pricing model, which takes into account assumptions about complex and subjective variables. These variables include the value of the Company's shares, the expected volatility of the share price over the life of the instrument and the current and future behavior of the holders of these instruments. There is a high inherent risk of subjectivity arising from the use of an option pricing model in determining the fair value of share based payments in accordance with IFRS 2.
 - The valuation assumptions used are presented in Note 22.
- Revenue recognition
 - Some perpetual licence agreements include a maintenance component subject to the transfer of final ownership. Thus, in this context, the Group may have to take into account comparable data to determine the revenue to be recognized on each contract.
 - The accounting principles are presented in Note 3.
- Capitalised development costs
 - The Group devotes significant efforts to research and development. In this context, the Group must make judgements and interpretations in determining the development costs to be capitalised as soon as all of the six criteria defined by IAS 38 are met.
 - The accounting principles and the amount of capitalised costs are presented in Note 12.
- Impairment of inventories
 - The Group determines a provision for inventory impairment based on an analysis of the probable net realisable value of its inventories, which is based on historical and forecast data. In this context, the Group may have to take into account assumptions (particularly in terms of technological changes in the different versions of maps and the risk of obsolescence of these products).
 - The accounting principles and the amount of provisions are presented respectively in Note 17.
- Provision for retirement obligations

- The Group uses assumptions related to turnover, discount rate and salary increases based on historical data. In this context, the Group may have to take into account assumptions.
- The accounting principles and the amount of provisions are presented in Note 24.
- Impairment of trade receivables
 - The Group determines a provision for customer impairment based on historical losses recognised on certain categories of customers. In this context, the Group may have to take into account assumptions (particularly in terms of customer risk).
 - The accounting principles and the amount of provisions are presented respectively in Note 18.1.
- Lease obligations
 - The determination of the lease terms and renewal options used to determine the value of the debts and rights of use in accordance with IFRS 16 'Leases.' The accounting principles are presented in Notes 7 and 14 and in the section on accounting principles.
- Allocation of the acquisition price of assets and liabilities at fair value (see Note 11)
- Impairment tests on assets (see Note 15)

2.4 Presentation functional currency

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

2.5 Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency at the exchange rate prevailing on the transaction date. 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 resulting from the translation of monetary items correspond to the difference between the amortised cost denominated in the functional currency at the beginning of the period, adjusted for the impact of the effective interest rate and payments over the period, and the amortized cost denominated in the foreign currency translated at the closing exchange rate.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency using the exchange rate at the date the fair value was determined. Exchange differences resulting from these conversions are recognised in the income statement, with the exception of differences resulting from the translation of available for sale equity instruments, a financial liability designated as a hedge of a net investment in a foreign operation, or instruments qualified as cash flow hedges, which are recognised directly in equity.

Translation of the financial statements of foreign subsidiaries

The euro, used as the presentation currency, is the currency in which most of the cash flows are generated within the Group. The Company's functional currency is the euro and the functional currencies of its subsidiaries are as follows:

- 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 exchange rate at 31 December 2021;
- 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 prevailing on the effective date of the transactions.

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

As of 31 December 2021, the Japanese subsidiary was considered as a long term net investment in accordance with IAS 21. The impact on the translation reserve in the financial statements at 31 December 2021 was € (28) thousand.

2.6 Current and non current distinction

The Group applies a balance sheet presentation distinguishing between current and non current portions of assets and liabilities.

The distinction between current and non current items was made according to the following rules:

- Assets and liabilities forming the working capital requirement in the normal business cycle are classified as 'current';
- Assets and liabilities, excluding the normal operating cycle, are presented in 'current' on the one hand and 'non current' on the other hand, depending on whether their maturity is more or less than one year or following the application of specific cases covered by IAS 1.

2.7 Recoverable amount of non current assets

Amortised assets are tested for impairment whenever there is an internal or external indication that an asset may be impaired.

At 31 December 2021 and 2020, there were no internal or external indications of impairment (see Note 15).

2.8 Receivables and payables denominated in foreign currencies

Payables and receivables denominated in foreign currencies are recognised at the exchange rate prevailing on the initial transaction. At the balance sheet date, the corresponding asset and liability items are measured at the closing exchange rate.

2.9 Segment reporting

The Group operates in a single segment: Marketing professional video compression solutions.

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

Research and development costs, most of the administrative costs are incurred in France. At this stage, these costs are not allocated to the geographical areas in which these products are marketed.

Thus, the Company's performance is currently analysed at the level of the identified segment. The Company monitors two performance indicators:

- Revenue
- Restated EBITDA (see Note 5)

2.10 Other comprehensive income

Items of income and expenses for the period recognised directly in equity are presented, where applicable, under the heading 'Other comprehensive income.'

Note 3: Revenue

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

Multiple element service contracts

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

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

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

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

Revenue recognition at a given date over time or continuously

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

For recurring services, revenue is recognised continuously as the customer benefits immediately from the services as soon as they are provided by the Group. When the Group has a right to bill the customer that corresponds directly to the performance obligation achieved at the date, revenue is recognized for this amount.

Intellectual property licences

These perpetual licences (without any time limit) transfer to the customer:

- Or a right of use of intellectual property as it exists at the precise time the licence is granted (static license), These licenses only benefit from corrective updates

- Or a right of access to intellectual property as it exists throughout the licence term (dynamic license). These licences benefit from the upgrades provided by the Group.

Since 1 January 2019, the company has been offering dynamic licence offers to its customers, this multi year offer allows customers to benefit from unlimited licences including versions of the product roadmap during the contract term. The contractual analysis of these contracts leads to the identification of two performance obligations:

- Revenue is recognised as soon as the licence is granted. The amount to be recognised is analysed on a contract by contract basis to identify the value to be allocated to the initial licence;
- This revenue is recognised on a straight line basis over the term of the contract (in line with the rate of version upgrades).

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

The Group has not implemented a commercial policy giving rise to variable counterparties.

The Group's revenue mainly comprises the marketing of products (decoders, encoders, etc.), solutions for the acquisition, processing and transmission of information, as well as maintenance and service contracts.

Revenue by geographic area for the last 2 years ended 31 December 2021 and 2020 is as follows:

REVENUE BY GEOGRAPHICAL AREA (Amounts in K €)	31/12/2021	31/12/2020 *
France	8,557	5,011
Rest of the world	70,241	65,093
Total revenue	78,798	70,104

REVENUE BY GEOGRAPHICAL AREA (Amounts in K €)	31/12/2021	31/12/2020 *
EMEA	31,118	24,298
USA Canada	26,552	26,451
Latin America	8,140	7,549
Asia Pacific	12,990	11,805
Total	78,798	70,104

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

The Group's largest customer, its five largest customers and its ten largest customers represented, respectively, 4.5%, 18% and 28% of its consolidated revenue for the 2021 financial year; 6%, 21% and 33% of its consolidated sales for 2020

The Group's revenues are fairly balanced between its main customers and, to date, believes that it is only exposed to a limited risk of dependence on its customers.

The Group's revenue recognition rate is as follows:

Category of sales (Amounts in K €)	IFR recognition method 15	31/12/2021	31/12/2020 *
Static licences, equipment	Immediately	59,242	54,765
Dynamic licences	Gradually	3,937	3,362
Maintenance	Gradually	15,619	11,977
Total		78,798	70,104

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

Net assets and liabilities of customer contracts

The timing of revenue recognition may differ from the timing of billing to the Group's customers. The trade receivables presented in the Consolidated Statement of Financial Position represent an unconditional right to the counterparty (essentially receipt), ie the services or goods promised to the client have been provided.

Contract liabilities represent the amounts for which the customer made a payment to AteME before obtaining the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts billed and received for goods or services that remain to be provided, for example, for maintenance services (deferred income).

Customer contract assets and liabilities are presented in current assets and current liabilities, respectively, as they fall within the Group's normal operating framework.

Customer contract liabilities (deferred income on advances) evolved over the period as follows:

Change in customer contract liabilities (Amount in K €)	31/12/2021	31/12/2020
Opening balance	7,411	5,391
Amount recognised in sales for the period	(7,354)	(4,419)
Amount to be recognised in future periods	7,085	6,537
Translation adjustment	103	(98)
Closing balance	7,245	7,411

Note 4: Breakdown of income and expenses by function

The Company presents its income statement by function.

Impairment of trade receivables and inventories

Impairment of trade receivables is presented in 'Cost of sales.'

Impairment of inventories is recorded under 'Cost of sales.'

Operating leases

Payments made under these operating leases, net of any incentive measures, are expensed in the income statement on a straight line basis over the term of the lease.

Subsidies

Subsidies received are recorded as soon as the corresponding receivable becomes certain, taking into account the conditions laid down for the grant.

Operating subsidies are recognised as current income, taking into account, where applicable, the rate of corresponding expenditure.

Research tax credit

Research tax credits are granted to companies by the French State to encourage them to carry out technical and scientific research. Companies that justify expenses meeting the required criteria benefit from a tax credit that can be used for the payment of the corporation tax due for the fiscal year in which the expenses are incurred and for the next three fiscal years or, where applicable, be reimbursed for its excess share.

The research tax credit is presented in the statement of comprehensive income as a grant at the level of research and development expenses based on the origin of the expense.

The portion of the research tax credit relating to capitalised development costs is recorded as a deduction from assets.

The Company has benefited from the research tax credit since 1996.

4.1 Cost of Sales

Cost OF SALES (Amounts in K €)	31/12/2021	31/12/2020
Purchases of goods	(20,890)	(24,839)
Personnel expenses	(7,172)	(4,804)
Indirect production costs	(1,036)	(1,330)
Transport costs	(743)	(603)
Cost of sales	(29,841)	(31,576)

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

4.2 Research and Development expenses

Subsidies

Subsidies amounting to €445k, recorded in the income statement, mainly correspond to operating subsidies whose main characteristics are as follows:

- The grant for the nested project granted by MINEFI in the amount of €326k. Income recognised in the income statement amounted to €109k over the period.
- The subsidy for the IA4SEC project granted by MINEFI in the amount of €473k. Income recognised in the income statement amounted to €172k over the period.
- The subsidy for the 3EMS project granted by the Brittany Region in the amount of €118k. Income recognised in the income statement amounted to €71k over the period.

RESEARCH AND DEVELOPMENT (Amounts in K €)	31/12/2021	31/12/2020
Personnel expenses	(17,365)	(12,641)
Other	(340)	(456)
Share of general expenses	(551)	(424)
Amortisation of capitalised R & D costs	(468)	(666)
Amortisation of technology	712)	(119)
Depreciation, amortisation and provisions	(1,747)	(1,621)
Taxes and training	(209)	(142)
Leases	(131)	(143)
Purchases not stored	(337)	(300)
Travel, Missions and Reception	(47)	(25)
Share based payments	(377)	(372)
Capitalisation of R & D costs net of outflows	660	520
Research and Development expenses	(21,625)	(16,388)
Research tax credit and Innovation tax credit	5,169	3,347
Subsidies	445	402
Research and Development expenses	(16,011)	(12,639)

4.3 Marketing & Sales Fees

MARKETING AND SALES EXPENSES (Amounts in K €)	31/12/2021	31/12/2020
Personnel expenses	(23,028)	(16,108)
Travel expenses	(671)	(563)
Other	(132)	(618)
Share of general expenses	(1,007)	(774)
Trade shows	(452)	(289)
Depreciation, amortisation and provisions	(582)	(540)
Taxes and training	(382)	(259)
Leases	(240)	(261)
Share based payments	(592)	(638)
Marketing and sales expenses	(27,086)	(20,052)

4.4 General and administrative expenses

GENERAL AND ADMINISTRATIVE EXPENSES (Amounts in K €)	31/12/2021	31/12/2020
Personnel expenses	(2,737)	(2,099)
Fees	(1,366)	(1,149)
Travel expenses	(17)	(14)
Depreciation, amortisation and provisions	(154)	(239)
Share of general expenses	(114)	(118)
Taxes and training	(43)	(106)
Other	(201)	(93)
Share based payments	(122)	(86)
General and administrative expenses	(4,754)	(3,904)

4.5 Other operating income and expenses

Other operating income and expenses correspond to capital increase costs not eligible for recognition as a deduction from the share premium, for €723k, and an impact related to the disposal of Anevia INC for €9k as of 31 December 2020.

Note 5: Restated EBITDA

'Recurring operating income' is defined as the difference between total operating income and 'Other operating income' and 'Other operating expenses.'

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

Restated Ebitda (Amounts in K €)	31/12/2021	31/12/2020 * Restated
Recurring operating income	1,105	1,933
(-) DPA on intangible assets and property, plant and equipment	(2,375)	(2,444)
(-) DPA on acquired technologies	(712)	(119)
(-) DPA on rights of use	(895)	(874)
(-) Provision/reversal	(152)	(262)
(-) IFRS share based payment 2	(1,187)	(1,208)
Restated Ebitda	6,426	6,863

* restated for the disposal of the Enterprise business line in accordance with the provisions of IFRS 5 relating to discontinued operations

Note 6: Group headcount

The number of employees 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 2021	Fiscal year 2020
Cost of sales	90	81
Research and development	245	206
Marketing and sales	118	133
General expenses	35	33
Total headcount at 31 December	488	453
Of which Anevia		114
O/w service providers	97	94

Note 7: Financial income and expenses, net

Net financial income includes:

- Expenses related to the financing of the Company: Interest paid and accretion of repayable advances and financial liabilities (see Note 23).
- Interest income.

Any foreign exchange gains or losses are also recognised in the financial result.

FINANCIAL INCOME AND EXPENSES (Amounts in K €)	31/12/2021	31/12/2020
Amortised cost of the loan	(609)	(313)
Other financial expenses	(12)	(14)
Financial income	122	34
Foreign exchange gains and (losses)	1,010	(1,090)
Total financial income and expenses	511	(1,383)

Other financial expenses mainly comprise discounts granted.

Financial expenses mainly comprise the unwinding of the discount on repayable advances and interest on finance leases.

Foreign exchange gains and losses are mainly due to the translation of bank accounts into USD.

Note 8: Income taxes

Current and prior year tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities.

The tax rates and tax regulations used to determine these amounts are those enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised, using the balance sheet method and the liability method, for all temporary differences existing at the balance sheet date between the tax base of assets and liabilities and their carrying amount in the balance sheet, as well as on tax loss carryforwards.

Deferred tax assets are recognised in respect of tax loss carryforwards when it is probable that the Company will have future taxable profits against which these unused tax losses can be offset. The determination of the amount of deferred tax assets that can be recognised requires management to make estimates of both the period of consumption of tax loss carry forwards and the level of future taxable profits, with regard to tax management strategies.

The tax rate applicable to the Company is the rate in force in France at 31 December 2021, i.e. 26.5%. This rate will continue to decrease gradually to 25% from 2022.

At 31 December 2021, temporary taxation was taken into account. A deferred tax has been recognised in the amount of the forecast taxable income estimated prudently over a short period (3 years). The Group recognised part of its tax losses for a deferred tax amount of €1291k. This assessment will be reviewed at each closing based on future results. Anevia's total tax loss carryforwards amounted to €32683k. Ateме's tax loss carryforwards amounted to €26722k.

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

INCOME TAX EXPENSE (Amounts in K €)	31/12/2021	31/12/2020
Current taxes	(170)	-
Deferred taxes	339	(86)
Income tax expense	169	(86)

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

Deferred Taxes (Amounts in K €)	
Statement of Financial Position as at 31 December 2020	1,175
Deferred tax (expense)/income	339
Change in deferred tax relating to actuarial gains and losses IAS 19	(20)
Impact of exchange rates	4
Statement of Financial Position as at 31 December 2021	1,498

Reconciliation between theoretical and actual taxes

TAX PROOF (Amounts in K €)	31/12/2021	31/12/2020
Net income	1,137	(275)
Consolidated tax	169	(86)
Income before tax	967	(190)
Current tax rate in France	26.50%	28.00%
Theoretical tax at current rate in France	(256)	53
Permanent differences	(404)	(1,067)
Share based payments	314	338
Impact of deferred tax	515	589
Group tax expense/income	169	(86)

Permanent differences mainly correspond to the impact of the research tax credit (non taxable operating income).

Nature of deferred taxes

NATURE OF DEFERRED TAXES (Amounts in K €)	31/12/2021	31/12/2020
Temporary differences	570	375
Tax loss carryforwards	1,334	1,186
Total deferred tax assets	1,904	1,561
Temporary differences	406	386
Total items with a deferred tax liability	406	386
Total net deferred taxes	1,498	1,175

Note 9: Earnings per share

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

BASIC EARNINGS PER SHARE	31/12/2021	31/12/2020
Net income for the year (in K €)	1,137	(275)
Weighted average number of shares outstanding for basic earnings *	11,167,335	10,585,138
Basic earnings per share (€/share)	0.10	(0.03)
Weighted average number of shares outstanding	11,167,335	10,585,138
Stock options outstanding	228,615	336,523
Weighted average free shares outstanding	86,575	105,500
Weighted average BSA	108,904	-
Weighted average number of shares for diluted earnings	11,591,429	11,027,161
Diluted earnings per share (€/share) **	0.10	(0.03)

* Net of treasury shares issued under the liquidity contract

** from continuing operations

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year. Instruments granting deferred rights to equity are considered anti dilutive as they reduce losses per share. Diluted losses per share are therefore identical to basic losses per share.

Note 10: Discontinued operations

A non current asset or group of assets and liabilities is held for sale when its carrying amount will be recovered primarily through a sale and not through continuing use. For this to be the case, the asset must be available for immediate sale and highly probable sale.

These assets or groups of assets are presented separately from other assets or groups of assets, on the line 'Assets held for sale' of the consolidated balance sheet when they are material.

These assets or groups of assets are measured at the lower of the carrying amount or the estimated selling price, net of costs relating to the sale. The liabilities of a group of assets held for sale are presented in the line 'Liabilities related to assets held for sale' in the consolidated balance sheet.

A discontinued operation is defined as a component of the entity that is either sold or classified as held for sale, which represents a significant activity or geographical area for the Group.

The Company considered that the disposal of the Enterprise business fell within the definition of a discontinued operation within the meaning of IFRS 5.

10.1 Income statement

In accordance with IFRS 5 § 33 et seq. the 'Net income from discontinued operations' presented in the consolidated income statement of €251k includes:

- The result of the 'Hotels and Business' activity from January 1 to 31 October 2021 for an amount of €377k.
- €126k in amortisation of technology allocated to the Enterprise business from January 1 to January 31, October 2021.

The contribution of discontinued operations breaks down as follows:

NET INCOME FROM DISCONTINUED OPERATIONS	31/12/2021 12 months K €	31/12/2020 12 months K €
Revenue	2,302	635
Cost of sales	(1,043)	(260)
Gross Margin	1,259	375
Research and development costs	(507)	(54)
Marketing and selling expenses	(501)	(119)
General and administrative expenses	-	(229)
Operating profit	251	(27)
Net income from discontinued operations	-	-
Net income from discontinued operations	251	(27)

The disposal of the Enterprise business line led the Company to recognise a net gain of € (899) thousand for the year ended 31 December 2021, which can be broken down as follows:

Proceeds from disposals recognised in 2021 + €800k
 Expenses incurred (86) K €
 Net book value of assets and liabilities sold (1,605) € K

Gains (losses) on disposal of discontinued operations (899) € K

The assets and liabilities sold mainly comprise the sale of the technology range for €1368k and the goodwill related to the divested business for €300k.

10.2 Cash flow statement

In accordance with IFRS 5, 'Cash flows from discontinued operations' in the consolidated statement of cash flows include cash flows from AteME group companies from January 1 to 31 October 2021 and from the divested business, as follows:

CASH FLOW STATEMENT OF DISCONTINUED OPERATIONS	31/12/2021	31/12/2020
	12 months	12 months
	K €	€
Operating cash flow from discontinued operations	1,121	126
Net cash from (used in) investing activities	-	-
Cash flows from discontinued operations	-	-
Impact of exchange rate fluctuations	-	-
Net cash from discontinued operations	1,121	126

Note 11: Business combinations and goodwill

Business combinations are accounted for using the acquisition method as defined in IFRS 3. Under this method, the identifiable assets acquired and liabilities assumed of the acquiree are recognised at their fair value at the acquisition date.

Goodwill arising from the business combination is measured as the excess of the total amount of consideration transferred, the amount of any non controlling interest and, where applicable, the fair value of the previously held interest over the net balance of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Goodwill is measured in the functional currency of the acquired entity and is recognised as an asset in the statement of financial position. The Group may choose, on a transaction by transaction basis, at the acquisition date, to measure non controlling interests either at fair value ('full goodwill' method) or at the share in the fair value of the identifiable net assets of the acquiree ('partial goodwill' method).

In accordance with IFRS, goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired (see Notes 12 and 15).

When the business combination is carried out on advantageous terms, negative goodwill ('badwill') is identified. The corresponding gain is recognised in profit or loss on the acquisition date.

Acquisition related costs are recognised in profit or loss in the periods in which the costs are incurred and the services received.

In accordance with IFRS 3, the Group has a measurement period to finalise the accounting for business combinations, which ends as soon as the latest necessary information is obtained and no later than one year after the acquisition date.

In accounting for acquisitions of joint ventures, the Group applies the acquisition method as defined by IFRS 3 'Business Combinations.'

Determination of goodwill:

Goodwill is measured as the excess of the total:

- The consideration transferred;
- The amount of any non controlling interest in the acquiree; and
- In a business combination achieved in stages, the fair value of the acquirer's previously held interest in the acquiree;

Compared to the net carrying amount of identifiable assets acquired and liabilities assumed.

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

Valuation of goodwill

Goodwill is not amortised but is tested for impairment once a year or more frequently if there is an indication of impairment. Goodwill is tested at the level of Cash Generating Units (CGUs), which are homogeneous groups generating cash flows that are largely independent of the cash flows generated by the other CGUs.

The methods used to perform these impairment tests are presented in Note 15 'Impairment tests.'

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

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

Note 12: Intangible assets

Intangible assets mainly comprise licences, software development and development costs.

Research and development costs

Research costs are systematically expensed.

In accordance with IAS 38, development costs are recognised as intangible assets only if all of the following criteria are met:

- a) Technical feasibility necessary for the completion of the development project,
- b) The Company's intention to complete the project,
- c) Its ability to use this intangible asset,
- d) Demonstration of the probability of future economic benefits attached to the asset,
- e) Availability of technical, financial and other resources to complete the project and
- f) Reliable evaluation of development expenditure.

Capitalised costs are costs that are directly attributable to the production of the asset, which include:

- The costs of services used or consumed to generate the intangible asset;
- Salaries and expenses of personnel engaged in generating the asset.

Expenses are capitalised only from the date on which the conditions for activating the intangible asset are met. Expenditure ceases to be recognised as an asset when the intangible asset is ready for use and marketed.

Capitalised development costs are amortised on a straight line basis from 1 to 4 years, depending on their useful life.

Amortisation of capitalised development costs is presented in the 'Research and development expenses' category.

Software

Costs related to the acquisition of software licences are recognised as assets on the basis of the costs incurred to acquire and bring the software into service.

Other intangible assets

In accordance with IAS 38 criteria, acquired intangible assets are recognised as assets at acquisition cost.

Amortisation period and expense

When they have a finite useful life, depreciation is calculated on a straight line basis in order to allocate the cost over their estimated useful life, namely:

Items	Amortisation period
Development costs	1 to 4 years
Licences and software development	1 to 5 years
Developed technologies	9 to 10 years

The amortisation expense of intangible assets related to software licences and developments is recognised in the income statement and allocated according to their use in the following categories: Costs of sales, marketing and selling expenses, research and development expenses and general and administrative expenses.

The amortisation expense of intangible assets relating to capitalised development costs and technology is recognised in the income statement under research and development expenses.

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Other intangible assets	Software	Technologies	Development costs	Work in progress	Total	Of which cash impact
Statement of Financial Position as at 31 December 2020	41	1,548	9,350	5,933	63	16,935	1,639
Capitalised development costs				165	495	660	660
Acquisition		239			125	364	324
Disposals/scraping	(41)	(193)	(1,520)*			(1,754)	
Impact of exchange rates		1				1	
Transfer		63			(63)	0	
Statement of Financial Position as at 31 December 2021	0	1,658	7,830	6,098	621	16,207	1,025
AMORTISATION							
Statement of Financial Position as at 31 December 2020	41	1,336	144	4,565	0	6,085	-
Increase		324	838	468		1,631	
Disposals/scraping	(41)	(192)	(152)*			(386)	
Statement of Financial Position as at 31 December 2021	0	1,467	830	5,033	0	7,330	-
CARRYING AMOUNT							
At 31 December 2020	-	213	9,206	1,369	63	10,850	
At 31 December 2021	-	191	7,000	1,065	621	8,877	

* Of which impact of exit from the Enterprise business line

The projects whose development costs have been capitalised concern the Kyrion, TITAN File and TITAN Live projects for the years 2010 to 2021.

The Covid-19 health crisis, although not in itself an indication of impairment, did not call into question medium term business projections by Group management. Accordingly, no impairment losses were recognised in accordance with IAS 36.

At the time of the acquisition of Anevia, a gross technology value of €9350k was recognised on the Telco and Enterprise product lines. They are amortised over a period of between 9 and 10 years. Amortisation for the year ended 31 December 2021 amounted to €838k, of which €126k related to the Enterprise business.

The disposal of the Enterprise business resulted in the disposal of the technology recognised in 2020 for a gross amount of €1520k and €152k in depreciation.

Note 13: Property, plant and equipment

Property, plant and equipment are measured at acquisition cost (purchase price and incidental costs) or production cost.

The assets are subject to depreciation plans determined according to the actual useful life of the asset.

The depreciation periods and methods used are mainly as follows:

Machinery and equipment	6 years - Straight line
General installations, fixtures and fittings	9 years - Straight line
Transport equipment	5 years - Straight line
Office equipment	4 years - Straight line
It equipment	3 years - Straight line
Furniture	10 years - Straight line

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

Property, plant and equipment mainly comprise It equipment.

No impairment losses were recognised in accordance with IAS 36. In accordance with the rules described in the notes to the consolidated financial statements for the year ended 31 December 2021.

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Installations and fixtures	Office equipment, computer equipment, furniture	Transport equipment	Work in progress	Total	O/w Cash impact
Statement of Financial Position as at 31 December 2020	1,927	9,893	7	87	11,913	4,617
Acquisition	531	1,435		16	1,982	1,982
Disposal/scraping	(245)	(603)			(847)	
Impact of exchange rates	4	79			83	
Transfer		87		(87)	0	
Statement of Financial Position as at 31 December 2021	2,217	10,892	7	16	13,131	1,982
AMORTISATION						
Statement of Financial Position as at 31 December 2020	1,172	7,845	7	-	9,024	-
Increase	280	1,318			1,598	
Disposal/scraping	(220)	(524)			(744)	
Impact of exchange rates	1	48			50	
Statement of Financial Position as at 31 December 2021	1,234	8,687	7	-	9,928	
CARRYING AMOUNT						
At 31 December 2020	755	2,048	-	87	2,889	
At 31 December 2021	983	2,205	-	16	3,203	

Note 14: Rights of use**General accounting rules on the recognition of leases under IFRS 16:**

IFRS 16 no longer distinguishes between finance leases and operating leases, as previously defined by IAS 17.

Leases are leases (or contracts that contain a lease) that confer the right to control the use of a specified asset for a period of time in exchange for consideration.

Leases that meet this definition are accounted for in accordance with the methods defined below, except in the case of exemptions provided for by the standard (duration of contracts less than 12 months, and/or low value underlying assets), and except in contracts not restated because of their immaterial impact.

In practice, the analysis led to the restatement only of property leases and office equipment. For contracts not restated as leases, rents are maintained in operating expenses. For contracts falling within the scope of IFRS 16, the accounting rules are presented below.

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

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

The present value is determined using the marginal borrowing rate calculated for each country, depending on the term of the contract. Pending a decision by IFRS IC (see above referral in June 2019), the marginal borrowing rate corresponds to a duration rate (taking into account the lease payment profile), and not to a maturity rate.

The term of a lease is the enforceable period, which corresponds to the non cancellable period, plus any option to extend the contract that the Group has reasonable certainty to exercise, and any option to terminate the contract that the Group has reasonable certainty not to exercise.

In practice, the terms used for the main leases in France correspond to an enforceable period of 9 years (commercial leases 3/6/9): Non cancellable period of 3 years and certainty of exercising extension options after 3 years and 6 years.

On 26 November 2019, the IFRS Interpretation Committee clarified that as long as the lessor or lessee had an economic incentive not to terminate the lease to the extent that it would incur a more than insignificant termination penalty, the contract would be enforceable beyond the date on which the contract could be terminated. After analysis, this interpretation had no impact on the Group's financial statements.

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

Lease payments correspond to fixed payments, variable payments that depend on an index or rate, and the exercise prices of the purchase options that the lessee has reasonable certainty to exercise. In practice, there are no call options and there are no more than insignificant penalties in the event of lease termination at the lessor's initiative.

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

Deferred tax on restated leases:

The Group has elected to recognise a deferred tax on the restatement of leases corresponding to the impact on the income statement of the change recorded over the period.

The Group has not identified any situations where it is lessor or sale and leaseback situations.

The following table details the application of IFRS 16 and the recognition of rights of use as assets:

GROSS VALUE OF RIGHTS OF USE (Amounts in K €)	Office equipment	Vehicles	Commercial leases	Total
Statement of Financial Position as at 31 December 2020	1,507	18	3,597	5,122
Increases			1,113 *	1,113
Impact of exchange rates	2		44	45
Statement of Financial Position as at 31 December 2021	1,509	18	4,753	6,280
AMORTISATION				
Statement of Financial Position as at 31 December 2020	1,362	4	1,141	2,506
Increase	99	4	793	895
Impact of exchange rates			18	18
Statement of Financial Position as at 31 December 2021	1,460	7	1,951	3,419
CARRYING AMOUNT				
At 31 December 2020	146	14	2,456	2,616
At 31 December 2021	49	11	2,801	2,861

The increase in the gross value of commercial leases corresponds to an update of the commitment period for the premises in Vélizy, Sydney and Denver.

The table below shows the rental expense before the application of IFRS 16:

Reconstitution of rental charges (in € K)	31/12/2021	31/12/2020
Rental expense restated under IFRS 16	979	984
Lease expenses not restated under IFRS 16	161	266
Total Rental expense	1,140	1,250

Note 15: Impairment

In accordance with IAS 36 'Impairment of Assets,' an entity shall perform an impairment test of its property, plant and equipment and intangible assets when it identifies an indication of impairment of one of them. In addition, an entity shall also, even if there is no indication of impairment,:

- annually testing an intangible asset with an indefinite useful life or in the process of production;
- perform an annual impairment test of goodwill acquired in a business combination.

Thus, changes in the general economic and financial context, the deterioration of local economic environments, as well as changes in performance, are in particular external impairment indicators that are analyzed by the Group to determine whether it is necessary to carry out impairment tests at a more frequent frequency.

If the recoverable amount is less than the net carrying amount of the asset or group of assets, an impairment loss is recognised.

Impairment of non current assets is reversible, except for goodwill.

Goodwill

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For impairment testing purposes, goodwill is allocated to each of the Cash Generating Units (CGUs) or groups of Cash Generating Units that benefit from the combination effects. Goodwill is not amortised but is tested for impairment at each balance sheet date or when there is an indication of impairment. Any impairment recognised is irreversible.

To determine the CGUs, the Group has adopted a segmentation based on the operational organization of the business lines, the management and reporting system and the segment information, ie a single CGU.

Determination of recoverable amount

- The need to recognise an impairment loss is assessed by comparing the carrying amount of the CGU with its recoverable amount.
- Recoverable amount is defined as the higher of fair value less costs to sell and value in use.
- Fair value less costs to sell is determined on the basis of available information that enables the best estimate of the selling value net of costs necessary to make the sale, on an arm's length basis, between knowledgeable, willing parties.
- Value in use is determined based on:
 - Cash flows relating to an explicit five year forecast period, the first year of this period based on the budget and subsequent periods corresponding to the business plan presented to Ateame shareholders;
 - A normative cash flow representative of flows after this five year period, to which is applied a perpetual growth rate reflecting the expected real growth rate of the long term economy.

Cash flow forecasts for the explicit period take into account the projected growth rate of the CGU. Cash flows are discounted at weighted average cost of capital:

If the carrying amount of the CGU, comprising intangible assets (including goodwill), property, plant and equipment and working capital requirements (WCR), exceeds its recoverable amount, the CGU's assets are written down to their recoverable amount.

The impairment loss is allocated first to goodwill and recorded in the income statement under 'Other non recurring operating income and expenses.'

The recognition of an impairment loss allocated to goodwill is definitive.

The determination of value in use is sensitive to the discount rate, estimated future cash flows and the long term growth rate used.

The Ateame group presents a single CGU.

The company carried out an impairment test on all these assets at 31 December 2021. Impairment tests are carried out on the basis of a 5 year projection of net cash flows from operating activities (operating cash flows, cash flows related to working capital requirements and investments). This projection is determined using the Company's budget data taking into account past experience and future prospects. Beyond this period, the Group calculates a terminal value of the CGU corresponding to the discounting of net cash flows from operations to infinity.

The assumptions used to construct future cash flows at 31 December 2021 are as follows:

- 5 year projections of post tax cash flows, based on the business plan over the explicit period from the 2022 budget and forecasts to 2026 excluding external growth transactions, as well as the determination of normative cash flows, impacting the terminal value taking into account the following assumptions:
- Beyond these 5 years, the terminal value of the cash flows is obtained by applying to the normative cash flow at the end of the explicit period a long term growth rate. This long term growth rate is estimated at 2%. The terminal value represents approximately 87% of the enterprise value at 31 December 2021.
- Cash flows are discounted using a weighted average cost of capital (WACC) after tax and including a risk premium. At 31 December 2021, this rate was 11%.

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

- An increase of 2 points in the discount rate;
- The scenario of a 10 pts decline in recurring operating income on the terminal value,
- A perpetuity growth rate scenario of 1%.

Note 16: Other non current financial assets

The Company's financial assets are classified into two categories according to their nature and the intention to hold them:

- Financial assets at fair value through profit or loss,
- Loans and receivables.

All financial assets are initially recognised at cost, which corresponds to the fair value of the price paid plus acquisition costs.

Financial assets at fair value through profit or loss

This category represents assets held for trading, ie assets acquired by the company with the objective of selling them in the short term. They are measured at fair value and changes in fair value are recognised in profit or loss. Some assets may also be classified voluntarily in this category.

Loans and receivables

This category includes other loans and receivables as well as trade receivables.

Non current financial assets include advances and guarantee deposits given to third parties as well as term deposits that 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 as 'Financial assets at amortised cost.'

Such assets are recognised at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when loans and receivables are derecognised or impaired in accordance with IFRS 9.

OTHER FINANCIAL ASSETS (Amounts in K €)	31/12/2021	31/12/2020
Loans	372	317
Guarantee deposits	250	325
Liquidity contract - Balance	146	202
Retention of Bpi France guarantee	200	200
CLR pre financing guarantee retention	0	98
Financing reserves Cautions Factor	6	56
Total other non current financial assets	975	1,198

Guarantee deposits mainly concern deposits paid under commercial leases signed.

Note 17: Inventories

Inventories are valued using the weighted average cost method. Inventories are recognised at their purchase cost or net realisable value, whichever is lower. In the latter case, the impairment loss is recognised in the income statement.

Composition of inventories

Raw material inventories consist mainly of electronic components used to manufacture Kyrion products.

Work in progress is identified individually by project codes that are linked to each customer order in progress. They consist of study costs (engineering hours) and material costs.

Inventories of goods mainly consist of finished products (encoders, decoders, transcoders and third party equipment) and electronic components.

The provision for impairment of inventories concerns components or goods that are the subject of an internal loan, testing or repair. Components or goods whose technological advances are beginning to make inventories obsolete or with little or no movement during the year are scrapped

INVENTORIES (Amounts in K €)	31/12/2021	31/12/2020
Raw material inventories	192	179
Work in progress Goods and Services	778	1,494
Inventories of goods	5,973	3,114
Total gross inventories	6,943	4,786
Impairment of raw material inventories	(14)	(20)
Impairment of work in progress for goods and services	0	(95)
Impairment of goods inventories	(371)	(235)
Total impairment of inventories	(385)	(351)
Net inventory	6,558	4,436

Note 18: Receivables

Receivables are valued at their nominal value. Where appropriate, they are written down on a case by case basis by means of a provision to take into account the difficulties of recovery to which they may give rise.

The Group has opted for the simplified method to measure the impairment of its trade receivables.

Credit risk on financial receivables and loans was measured in accordance with the full IFRS 9 model. No significant increase in credit risk was identified in the two periods presented.

Trade receivables are partially sold as part of a factoring agreement or as part of a 'Daily' assignment, which is subject to regular recourse depending on its needs.

In accordance with IFRS 9, these transfers do not give rise to derecognition as the Company retains substantially all the risks and rewards of the transferred asset. As a result, all of the transferred asset is recorded under trade receivables and a current financial liability is recorded for the amount of net cash received.

Other receivables include the nominal value of the research tax credit, which is recognised as an asset over the acquisition period corresponding to the year in which eligible expenses giving rise to the tax credit were incurred.

18.1 Trade receivables

TRADE RECEIVABLES AND ACCOUNTS (Amounts in K €)	31/12/2021	31/12/2020
Trade receivables	33,352	32,606
Impairment of trade receivables	(1,064)	(941)
Net total trade receivables	32,289	31,665

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

The provision for impairment of customers is established on a case by case basis according to the estimated risk of non recovery and the statistical portion determined in accordance with IFRS 9.

Allocation of trade receivables by maturity (Amounts in K €)	31/12/2021	31/12/2020
Portion not yet due	16,707	16,526
Less than 90 days overdue	10,292	10,900
90 days to six months	2,139	2,230
Six months to twelve months	2,036	1,319
Due beyond twelve months	2,178	1,631
Total trade receivables	33,352	32,606

Allocation of impairment of trade receivables by maturity (Amounts in K €)	31/12/2021	31/12/2020
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Portion not yet due	-	-
Less than 90 days overdue	-	(408)
90 days to six months	-	-
Six months to twelve months	-	(345)
Due beyond twelve months	(1,064)	(188)
Total impairment of trade receivables	(1,064)	(941)

18.2 Other current receivables

OTHER CURRENT RECEIVABLES (Amounts in K €)	31/12/2021	31/12/2020
Research tax credit (1)	8,386	4,509
Value added tax (2)	1,730	1,557
Prepaid expenses (3)	1,693	1,335
Trade payables	75	278
Receivables on disposal of Entreprise (4)	399	-
Other	265	654
Total other current receivables	12,548	8,335

(1) Research tax credit ('CIR')

The Company benefits from the provisions of Articles 244 quater B and 49 septies F of the French General Tax Code relating to research tax credits. In accordance with the principles described in Note 4, the research tax credit is recognised as a deduction from research expenses in the year to which eligible research expenses relate. This has been pre financed (see Note 23.1)

It is presented as a grant under the 'Research and development expenses' category.

- (2) VAT receivables relate mainly to deductible VAT and the refund of VAT requested.
- (3) Prepaid expenses relate to current expenses and mainly correspond to component purchases.
- (4) The receivable on the disposal of the Entreprise business corresponds to the balance receivable, including €200k blocked in an escrow account.

Note 19: Marketable securities and cash

Cash, Cash Equivalents and Financial Instruments

Cash and cash equivalents recognised in the balance sheet include cash at bank and on hand.

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

Bank overdrafts are included in current borrowings. In the cash flow statement, they are included in cash and cash equivalents.

Fair value of financial instruments

The fair value of trade receivables and trade payables is treated as their carrying amount, given the very short payment terms of these receivables. The same applies to other receivables and other current liabilities.

The Company has distinguished three categories of financial instruments according to the consequences of their characteristics on their valuation method and uses this classification to set out some of the information required by IFRS 7:

- Level 1 category: Financial instruments quoted in an active market;
- Level 2 category: Financial instruments measured using valuation techniques based on observable inputs;
- Level 3 category: Financial instruments whose valuation involves the use of valuation techniques based in whole or in part on unobservable parameters; an unobservable parameter is defined as a parameter whose value results from assumptions or correlations that are not based on observable market transaction prices, on the same instrument at the valuation date, or on observable market data available at the same date.

The only instruments recognised at fair value through profit or loss held by the Company are cash equivalents classified as Level 1.

Cash and cash equivalents break down as follows:

CASH AND CASH EQUIVALENTS (Amounts in K €)	31/12/2021	31/12/2020
Bank accounts	11,447	17,095
Total cash and cash equivalents	11,447	17,095

Note 20: Financial assets and liabilities and impact on income

The Company's assets and liabilities are valued as follows for each year:

(Amounts in K €)	31/12/2021			
Balance sheet items	Value Statement of Financial Position	Fair Value	Fair value through profit or loss	Assets and liabilities at amortised cost
Non current financial assets	975	975		975
Trade receivables	32,289	32,289	-	32,289
Other current receivables	474	474	-	474
Cash and cash equivalents	11,447	11,447	11,447	-
Total assets	45,185	45,185	11,447	33,738
Non current financial debt	15,189	15,189	-	15,189
Current financial debt	6,529	6,529	-	6,529
Non current lease liabilities	2,201	2,201	-	2,201
Current lease liabilities	745	745	-	745
Trade payables	14,173	14,173	-	14,173
Other current liabilities	479	479	-	479
Total liability items	39,315	39,315	-	39,315

(Amounts in K €)	31/12/2020			
Balance sheet items	Value Statement of Financial Position	Fair Value	Fair value through profit or loss	Assets and liabilities at amortised cost
Non current financial assets	1,198	1,198	-	1,198
Trade receivables	31,665	31,665	-	31,665
Other current receivables	278	278	-	278
Cash and cash equivalents	17,095	17,095	17,095	-
Total assets	50,236	50,236	17,095	33,141
Non current financial debt	16,154	16,154	-	16,154
Current financial debt	4,633	4,633	-	4,633
Non current lease liabilities	1,788	1,788	-	1,788
Current lease liabilities	909	909	-	909
Debt on the Anevia acquisition	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

The only instruments recognised at fair value through profit or loss held by the Company are cash equivalents classified as Level 1.

(Amounts in K €)	Impact on the income statement at 31 December 2021		Impact on the income statement at 31 December 2020	
	Interest	Change in fair value	Interest	Change in fair value
Liabilities				
Liabilities measured at amortised cost: Bank borrowings	561		222	-
Liabilities measured at amortised cost: Bonds			-	-
Liabilities measured at amortised cost: Advances	(48)		68	-

Note 21: Share capital

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

Incidental costs directly attributable to the issue of shares or stock options are deducted from equity.

Issued capital

The share capital is set at €1571364. It is divided into 11,224,028 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

This number excludes financial instruments granted to certain Group individuals.

COMPOSITION OF SHARE CAPITAL	31/12/2021	31/12/2020
Share capital (in K €)	1,571	1,548
Number of shares	11,224,028	11,060,569
(Including common shares)	11,224,028	11,060,569
Nominal value (in €)	€0.14	€0.14

Exercise of stock options and allocation of free shares of the Company

In 2021, 163,458 Company stock options were exercised and recorded in the financial statements:

- Each holder paid the subscription price of the shares upon exercise of the options for a total amount of €1454k, including €1432k charged to issue premiums.

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

Capital management

The Company's policy is to maintain a solid capital base in order to preserve the confidence of investors, creditors and support the future development of the business

Dividend distribution

The Company did not pay any dividends for the years ended 31 December 2020 and 31 December 2021.

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

Since its creation, the Company has implemented several equity settled compensation plans in the form of 'stock options' ('SO') or 'founders' equity warrants' ('BSPCE') granted to employees, executives and members of the Board of Directors.

In accordance with IFRS 2, the cost of equity settled transactions is recognised as an expense in the period in which the rights to benefit from the equity instruments are acquired, with a corresponding increase in equity.

The Company has applied IFRS 2 to all equity instruments granted since the Company's inception to employees of the Company, the Group or members of the Board of Directors.

The fair value of BSPCE and stock options granted to employees is determined using the Black Scholes option pricing model.

All the assumptions used to value the plans are described below.

Stock options ('SO')

The table below summarises the data relating to the stock option plans issued and the assumptions used for the valuation in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of options expired	Number of warrants exercised	Number of options outstanding	Maximum number of shares to be issued
Board Meeting of 5 November 2018	SO2017-1	69,000	18,000	5,000	46,000	46,000
Board Meeting of 5 November 2018	BSA2018-1	28,000	6,000	2,000	24,000	20,000
Board Meeting of 18 July 2019	SO2017-2	82,000	3,000	10,000	69,000	69,000
Board Meeting of 18 July 2019	BSA2018-2	45,000	5,000	5,000	35,000	35,000
Board Meeting of 6 May 2020	BSA2019-1	36,000	3,000	-	33,000	33,000
Board Meeting of 6 May 2020	SO2017-3	87,000	-	3,015	83,985	83,985
Board Meeting of 5 May 2021	SO2020-1	40,500	-	-	40,500	40,500
Board Meeting of 5 May 2021	BSA2020-1	10,500	1,500	-	9,000	9,000
At 31 December 2021		398,000	36,500	25,015	336,485	336,485

Assumptions used - calculation of fair value under IFRS 2						
Type	Subscription price per share in €	Exercise period	Volatility	Risk free rate	Total IFRS 2 valuation (Black & Scholes) At grant date	
SO2017-1	€10.80	8 years	41.60%	0.00%	€257k	
BSA2018-1	€10.80	8 years	41.60%	0.00%	€104k	
SO2017-2	€12.60	8 years	42.57%	0.00%	€360k	
BSA2018-2	€12.60	8 years	42.57%	0.00%	€198k	
BSA2019-1	€12.60	8 years	42.78%	0.00%	€168k	
SO2017-3	€12.60	8 years	42.78%	0.00%	€405k	
SO2020-1	€15.62	8 years	41.98%	0.00%	€262k	
BSA2020-1	€15.62	8 years	41.98%	0.00%	€68k	
					€1869k	

Exercise rights are vested for 1/4 of the stock options granted to the holder at the end of a period of 12 months and then for 6.25% of the stock options granted every 3 months for three years. On 5 May 2021, the Board of Directors granted 10,500 BSA and 40,500 stock options.

Free shares

The table below summarises the data relating to the stock option plans issued and the assumptions used for the valuation in accordance with IFRS 2:

Date	Type	Number of warrants issued	Number of options expired	Number of shares finally granted	Number of AGMs outstanding	Maximum number of shares to be issued	Total valuation
Board Meeting of 6 May 2020	AGA2019-1	56,000	2,000	-	54,000	54,000	€704k
Board Meeting of 5 May 2021	AGA2019-2	44,000	1,000	-	43,000	43,000	€687k
Board Meeting of 5 May 2021	AGA2020-1	2,500	-	-	2,500	2,500	€39k
At 31 December 2021		102,500	3,000	-	99,500	99,500	€1431k

On 5 May 2021, the Board of Directors granted 46,500 free shares to the Company's employees. They will vest after 24 months following the grant subject to presence conditions.

Valuation of stock options and bonus shares

The fair value of the options was determined using the Black & Scholes valuation model. The valuation methods used to estimate the fair value of the options are described below:

- The share price used is equal to the investors' subscription price or by reference to internal valuations;
- The risk free rate is determined based on the average life of the instruments;

- Volatility was determined on the basis of a sample of listed companies operating in the same sector of activity, on 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 all specific conditions that may have an impact on fair value (e.g. dividends). As stated above, no dividend was taken into account during the valuation.

Breakdown of the expense recognised in accordance with IFRS 2 for the two reference periods

Date	Type	31/12/2020					31/12/2021				
		Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2020	Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2021
Board Meeting of 7 March 2013	SO2011-3	-	€289k	€289k	-	€289k	-	-	-	-	-
Board Meeting of 24 March 2014	SO2013-2	9,125	€250k	€250k	-	€250k	-	-	-	-	-
Board Meeting of 20 January 2016	SO2014-1	-	€66k	€65k	€1k	€66k	-	-	-	-	-
Board Meeting of 4 May 2016	SO2014-2	5,625	€29k	€29k	€0k	€29k	-	-	-	-	-
Board Meeting of 28 March 2017	SO2014-3	3,125	€395k	€360k	€30k	€390k	-	€395k	€390k	€5k	€395k
Board Meeting of 5 November 2018	SO2017-1	46,000	€269k	€144k	€70k	€214k	46,000	€269k	€214k	€39k	€253k
Board Meeting of 5 November 2018	BSA2018-1	24,000	€116k	€62k	€30k	€92k	20,000	€115k	€92k	€17k	€109k
Board Meeting of 18 July 2019	SO2017-2	77,000	€360k	€75k	€134k	€209k	69,000	€343k	€209k	€64k	€273k
Board Meeting of 18 July 2019	BSA2018-2	45,000	€198k	€41k	€73k	€115k	35,000	€198k	€115k	€41k	€156k
Board Meeting of 6 May 2020	BSA2019-1	33,000	€168k	€0k	€50k	€50k	33,000	€168k	€50k	€54k	€105k
Board Meeting of 6 May 2020	SO2017-3	87,000	€405k	€0k	€122k	€122k	83,985	€405k	€122k	€132k	€254k
Board Meeting of 5 May 2021	SO2020-1	-	-	-	-	-	40,500	€242k	-	€69k	€69k
Board Meeting of 5 May 2021	BSA2020-1	-	-	-	-	-	9,000	€63k	-	€18k	€18k
Total - SO - BSA		329,875	€2545k	€1316k	€511k	€1827k	336,485	€2199k	€1193k	€438k	€1631k

Date	Type	31/12/2020					31/12/2021				
		Number of options outstanding	Probabilised cost of the plan	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2020	Number of options outstanding	Probabilised cost of plan adjusted for lapses	Cumulative expense at beginning of period	Expense for the period	Cumulative expense at 31/12/2021

Board Meeting of 5 November 2018	AGA2016-3	-	€368k	€215k	€153k	€368k	-	-	-	-	-
Board Meeting of 18 July 2019	AGA2016-4	52,500	€663k	€151k	€314k	€465k	-	€663k	€465k	€180k	€645k
Board Meeting of 6 May 2020	AGA2019-1	56,000	€704k	-	€230k	€230k	54,000	€679k	€230k	€331k	€562k
Board Meeting of 5 May 2021	AGA2019-2	-	-	-	-	-	43,000	€679k	-	€223k	€223k
Board Meeting of 5 May 2021	AGA2020-1	-	-	-	-	-	2,500	€39k	-	€13k	€13k
Total AGM		108,500	€1736k	€366k	€697k	€1063k	99,500	€2061k	€695k	€748k	€1443k

Note 23: Borrowings

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

Financial liabilities recognised at amortised cost

Borrowings and other financial liabilities, such as conditional advances, are recognised at amortised cost using the effective interest rate. The current portion of borrowings is presented under 'Current borrowings.'

Conditional advances

The Group benefits from a certain number of public subsidies or conditional advances. Details of this aid are provided in Note 23.3.

They have been recognised in accordance with IAS 20. In the case of financial advances granted at interest rates below market rates, these advances are measured in accordance with IFRS 9 at amortised cost:

- The interest rate benefit is determined using a discount rate corresponding to a market rate at the grant date. The amount resulting from the interest rate benefit obtained on the grant of non interest bearing repayable advances is considered as a grant recognised as income in the statement of comprehensive income.
- The financial cost of repayable advances calculated at the market rate is then recorded as financial expenses.

Grants are presented at the level of the category:

- 'Research and development' for those relating to aid for innovation and the financing of research activities,
- 'Marketing and Sales' for those relating to the exploration of new geographical areas.

These advances are recorded in 'Non current financial debt' and 'Current financial debt' depending on their maturity. In the event of a declared failure, the debt waiver granted is recorded as a subsidy.

Leases

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

CURRENT AND NON CURRENT FINANCIAL LIABILITIES (Amount in K €)	31/12/2021	31/12/2020
Lease liability (IFRS 16)	2,201	1,788
Repayable advances	561	1,268
Loans from credit institutions	14,628	14,886
Non current financial debt	17,390	17,942
Lease liability (IFRS 16)	745	909
Repayable advances	750	782
Bank borrowings	5,779	3,848
Bank overdrafts	-	3
Current financial debt	7,274	5,542
Total financial liabilities	24,664	23,484
O/w -1 year portion	7,274	5,542
Of which 1 to 5 years	17,227	16,146
Of which due in more than 5 years	163	1,796

CHANGE IN FINANCIAL DEBT (Amount in K €)	Loans from credit institutions	Repayable advances	Lease liabilities (IFRS 16)	Total	Bank overdrafts
At 31 December 2020	18,734	2,050	2,696	23,481	3
Change in cash					
Collection	5,430			5,430	-
Disbursement	(2,884)	(770)	(794)	(4,448)	-
Cash flows	2,546	(770)	(794)	(1,448)	-
Non cash change					
Translation adjustment	-	-	28	28	-
CIR pre financing	(912)	-	-	(912)	-
IFRS increase 16	-	-	1,016	1,016	-
Amortised cost	39	30	-	68	-
Total non cash	(873)	30	1,043	200	-
At 31 December 2021	20,406	1,310	2,945	24,663	-

Breakdown of financial debt by maturity

The maturities of borrowings break down as follows during the fiscal years presented:

CURRENT AND NON CURRENT FINANCIAL LIABILITIES AT REDEMPTION VALUE (Amount in K €)	31/12/2021			
	Gross Amount	Current portion	1 to 5 years	Over 5 years
Lease liability (IFRS 16)	2,946	745	2,201	-
Repayable advances	1,345	782	527	36
Bank borrowings	20,408	5,779	14,501	127
Total financial liabilities	24,698	7,306	17,229	163

CURRENT AND NON CURRENT FINANCIAL LIABILITIES AT REDEMPTION VALUE (Amount in K €)	31/12/2020			
	Gross Amount	Current portion	1 to 5 years	Over 5 years
Lease liability (IFRS 16)	2,696	909	1,655	132
Repayable advances	2,115	846	1,191	78
Bank borrowings	18,773	3,887	13,300	1,586
Bank overdrafts	3	3	-	-
Total financial liabilities	23,588	5,645	16,146	1,796

Reconciliation between carrying amount and redemption value

BALANCE SHEET VALUE/REDEMPTION VALUE RECONCILIATION (Amounts in K €)	Redemption value 31/12/2021	Fair Value	Carrying amount
Lease liability (IFRS 16)	2,946		2,946
Repayable advances	1,345	(34)	1,311
Bank borrowings	20,408		20,408
Bank overdrafts			
Total financial liabilities	24,698	(34)	24,664

BALANCE SHEET VALUE/REDEMPTION VALUE RECONCILIATION (Amounts in K €)	Redemption value 31/12/2020	Fair Value	Carrying amount
Lease liability (IFRS 16)	2,696	-	2,696
Repayable advances	2,115	(64)	2,050
Bank borrowings	18,773	(39)	18,734
Bank overdrafts	3	-	3
Total financial liabilities	23,588	(104)	23,484

23.1 Due to credit institutions

CHANGE IN LOANS TO CREDIT INSTITUTIONS (Amount in K €)	Bank borrowings	Pre financing of the IRC
At 31 December 2020	17,771	963
(+) Decrease	3,000	2,430
(-) Reimbursement	(2,884)	(912)
(-) PGE update	39	-
At 31 December 2021	17,926	2,483

Principal borrowings taken out during the year

- **CIC**

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

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

The loan is 90% guaranteed by the State.

- **HSBC**

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

- Duration: 12 months;
- Rate: 0%;
- Redemption: Ultimately, with the possibility of spreading the 5 year repayment period.

The loan is 90% guaranteed by the State.

- **SOCIETE Generale**

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

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

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

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

These ratios were respected at 31 December 2021.

- **Pre financing of the IRC**

On 29 June 2021, AteME received the amount of the CIR 2020 pre financing. This pre financing is €2030k including interest at an annual interest rate of 3.65%.

The final maturity date is 30 June 2024.

The debt relating to the CIR's pre financing is recorded as a loan net of collateral withholding and the CIR receivable is reconstituted as an asset.

On 2 November 2021, Anevia contracted a loan for the pre financing of the CIR 2021. The programme amounts to €855k including interest. The interest rate is 3.65% per annum. The final maturity date is 30 June 2025.

The debt relating to the CIR's pre financing is recorded as a loan net of collateral withholding and the CIR receivable is reconstituted as an asset.

Available credit lines

The Company has the following available credit lines:

- Credit facilities with its banking partners in the amount of €150k, unused as of 31 December 2021;

23.2 Financial liabilities on lease obligations

CHANGE IN LEASE LIABILITIES (Amount in K €)	Financial debt - Transport equipment	Financial debt - Office equipment	Financial debt - Construction	Total
At 31 December 2020	14	187	2,497	2,696
(+) Increase			1,016	1,016
(-) Reimbursement	(3)	(97)	(694)	(794)
(+/-) Foreign exchange gains and losses			28	28
At 31 December 2021	11	90	2,847	2,945

23.3 Redeemable advances

The table below shows the change in repayable advances:

CHANGE IN REPAYABLE ADVANCES AND SUBSIDIES (Amounts in K €)	PTZI	EIF	IA4SEC	BPIFRANC E Innovation	Anevia PTZI	Total
At 31 December 2020	584	496	140	97	734	2,051
(-) Reimbursement	(300)	(200)		(50)	(220)	(770)
Financial expenses	9	3	1	3	14	30
At 31 December 2021	293	298	141	50	528	1,310

The Company did not receive a new repayable advance in 2021 as indicated in the schedule.

Repayable advances

The long term portion of advances received is recorded in 'Non current financial debt'; while the short term portion is recorded in 'Current financial debt.'

Under IFRS, the fact that the repayable advance does not bear the payment of an annual interest amounts to considering that the Company has benefited from a zero rate loan, is more favorable than market conditions. The difference between the amount of the advance at historical cost and that of the advance discounted at a market rate is considered a subsidy received from the State.

Innovation loan EIF (European Investment Fund)

The company obtained an FEI innovation loan from Bpifrance for an amount of €1000k to finance intangible expenses related to the industrial and commercial launch of an innovation. This loan is repayable in 28 quarterly instalments, the first 8 quarters of which are deferred at a fixed rate of 3.52%. The loan amount was collected in November 2015.

- This loan was covered by a guarantee received in respect of the PPI fund for 30% of the principal

- This loan was secured by 50% of the principal from the Innov Fin facility of the European Investment Fund.

The repayment value of the debt was €300k at 31 December 2021, compared with €500k at 31 December 2020.

Zero Innovation Rate Loan ('PTZI') Bpifrance

On 1 October 2015, Bpifrance obtained a €1500k zero interest loan (PTZI) for innovation, repayable in 20 linear quarterly instalments from 30 September 2017.

The fair value of this advance was determined based on the EIF innovation loan interest rate of 3.52% per annum.

At 31 December 2021, the balance of the debt at redemption value was €300k, compared with €600k at 31 December 2020.

The Group obtained a zero rate innovation loan from BPI France worth €500k for the development of a HEVC HD contribution encoder. The repayment began on 31 March 2017 over a 5 year period with an annual maturity of €100k. This loan was received by the Company on 16 May 2014. The fair value of this advance was determined on the basis of an estimated interest rate of 4.85% per annum. The repayment value of the debt was €50k at 31 December 2021, compared with €100k at 31 December 2020.

Aid for the 'IA4SEC' project

The company obtained from Bpifrance, on 14 November 2019, aid on the 'IA4SEC' project in the amount of €709049, which consists of a subsidy for €472699 and a recoverable advance for €236350.

The fair value of this advance was determined on the basis of the interest rate of the Bpifrance international growth loan, i.e. 1.24% per annum (TEG).

The advance will be received in 4 tranches over 4 years according to the following schedule:

- €66667 after signing the contract;
- €78276 from 31/08/2020;
- €44138 from 31/08/2021;
- €47269 from 14/03/2022.

The repayment of this debt will begin on 31 March 2024, from the first euro of revenue unless the programme fails.

Anevia PTZI

This is a zero rate innovation loan obtained by Anevia from Bpi France Financement in June 2015 for €1100k. The share capital is to be repaid in 20 quarterly payment schedules of €55k with a deferred amortisation period of 3 years. The first repayment took place on 30 June 2018 and the last on 31 March 2024. The repayment value of debt at 31 December 2021 was €550k, compared with €770k in 2020.

The fair value of this advance was determined on the basis of the average credit rate of the company on the basis of borrowings contracted from 2014 to 2017. The rate used is 5.33%. The fair value of the debt at 31 December 2021 was €528k, compared with €734k in 2020.

Note 24: Employee benefit obligations

The Company's French employees benefit from the pension benefits provided for by law in France:

- Receipt of a retirement indemnity, paid by the Company, upon retirement (defined benefit plan);
- Payment of retirement pensions by social security bodies, which are financed by contributions from companies and employees (defined contribution plan).

Pension plans, similar indemnities and other employee benefits that are analysed as defined benefit plans (plan in which the Company undertakes to guarantee a defined amount or level of benefit) are recognised in the balance sheet on the basis of an actuarial valuation of the obligations at the balance sheet date, less the fair value of the assets of the related plan that are dedicated to them.

This assessment is based on the use of the projected unit credit method, taking into account staff turnover and mortality probabilities. Any actuarial gains and losses are recognised in equity under 'Other comprehensive income.'

The Company's payments for defined contribution plans are recognised as expenses in the income statement for the period to which they relate.

The Group's American employees are members of a 401 k defined contribution plan.

In a decision dated 20 April 2021, the IFRIC Committee considers that, since, on the one hand, no rights are acquired in the event of departure before retirement age and, on the other hand, the rights are capped after a certain number of years of service, the pension expense must be recognized over the years conferring rights to employees at the time of departure.

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

Employee benefit obligations consist of the provision for end of career benefits, assessed on the basis of the provisions of the applicable collective agreement, namely the SYNTEC collective agreement.

This commitment concerns only employees covered by French law. The main actuarial assumptions used to measure retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	31/12/2021		31/12/2020	
	Managers	Non executives	Managers	Non executives
Retirement age	Voluntary departure (65-67 years)			
Collective agreements	SYNTEC			
Discount rate	1.25%		0.50%	
Mortality table	INSEE 2017			
Salary increase rate	2.00%			
Turnover rate	Strong (see details below)			
Social security charges rate	47%	43%	47%	43%

The turnover rate was determined based on a study carried out by INSEE on inflows and outflows by age group in correlation with the average turnover level of the Company.

The rates used can be summarised as follows:

- 20 to 30 years: Declining rate from 18.30% to 10.90%
- 30 to 40 years: Declining rate from 10.90% to 6.30%
- 40 to 50 years: Declining rate from 6.30% to 4.20%
- 50 to 60 years: Declining rate from 4.20% to 1%
- 60 to 67 years: Declining rate from 1% to 0%

The change in the provision for pension obligations is as follows:

Amounts in K €	Retirement commitments
At 31 December 2020	1,223
Past service cost	180
Financial costs	6
Actuarial gains and losses	(185)
At 31 December 2021	1,224

Note 25: Provisions

Provisions correspond to commitments arising from litigation and other risks, the timing and amount of which are uncertain, to which the Company may be exposed in the course of its activities.

A provision is recognised when the Company has an obligation to a third party as a result of a past event that is likely to result in an outflow of resources to the third party, without at least equivalent consideration expected from the third party, and when future cash outflows can be estimated reliably. The amount recognised as a provision is the estimate of the expenditure required to settle the obligation, discounted if necessary at the balance sheet date.

PROVISIONS (Amount in K €)	31/12/2021					
	Amount at beginning of year	Newly consolidated companies	Additions	Reversals	Reversals without objects	Amount at year end
Provisions for charges	11					11
Provisions for litigation	30					30
Total provisions for liabilities and charges	41	0	0	0	0	41

PROVISIONS (Amount in K €)	31/12/2020					
	Amount at beginning of year	Newly consolidated companies	Additions	Reversals	Reversals without objects	Amount at year end
Provisions for charges	11	-	-	-	-	11
Provisions for litigation	25	-	30	(25)	-	30
Total provisions for liabilities and charges	36	-	30	(25)	-	41

Litigation and liabilities

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

Labour disputes

The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the Company, on the basis of requests, legal obligations and the positions of lawyers.

Note 26: Trade payables and other current liabilities

26.1. Trade payables

For trade payables, no discounting has been made since the amounts did not represent more than one year of age at the end of each financial year in question.

TRADE PAYABLES AND ACCOUNTS PAYABLE (Amounts in K €)	31/12/2021	31/12/2020
Trade payables	10,953	9,906
Invoices not received	3,219	4,700
Total trade payables	14,173	14,605

26.2 Tax and social security liabilities

Tax and social security liabilities break down as follows:

TAX AND SOCIAL SECURITY LIABILITIES (Amounts in € k)	31/12/2021	31/12/2020
Personnel and related accounts	2,518	2,789
Social security and other social agencies	2,508	3,037
Other taxes, duties and similar payments	702	664
Total tax and social security liabilities	5,728	6,490

26.3 Other current liabilities

OTHER CURRENT LIABILITIES (Amounts in € k)	31/12/2021	31/12/2020
Advances from customers - RRR	285	366
Debts on fixed assets	139	-
Deferred income (1)	7,245	7,411
Other liabilities	10	439
Directors' fees payable	45	87
Total other current liabilities	7,723	8,303

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

Note 27: Analysis of changes in WCR

ANALYSIS OF CHANGES IN WCR (Amount in K €)	31/12/21	31/12/20	Change 31/12/21	WCR Business Activity	Restatement Change in receivable	Exchange differences	Change Of WCR * Restated
Inventories (net of inventory impairment)	6,558	4,436	(2,122)	27		139	(1,983)
Trade receivables (net of impairment of trade receivables)	32,289	31,665	(624)	(21)		812	188
Other current receivables	12,548	8,335	(4,214)	33	(399)	175	(4,438)
Trade payables and related accounts	(14,173)	(14,605)	(433)	(20)		(413)	(846)
Tax and social security liabilities	(5,728)	(6,490)	(762)	(44)		(98)	(860)
Other current liabilities	(7,723)	(8,303)	(580)	(15)		(608)	(1,187)
	23,771	15,037	(8,735)	(40)	(399)	8	(9,126)

* Following the disposal of the Entrepise business line, the consolidated financial statements have been prepared in accordance with IFRS 5 on discontinued operations (see Note 2.2.1 and Note 10).

Note 28: Related parties

28.1 Related party transactions

The Group entered into an assistance and services agreement until 30 June 2020 with SEREITRA, of which Michel Artières is the manager.

The remuneration paid to this company is mentioned in section 28.2.

Since 1 July 2020, Michel Artières has been Chief Executive Officer under a corporate office agreement.

28.2 Executive compensation

No post employment benefits are granted to members of the Board of Directors.

Compensation paid to members of the Board of Directors and senior executives breaks down as follows (in K €):

Compensation of corporate officers	31/12/2021	31/12/2020
Fixed remuneration	175	274
Annual variable compensation	108	63
Exceptional compensation	0	29
Directors' fees	55	77
Share based payments (1)	48	0
TOTAL	386	443

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

The allocation of variable portions is based on performance criteria.

The methods used to measure the benefit related to share based payments are presented in Note 22.

Note 29: Off balance sheet commitments

29.1 Lease agreement

The amounts of rent remaining to be paid according to the different types of contract are detailed below by maturity:

Rental expense commitment Amounts in K €	Not more than 1 year	1 to 5 years	More than 5 years
Commercial leases	682	2,092	-
Finance leases	43		-
Other	7	9	-
Total	732	2,101	-

29.2 Obligation under other contracts

Having subcontracted several important functions (production), the Company is required to enter into subcontracting agreements with various third parties, in France and abroad, in the ordinary course of its operations, which include various obligations customary in these circumstances.

The contracts or specifications also set the conditions for the validation of manufacturing processes, control procedures, processing of non compliant products and intellectual property rights.

There is no reciprocal commitment between the Company and its subcontractors in terms of quantity or production capacity.

29.3 Other financial commitments

Documentary credits and discounts

The Company may set up documentary credits or discounts in certain markets.

There were no documentary loans outstanding at 31 December 2021.

Pledge of goodwill

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

Signature commitment entered into by Societe Generale

Société Générale has taken out a financial guarantee in the amount of €80k in favour of Société Internationales Immobilières Institut GmbH for the rental of offices located in Vélizy-Villacoublay.

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

SOCIETE Generale has taken out various guarantees for customer projects:

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

Loan Guaranteed by the State

On 14 April 2020, the Group received a loan of 4 million euros with a 90% State Guarantee.

On 30 June 2021, Anevia took out a loan of 1 million euros, benefiting from the State Guarantee for 90% of the amount borrowed from CIC Paris 9. The loan will be repaid over a period of 60 months including a 12 month deferral.

In May 2021, Ateame obtained a 12 month 2 million euros loan from HSBC Continental Europe to finance its operating cycle. The interest rate is set at 0% per annum. The deferred amortisation period is 11 months.

Note 30: Financial risk management and assessment

Ateme may be exposed to different types of financial risks: Market risk, credit risk and liquidity risk. Where appropriate, Ateme uses simple means proportionate to its size to minimise the potentially adverse effects of these risks on financial performance. Ateme's policy is not to subscribe financial instruments for speculative purposes. Ateme does not use derivative financial instruments.

Interest rate risk

Ateme has no significant exposure to interest rate risk, as:

- Marketable securities consist of short term money market funds,
- Cash and cash equivalents include term accounts,
- No floating rate debt was subscribed.

Credit risk

Credit risk is associated with deposits (bank accounts) with banks and financial institutions. Ateme uses leading financial institutions for its cash investments and therefore does not bear any significant credit risk on its cash position.

It has policies in place to ensure that its clients have an appropriate credit risk history.

Currency risk

The main risks related to the foreign exchange impact of sales and purchases in foreign currencies mainly concern sales of products and expenses in US dollars as well as the financing of subsidiaries in their local currency.

The Company has not, at its development stage, made any hedging arrangements to protect its business against fluctuations in exchange rates. However, the Company cannot rule out the possibility that a significant increase in its business would lead to greater exposure to currency risk. The Company will then consider using an appropriate policy to cover these risks.

Equity risk

The Company does not hold any equity interests or marketable securities traded on a regulated market.

Note 31: Statutory Auditors' fees

STATUTORY AUDITORS' FEES (Amounts in K €)	Fiscal year 2021				Fiscal year 2020			
	Ernst & Young		BL2A		Ernst & Young		BL2A	
	Amount excluding tax	%	Amount excluding tax	%	Amount excluding tax	%	Amount excluding tax	%
Certification of individual and consolidated financial statements	91	88%	85	93%	84	57%	56	68%
Non audit services *	12	12%	6	7%	65	43%	26	32%
Total fees	103	100%	91	100%	149	100%	82	100%

* Fees related to services other than the certification of the financial statements concerning fees related to the integration of Anevia for the 2020 financial year, the completion of certificates for the 2020 and 2021 financial years, the review of the ESEF reporting for 2021.

5. Parent company financial statements of Ateame SA for the year ended 31 December 2021

Balance sheet	Notes	31/12/2021	31/12/2020
		K €	K €
ASSETS			
Intangible assets	2.1	304	269
Property, plant and equipment	2.1	2,503	2,075
Financial assets	2.1	22,398	18,844
Total non current assets		25,205	21,188
Inventories and work in progress	2.2	4,474	3,453
Trade receivables	2.3	29,352	21,477
Other receivables	2.3	11,689	6,262
Prepaid expenses		1,422	891
Cash and cash equivalents		8,979	12,784
Total current assets		55,916	44,867
Accruals - assets		252	441
Total Assets		81,373	66,496
LIABILITIES			
Equity			
Share capital	2.4	1,571	1,548
Additional paid in capital		26,600	25,183
Other reserves and retained earnings		5,108	6,463
Net income for the year		6,453	(1,355)
Equity		39,733	31,839
Provisions for liabilities and charges	2.5	94	482
Borrowings from credit institutions	2.6	16,965	17,997
Other borrowings, group and associates		3,679	87
Advances and down payments received on orders in progress		316	281
Trade payables		11,591	9,528
Tax and social security liabilities and other		3,686	2,986
Deferred income		4,729	3,079
Accruals - liabilities		581	217
Total Liabilities		81,373	66,496

Income statement	Notes	31/12/2021 K €	31/12/2020 K €
Revenue	3.1	63,983	51,620
Other operating income		4,197	2,242
Total operating income		68,180	53,862
Purchases and change in inventory		17,093	13,485
Other purchases and external charges		22,628	23,098
Taxes other than income taxes		1,179	1,019
Personnel expenses		21,368	16,096
Operating charge		2,205	2,429
Other operating expenses		909	1,101
Total operating expenses		65,383	57,226
Operating income		2,797	(3,364)
Financial income	3.2	1,314	417
Financial expenses	3.2	(1,524)	(1,543)
Net financial income		(210)	(1,126)
Profit before tax		2,587	(4,490)
Non recurring income	3.3	14	84
Exceptional expenses	3.3	0	(31)
Exceptional items		14	53
Research Tax Credit		3,852	3,082
Employee profit sharing		0	0
Income tax		0	0
Net income for the year		6,453	(1,355)

1. Accounting Principles and Highlights of the Year

1.1 Accounting principles

The general accounting policies 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, in accordance with the general rules for the preparation and presentation of the annual financial statements, and according to the following basic assumptions:

Going concern,

Consistency of accounting methods from one financial year to the next,

Independence of financial years, in accordance with the general rules for the preparation and presentation of the annual financial statements.

The basic method used to measure items recorded in the accounts is the historical cost method.

Accounting options:

Ateme applies the following methods:

Research and Development expenses are recorded as expenses

Capital increase costs are deducted from share premiums

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

1.2 Business continuity

The assumption of going concern over the next 12 months from 31 December 2021 has been adopted by the Board of Directors on the basis of available cash and revised revenue and gross margin growth assumptions.

1.3 Significant events of the year

On 19 January 2021, Ateme announced the completion of the acquisition of Anevia, a software publisher for the distribution of live, deferred and on demand television and video (VOD) following the successful takeover bid and the squeeze out.

On 28 January 2021, the company announced that it had received three Emmy® Awards in the 'Technology & Engineering' category from the National Academy of Arts and Television Sciences (NATAS) for its outstanding achievements in video compression that contribute to the efficient delivery and distribution of media, content and TV:

- Development of perceptual measurements for video encoding optimisation
- Optimising artificial intelligence processes for video compression
- Development of optimised compression technologies for mass processing

On 4 February 2021, Ateme announced that its multi platform video broadcasting solution was deployed by Viya, the largest telecommunications and entertainment service provider in the Virgin Islands (United States), part of ATN International.

On 25 February 2021, the company announces that it will facilitate more than 50% of ATSC 3.0 deployments in North America in 2020, guaranteeing technological leadership to the largest American broadcasters.

On 9 March 2021, Anevia (now owned by AteME) and the company celebrate the tenth anniversary of their technological partnership. This collaboration was a key factor in making Net + one of Switzerland's most innovative TV service providers.

On 12 March 2021: AteME supports the Chinese video industry with the integration of AVS2. AteME today announced that it has integrated the AVS2 codec into its TITAN range, which is the second generation digital audio video compression standard, defined by the AVS working group, designed to meet the needs of the audio and video industry in China. This is a strengthening of its commitment to the Chinese market, where the company already enjoyed a strong reputation as a supplier of innovative video compression solutions. AteME's Chinese customers, all leading players, can now take advantage of high quality low speed video and HDR technology to offer viewers an unforgettable quality of experience.

On 16 March 2021: AteME teamed up with Digitalrich to offer an integrated solution of advertising inserts to customers around the world.

Digitalrich remains the leading supplier of advertising insertion technology in Korea. Thanks to this partnership, AteME TITAN Live and TITAN Mux and Digitalrich's advertising insertion server are now available as an integrated solution for AteME customers worldwide. Customers will benefit from a comprehensive advertising replacement solution capable of managing analogue or digital markers as well as advertising campaigns for channels processed by AteME video processing components.

On 23 March 2021: AteME's TITAN solutions improve the video quality of more than a million viewers across Denmark.

AteME today announces that Nuuday, a subsidiary of TDC Group, Denmark's largest telecommunications company, has adopted its TITAN range of solutions to improve the video experience of its viewers. To serve more than a million viewers through its YouSee brands, which provide them with 100 linear channels and VoD services, and Blockbuster, which offers a complete VoD catalogue, Nuuday needed a video encoding solution that could improve video quality and sustain its workflows. To achieve this goal, Nuuday implemented AteME's TITAN software solutions for live and VOD applications.

On 15 April 2021, AteME announced today that Nilesat has chosen to deploy its TITAN Live platform for two projects, thereby increasing AteME's presence in the region.

On 6 May 2021, DU joined forces with AteME on OTT and SHT projects to improve supply in the United Arab Emirates.

On 11 May 2021, AteME launched a green delivery solution for video service providers. The Green Delivery solution - an integrated end to end solution allows OTT and DTH operators to significantly reduce the carbon footprint of their video broadcasts, helping them achieve their sustainable development goals.

On 18 May 2021, AteME added a latency in broadcasting via just in time conditioners to a world first. These updates make AteME the first to market a low latency JIT package - a complex technical challenge that AteME has taken up using its own patented technology.

On 25 May 2021, AteME transcoders took over the first live sports video project on the Huawei cloud in Brazil.

On 1 June 2021, Ateame announced the launch of PILOT Media, a native cloud solution that brings business intelligence, workflow automation and efficiency to the media supply chain.

On 8 June 2021, Ateame announced that its NEA streaming solution now supports the creation of complete channels. This allows content owners, broadcasters and service providers to offer content that is more relevant to their viewers through personalised TV channels, resulting in more viewers and increased loyalty to OTT and OTA services.

On 15 June 2021, Ateame announced that Korean broadcaster KBS has selected Ateame's Kyrion encoders to update its existing infrastructure, allowing high quality MPEG-2 HD broadcasting.

On 17 June 2021, Ateame worked with Intel to double coding performance by integrating the latest 3rd generation Intel Xeon scalable processors. The company announces a revolutionary increase in the performance of its video encoders. By working closely with Intel and exploiting the combination of Intel processors and Ateame encoders, Ateame customers will benefit from delivery of up to twice as efficient encoding for OTT, resulting in high visual quality at lower cost.

On 22 June 2021, Ateame announced that TCCL (Thamizhaga Cable TV Communication Pvt Ltd), one of the largest cable distribution companies in India, with a strong focus on quality of service and content, has chosen to implement Ateame's TITAN Live solution for its cable television platform.

On 24 June 2021, Ateame allows AIS to move to next generation OTT delivery.

The company announces that it has provided a state of the art, just in time packaging and storage solution for AIS, Thailand's largest telecommunications and mobile phone operator.

On 29 June 2021, Ateame and Hoist Group, one of the leading providers of new generation hotel technology in the EMEA region, announced the availability of personal network video recording (NPVR) and catch up television, two new television services designed to improve guest entertainment in the hotel sector.

On 6 July 2021, it announced that it had integrated Dolby Vision[®] HDR and Dolby Atmos[®] immersive audio technologies into its solution, which makes it the first solution on the market to encode and offer the two experiments in native mode.

On 8 July 2021, Ateame announced that its Flamingo network head is being deployed to provide next generation television entertainment for the entire family at SODIC October Plaza, a major residential development in the Greater Cairo area.

On 3 August 2021 Ateame announces that the integrated OTT video broadcasting solution has been selected for the re launch of its TV offering in the Armenian market. With a legacy system in place, Telecom Armenia has identified a need for a scalable and efficient video delivery solution as part of a planned service update that included a new front and back office. The operator has chosen Ateame as the sole supplier, allowing the organisation to benefit from a range of OTT technologies, from reception to CDN.

The 5 August Ateame announces that its encoders and decoders Kyrion provide contribution links to enable the Thai operator National Telecommunications (NT PCL) to distribute the Tokyo 2020 Olympic Games to all broadcasters across Thailand.

The use of Ateame's Kyrion encoders/decoders allows NT PCL to offer Thai viewers a high quality viewing experience thanks to the ultra low latency of the technology and its contribution of high video quality.

On September 16, the National Association of Broadcasters decided to cancel the NAB Show 2021, which was scheduled to be held in October in Las Vegas, United States.

'For more than a year, we worked tirelessly to bring our industry together safely in Las Vegas at the NAB Show. Unfortunately, the pandemic and the thrust of the Delta variant presented unexpected and insurmountable challenges for our global community, 'said Chris Brown, Executive Vice President of the National Association of Broadcasters

The next edition will be held on 22 and 23 April 2022 with the participation of Ateme.

On 4 November 2021: Vitec strengthened its leadership position with the acquisition of Anevia's 'Hotels and Businesses' video broadcasting business.

Vitec, a world leader in IP video streaming solutions, acquired the video broadcasting business 'Hotels and Businesses' Flamingo of Anevia, a subsidiary of Ateme. This acquisition strengthens the corporate IPTV activity, Vitec's core business, and with the acquisition of Exerity in April 2021, Vitec is positioned as the world leader in IPTV solutions in the hospitality and business sectors. Ateme will continue to focus on its core business of video broadcasting software for broadcasting, cable, DTH, IPTV and OTT. This operation will provide existing users of Flamingo products with a sustainable video delivery solution for applications in the hospitality and business sectors.

1.4 Impacts of the COVID-19 health crisis on the financial statements at 31 December 2020**Full business continuity during the Covid-19 crisis**

During this period of uncertainty, Ateme's priorities were twofold: Protect the health and well being of its employees and partners, in strict compliance with official instructions in order to stop the spread of the virus, and provide all possible support to customers. Lockdown has been imposed in most of the areas in which the Company operates. Fortunately, the Company has an active and proven telecommuting culture and a robust business continuity plan that ensures complete continuity of all operations, including R & D, 24/7 support and supply chain functions.

In particular:

- Demonstrations, deliveries and installations of TITAN, Ateme software, can be carried out remotely.
- Ateme continues to offer video conferences and other webinars to its customers around the world,
- The research and development team continues to file new patents

Impact of the Covid-19 crisis on the financial perspective

In the first half of the year; given the restrictions on international travel still in force in most countries, very few customers have resumed meeting with their suppliers. The major trade shows in the sector were postponed (from April to October for the NAB in Las Vegas and from September to December for the IBC in Amsterdam) before being finally cancelled.

However, the situation gradually improved in the second half of the year on the travel front thanks to the deployment of vaccination, which contributed to a rebound in sales in the fourth quarter.

In addition, some semiconductor manufacturers face production difficulties that impact the main server manufacturers. This leads to longer lead times and higher costs, resulting in delays in delivery and impacting the gross margin of projects when our customers purchase equipment through us. Ateme has tried to build a security buffer stock to mitigate the impact on customers.

The impacts on 2021 activity related to the health crisis and are therefore considered ad hoc. This situation does not call into question the medium- and long term trajectory of the Ateme Group's activity by its management.

2. Notes on balance sheet items

2.1 Fixed assets

2.1.1 Intangible Assets

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

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in K €)	Gross value at beginning of year	Acquisition or creation	Disposals	Gross value at year end
Other intangible assets	1,463	416	-120	1760
Total Intangible Assets	1,463	416	-120	1760

AMORTISATION (Amounts in K €)	Cumulative amort Beginning of year	Allowance Year	Amort. Related to disposals	Cumulative amort Year end	Net Value Year end
Other intangible assets	1,195	318	57	1,455	304
Total Amort. on Intangible Assets	1,195	318	57	1,455	304

- Software is amortised on a straight line basis over a two year period. Other intangible assets (licenses, etc.) are amortised on a straight line basis over twelve months, with the exception of ERP (SAP), which has a depreciation period of 5 years
All R & D expenses are expensed.

2.1.2 Property, Plant And Equipment

Property, plant and equipment are measured at acquisition cost (purchase price and incidental expenses) or production cost. Depreciation for impairment is calculated according to the expected 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/Instruments 6 years
Office equipment 4 years
It (Hardware) 3 years

Schedule of Fixed Assets and Depreciation

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT (Amounts in K €)	Gross value at beginning of year	Acquisition or creation	Disposals	Reclassifications	Gross value at year end
Install. Techn. MAT. & Tools	278	1	0		279
Fixtures and fittings	873	348	0	82	1,304
Transport equipment	7	0	0		7
Office, It & Furniture	7,710	1263	0	5	8,978
Property, plant and equipment in progress	87	16	0	-87	15
Total Property, plant and equipment	8,956	1,628	0		10,583

AMORTISATION

(Amounts in K €)

	Total amort Beginning fiscal year	Additions	Amortisati on related to disposals	Total amort at year end	Net value at year end
Install. Techn. MAT. & Tools	77	34	0	110	169
Fixtures and fittings	489	135	0	625	679
Transport equipment	7	0	0	7	0
Office, It & Furniture	6,307	1,031	9	7,338	1640
Property, plant and equipment in progress	0	0	0	0	15
Total depreciation on property, plant and equipment	6,880	1,200	0	8,080	2,503

2.1.3 Financial Assets

Financial assets consist of equity investments, loans and other.

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

Equity investments represented a total of €21504k before provisions, broken down as follows:

- Equity interests in AteME Canada Inc €0.65
- Equity interests in AteME Inc (USA) €263974.75
- Equity interests in AteME Japan KK €60631.78
- Equity interests in AteME Singapore €33602.72
- Equity interests in AteME Australia €61.65
- Equity interests in Anevia SA €21145352.12

Financial assets also include a loan granted by AteME SA to its Australian subsidiary for an amount of €258k fully provisioned.

A provision for impairment was made in 2010 for €61k following the suspension of the business of the subsidiary AteME Japan KK (see the item on subsidiaries).

Other Financial Assets for a total of €955k correspond to various guarantees:

- Rent guarantee deposit €48k
- Retention of collateral for Bpifrance loans €200k
- Liquidity contract → €96k
- Other loans (construction) €372k
- Retained earnings in connection with the pre financing of the CIR €188k
- Other €50k

The loans granted in the amount of €372k relate to employer contributions to the construction effort.

2.2 Inventories and work in progress

Inventories are valued using the weighted average cost method.

Inventories are recognised at purchase cost or net realisable value, whichever is lower.

In the latter case, the impairment loss is recognised in the income statement.

Composition of inventories

Raw material inventories consist mainly of electronic components used to manufacture Kyrion products.

Work in progress is identified individually by project codes that are linked to each customer order in progress. They consist of study costs (engineering hours) and material costs.

Inventories of goods mainly consist of finished products (encoders, decoders, transcoders and third party equipment) and electronic components.

The provision for impairment of inventories concerns components or goods that are the subject of an internal loan, testing or repair. Components or goods whose technological advances are beginning to make inventories obsolete or showing little or no movements during the year are scrapped.

INVENTORIES	31/12/2021	31/12/2020
(Amounts in K €)		
Raw material inventories	192	179
Provisions for inventories components	(14)	(20)
Total raw materials	178	159
Inventories of goods	3,710	2,521
Provision for stock cards	(191)	(155)
Goods	3,518	2,367
Work in progress Goods	778	928
Work in progress	778	928
Total Stock	4,474	3,453

2.3 Receivables

2.3.1 Customers invoices to be issued

The total amount of invoices to be issued at 31 December 2021 was €1242k.

2.3.2 Provisions for impairment of trade receivables

The provision for impairment of trade receivables is established on a case by case basis according to the estimated risk of non recovery. It is supplemented by a provision based on a statistical analysis.

The provision for impairment of trade receivables amounted to €663k, compared with €367k at 31 December 2020. It was increased by €613k and reversed by €317k

2.3.3 Other receivables

Valuation and monitoring of the Research Tax Credit (CIR) and the Innovation Tax Credit (CII)

The CIR covers projects to search for algorithms, software and designs for video encoding technologies to advance the state of art.

The IIC concerns projects that enable the design of prototypes with superior technical performance, functionalities, ergonomics or eco design compared to the products marketed by its competitors at the start of the work.

Monitoring is ensured by individualised project codes on which engineers point their working time. Hours are valued on the basis of paid individual salaries.

The Cif receivables break down as follows:

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

No CII was reported for 2021.

Other Receivables

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

2.3.4 Provisions for impairment of other receivables

Other receivables are covered by a provision of €866k to cover advances and loans granted to subsidiaries according to their ability to repay at the closing date (see 4.5)

2.4 Shareholders' Equity

2.4.1 Share Capital

The share capital is set at €1571364. It is divided into 11,224,027 fully subscribed and paid ordinary shares with a nominal amount of €0.14.

This number excludes Stock Options ('SO') granted to certain Group individuals.

COMPOSITION OF SHARE CAPITAL	31/12/2021	31/12/2020
Share capital (in K €)	1,571	1,548
Number of shares	11,224,027	11,060,569
O/w Ordinary shares	11,224,027	11,060,569
Nominal value (in €)	0.14	0.14

In 2021, 36,038 warrants or stock options were exercised, 52,500 free shares were vested and 74,920 new shares were issued.

Statement of changes in equity

Statement of changes in equity 2021 (K €)

Equity at beginning of year	31,839
Capital increase	23
Increase in share premiums	1,417
Profit or loss for the year	6,453
Shareholders' equity at the end of the year	39,733

Shareholders' equity is equal to €39733k

2.5 Provision for risks and charges

Provisions for liabilities and charges are recognised when there is an obligation towards a third party and it is probable or certain that the obligation will result in an outflow of resources to the third party without at least equivalent consideration being expected from the third party.

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 when there is a sufficient probability that such disputes will result in costs to be borne by the Company.

Labour disputes

The amounts provisioned are valued, on a case by case basis, according to the estimated risks incurred to date by the Company, on the basis of requests, legal obligations and the positions of lawyers.

PROVISIONS (Amounts in K €)	31/12/2021				Amount at year end
	Amount at beginning of year	Additions	Reversals with objects	Reversals without objects	
Provisions for litigation	30	0	0	0	30
Provisions for foreign exchange losses	441	53	441	0	441
Provisions for charges	11	0	0	0	11
Total provisions for liabilities and charges	482	53	441	0	94

2.6 Borrowings

Debts are recorded at their nominal redemption value. They are not discounted.
The research tax credit is subject to pre financing, the counterpart of which is a financial debt.
Expenses and interest are recorded as deferred expenses over the term of the financing.

Other liabilities

Details of other liabilities and their maturity are provided in Note 4.2.

2.7 Foreign currency receivables and payables

Receivables and payables denominated in foreign currencies are translated at the exchange rate prevailing at the closing date, with a corresponding translation adjustment account in the balance sheet.

Provisions are set aside for unrealised foreign exchange losses.

At 31 December 2021, unrealised foreign exchange losses amounted to €53k and resulted in the recognition of a provision for foreign exchange losses of the same amount.

Unrealised foreign exchange losses amounted to €581k.

3. Notes to the Income Statement

3.1 Breakdown of revenue

BREAKDOWN OF SALES	France	Export	Total
(Amount in K €)			
Production sold	4,789	59,194	63,983
NET SALES	4,789	59,194	63,983

The Company's revenues result from the sale of professional video compression solutions, maintenance contracts and services.

Software related revenue is recognised when the licence key for the professional video compression solution is transmitted electronically.

Sales of goods are recognised on the basis of incoterms, which are generally Ex Works and occasionally Delivered Duty Paid for certain customers. In the latter case, revenue is recognised when the goods are received by the customer.

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

3.2 Financial income and expenses

Net financial income amounted to € (210) thousand. It mainly consists of changes in financial provisions (hedging of subsidiaries' current account advances), exchange differences on foreign currency bank accounts and financial expenses relating to borrowings.

3.3 Exceptional income and expenses

Exceptional income and expenses include transactions that are not related to the company's current operations. Exceptional items amounted to €14k.

4. Other Information

4.1 Maturity of receivables

SCHEDULE OF RECEIVABLES (Amounts in K €)	Gross Amount	Of which related companies	-1 year	+1 year
Loans and advances to subsidiaries and affiliates	258	258	258	0
Other loans (1% housing)	372	0	0	372
Financial assets	583	0	96	487
Trade receivables	30,015	0	29,814	201
Advances and down payments on cdes	28	0	28	0
Personnel	13	0	13	0
Social organisations	1	0	1	0
Is - Research tax credit	8,386	0		8,386
VAT	1,251	0	1,251	0
Grants receivable	276	0	276	0
Group	3,463	3,463	3,463	0
Miscellaneous debtors	150	0	150	0
Total other receivables, advances and down payments	13,569	3,463	5,183	8386
Prepaid expenses	1,422	0	1,422	0
TOTAL	46,219	3,722	36,774	9,445

4.2 Maturity of debt

4.2.1 Detailed list of borrowings (€ K)

BORROWINGS AND FINANCIAL LIABILITIES

(Amounts in € k)

At 1 year max Originally	Name of institution	Due at 31/12/21			Total payables	
		Up to 1 year	1 to 5 years	Over 5 years		
	Accrued interest payable	25	0	0		
	A	25	0	0		
Originally 1 year	Name of institution	Due at 31/12/20			Total payables	
		Up to 1 year	1 to 5 years	More than 5 years		
	Coface advances	0	109	36	145	
	PTZI from BPI France (€500k)	50	0	0	50	
	PTZI from BPI France (€1,500k)	300	0	0	300	
	PI FEI from BPI France (€1,000k)	200	100	0	300	
	Loan from Bpi France (€1,000k)	200	550	0	750	
	Loan from Bpi France (€1,000k)	200	650	0	850	
	BPI loan France DOS0094025/00 (€1,000k)	200	750	0	950	
	BPI loan France DOS0110973/00 (€4,000k)	1,000	2,500	0	3,500	
	Banque PALATINE loan (€1,000k)	201	356	0	557	
	HSBC loan of 20/07/2017	101	17	0	118	
	HSBC loan of 14/11/2017	101	42	0	144	
	HSBC loan of 22/12/2021	2,000	0	0	2,000	
	SG loan of 09/06/2017	101	207	0	307	
	SG loan of 01/10/2018	19	26	0	44	
	SG (PGE) loan of 14/04/2020	797	2,673	0	3,470	
	SG (Equipéa) loan of 11/12/2020	554	2,899	0	3,454	
	B	6,024	10,879	36	16,939	
	Total borrowings	A + B	6,049	10,879	36	16,965

Borrowings taken out during the year totaled €2000k and borrowings repaid €3054k.

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

R1: Consolidated net financial debt/Consolidated Ebitda \leq 3.5, for the years ended 31 December 2021 and 31 December 2022;

R1: Consolidated net financial debt/Consolidated Ebitda \leq 2.5, with fiscal years ending after 31 December 2022.

This ratio was respected at year end 2021.

4.2.2 List of other liabilities (€ K)

OTHER LIABILITIES (Amounts in K €)		Up to 1 year	1 to 5 years	Over 5 years	Total payable s
Trade payables	C	11,591	0	0	11,591
Personnel and related accounts		1,563	0	0	1,563
Social security and other social agencies		1,782	0	0	1,782
Income tax		0	0	0	0
Value Added Tax		45	0	0	45
Other taxes		186	0	0	186
Debts on property, plant and equipment and related accounts		109	0	0	109
Group and associates (tax consolidation)		1,462	0	0	1,462
Other borrowings		0	2,217		
Total Tax, social and other liabilities	D	5,148	2,217	0	7,365
Deferred income	E	4,729	0	0	4,729
Total other liabilities	C + D + E	21,467	2,217	0	23,684

4.3 Off balance sheet financial commitments

Commitments given:

- Real estate lease commitments

The amount of rents recognised at the end of 2021 and the commitments up to the next firm commitment period break down as follows:

Property leases	Effective start date of the lease	End date of lease	Expenses at 31/12/2021	Commitment until the next termination period		
				Not more than 1 year	1 to 5 years	More than 5 years
Head office - Velizy Villacoublay	01/12/2014	30/11/2023	341	331	331	0
Administrative premises - Rennes	15/11/2017	14/11/2026	151	150	470	0
Administrative premises - MEXICO (Mexico)	01/06/2017	31/05/2021	22	0	0	0
Administrative premises - SAO PAULO (Brazil)	01/03/2017	30/06/2021	17	0	0	0
Administrative premises - Southampton (UK)	01/04/2018	31/03/2021	78	0	0	0
Administrative premises - MADRID (ES)	30/01/2020	31/01/2021	13	0	0	0
TOTAL € K			611	481	801	0

- Finance lease commitments

Royalties Crédit Bail	Royalties paid at 31/12/21		Fees payable at 31/12/21			
	For the year	Cumulative	Up to 1 year	1 to 5 years	Over 5 years	Total payables
Total € K	89	801	63	22	0	85

Assets under a finance lease include servers, photocopiers and a vehicle.

The gross value of assets financed amounts to €856k and accumulated depreciation to €801k, i.e. a net book value of €55k.

The depreciation charge that would have been recorded for the year ended 31 December 2021 had the property been acquired by AteME would have amounted to €60k.

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

- Signature commitment entered into by Societe Generale

Société Générale has taken out a financial guarantee in the amount of €80k in favour of Société Internationales Immobiliens Institut GMBH for the rental of offices located in Vélizy- Villacoublay.

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

SOCIETE Generale has taken out various guarantees for customer projects:

- Submission guarantees response to calls for tenders for €13k
- Performance bonds for €275k

4.4 Details of accrued income

4.4.1 Prepaid expenses

Prepaid expenses amounted to €1422k at 31 December 2021 and break down as follows:

Amounts € K	
Component purchases	400
Insurance	20
Communication	53
Maintenance contract	480
Other	8
Electricity/Telephone/Internet	192
Fees	40
Rent + Expenses	186
Salon	43
Grand Total	1,422

4.4.2 Deferred income

Income recognised at 31 December 2021 amounted to €4729k relating to maintenance contracts.

4.5 Subsidiaries

Anevia SA

Subsidiary specialised in the design of software for the distribution of live, deferred and on demand television and video (Vod.)

Anevia was acquired by Ateме on 26 October 2020. It is 87% owned by Ateме SA as of 31 December 2020 and 100% as of January 2021.

As of 1 January 2022, a single transfer of assets and liabilities (TUP) between Anevia SA and Ateме SA was completed. Anevia has been delisted since 1 January 2022.

Ateме Canada Inc

Marketing subsidiary created in 2004. It is 100% owned by Ateме SA.

Ateме Canada Inca signed a service agreement in January 2013 with Ateме SA. As such, Ateме Canada Inc receives compensation based on monthly expenses plus a fixed margin of 5%.

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

Ateме Japan KK

Marketing subsidiary created on 29 May 2007. It is 100% owned by Ateме SA. Ateме Japan KK signed an Ateме product representation agreement on Japan. Ateме Japan KK receives a commission calculated as a percentage of sales made in its territory.

In addition, Ateме SA and Ateме Japan KK signed a loan agreement allowing Ateме SA to grant cash advances to Ateме Japan KK if necessary.

The poor performance of the subsidiary in 2009 forced the restructuring of the subsidiary during the first half of 2010 and the suspension of the structure. The current account advances and the shares of the subsidiary have been provisioned at 100% in Ateme SA

Ateme Inc (USA)

Marketing subsidiary based in the United States, created on 2 November 2007. It is 100% owned by Ateme SA.

Ateme Inc signed a service agreement in January 2010 with Ateme SA. As such, Ateme Inc receives compensation based on monthly expenses plus a fixed margin of 5%.

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

Ateme Singapore Pte Ltd

Marketing subsidiary based in Singapore, created in March 2015. It is 100% owned by Ateme SA. Ateme Singapore signed a service agreement in March 2015 with Ateme SA. As such, Ateme Singapore receives compensation based on monthly expenses plus a fixed margin of 5%.

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

Ateme Australia Pty Ltd

Marketing subsidiary based in Australia, created in November 2018. It is 100% owned by Ateme SA.

Ateme SA and Ateme Australia have signed a loan agreement allowing Ateme SA to grant cash advances to Ateme Australia if necessary.

The current account advances granted to subsidiaries to cover the deficit are provisioned at 100% in Ateme SA (financial provisions).

Table of subsidiaries and investments in K €

Financial information in K € Subsidiaries and affiliates	Share capital	Reserves and retained earnings before appropriation of net income	Share of capital held (in%)	Carrying amount of shares held		Loans and advances granted by the company and not yet repaid	Amount of guarantees given by the company	Net sales for the last financial year (12 months)	Results (profit or loss for the last financial year ended (12 months)	Dividends received by the Company during the year
				Gross	Net					
Anevia SA 79 rue Benoit MALON 94250 Gentilly, France	300	765	100%	21,145	21,145	0	0	10,199	-1,822	0
Ateme Canada Inc 615 bd René-Lévesque Ouest Montreal, Quebec, CANADA	0	-115	100%	0	0	41	0	737	35	0
Ateme Japan KK Shin Yokohama 19-03-11 Kouhoku, Kase Bldg 88, 4F Yokohama shi, Kanagawa ke, JAPAN	77	-996	100%	61	0	920	0	0	0	0
Ateme Inc 750 W. Hampden Ave., Suite 290 Englewood, CO 80110, USA	312	225	100%	264	264	1,357	0	17414	79	0
Ateme Singapore Ldt Pte 152 Beach Road Singapore 189721	33	265	100%	34	34	262	0	2058	-58	0
Ateme Australia Ldt Pty Suite 402, Level4, 44 Miller Street NTH Sydney NSW 2060, Australia	0	-597	100%	0	0	1,142	0	874	-219	0

4.6 Tax loss carryforwards

Ateme SA's tax loss carryforwards amounted to € 26.7 million at the end of this fiscal year. These deficits can be carried forward indefinitely under current tax legislation.

Tax consolidation

Ateme SA has been subject to the tax consolidation regime since 2021, following the consolidation of Anevia SA.

The tax consolidation agreement provides that the tax expense or, where applicable, the tax saving (tax loss carryforwards, etc.) resulting from this regime is the responsibility of the head company of the tax consolidation group.

4.7 Headcount

4.7.1 Average headcount of AteME SA staff in 2021: 205 people

4.7.2 Calculation of the retirement benefit

The commitment in respect of the IDRs amounted to €917k at 31 December 2021
 The commitment is evaluated in accordance with ANC recommendation 2013-02 (method 1).

This commitment concerns only employees covered by French law. The main actuarial assumptions used to measure retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS	31/12/2021		31/12/2020	
	Managers	Non executives	Managers	Non executives
Retirement age	Voluntary departure (65-67 years)			
Collective agreements	SYNTEC			
Discount rate	1.25%		0.50%	
Mortality table	INSEE 2017			
Salary increase rate	2.00%			
Turnover rate	Strong (see details below)			
Social security charges rate	47%	43%	47%	43%

The turnover rate was determined based on a study carried out by INSEE on inflows and outflows by age group in correlation with the average turnover level of the Company.

The rates used can be summarised as follows:

- 20 to 30 years: Declining rate from 18.30% to 10.90%
- 30 to 40 years: Declining rate from 10.90% to 6.30%
- 40 to 50 years: Declining rate from 6.30% to 4.20%
- 50 to 60 years: Declining rate from 4.20% to 1%
- 60 to 67 years: Declining rate from 1% to 0%

4.9 Managers and Directors

Compensation paid to members of the Board of Directors breaks down as follows (in K €):

Compensation of corporate officers	31/12/2021
Fixed remuneration	175
Annual variable compensation	108
Exceptional compensation	0
Directors' fees	55
TOTAL	338

3,000 free shares were granted to the Chairman and Chief Executive Officer in 2021.

No advance or credit has been granted to the corporate officers, nor has any pension commitment been made to them.

4.10 Related party disclosures

Since 1 July 2020, Michel Artières has been Chief Executive Officer under a corporate office agreement.

5. Financial risk management and assessment

Ateme may be exposed to different types of financial risks: Market risk, credit risk and liquidity risk. Where appropriate, Ateme uses simple means proportionate to its size to minimise the potentially adverse effects of these risks on financial performance. Ateme's policy is not to subscribe financial instruments for speculative purposes. Ateme does not use derivative financial instruments.

Interest rate risk

Ateme has no significant exposure to interest rate risk, as:

- Marketable securities consist of short term money market funds,
- Cash and cash equivalents include term accounts,
- No floating rate debt was subscribed.

Credit risk

Credit risk is associated with deposits (bank accounts) with banks and financial institutions. Ateme uses leading financial institutions for its cash investments and therefore does not bear any significant credit risk on its cash position.

It has policies in place to ensure that its clients have an appropriate credit risk history.

Currency risk

The main risks related to the foreign exchange impact of sales and purchases in foreign currencies mainly concern sales of products and expenses in US dollars as well as the financing of subsidiaries in their local currency.

The Company has not, at its development stage, made any hedging arrangements to protect its business against fluctuations in exchange rates. However, the Company cannot rule out the possibility that a significant increase in its business would lead to greater exposure to currency risk. The Company will then consider using an appropriate policy to cover these risks.

Equity risk

The Company does not hold any equity interests or marketable securities traded on a regulated market.

6. Subsequent events

As of 1 January 2022, a single transfer of assets and liabilities (TUP) between Anevia SA and AteME SA was completed. Anevia has been delisted since 1 January 2022.

War in Ukraine

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

Sanctions against Russia are expected to have a significant impact on companies that have business or business ties with Russia.

AteME has only limited exposure to the current geopolitical situation involving Russia and Ukraine:

- Sales in Russia and Belarus are limited (approximately 1 million euros in 2021); shipments to these countries have been suspended since 24 February.
- AteME does not depend in any way (supply chain, R & D or finance) on the countries concerned and does not have any late payments from customers in these markets.

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

The Company could be exposed in several ways:

- Supply problems, particularly on metals (titanium, etc.) or electronics;
- Higher product production costs linked to the surge in raw materials and energy.

On 11 January 2022, the long standing collaboration between Canal + and AteME moved up a gear. Canal + subscribers can now enjoy HP and UHD streaming sports events with low latency via the myCANAL app, with an almost non-existent offset between the live event and its broadcast on the screen.

On 2 March 2022, Globecast, a global provider of media and content management solutions, and AteME announced that they had worked together to add AteME's BISS CA standard to Globecast's arsenal of cutting edge security options. Given the central role of content security in the sector, this is an important addition.

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

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

On 29 March 2022, AteME announced that it had enabled Solbox, the market leader in CDN and cloud computing solutions in Korea, to build a private cloud Vod transcoding platform for OTT service providers.

6. Statutory Auditors' reports

1. Statutory Auditors' report on the financial statements

BL2A
 10, Parc François Villon
 91600 Savigny sur Orge
 S.A.S. with share capital of €34400
 403,136,351 R.C.S. Evry

Statutory Auditor
 Company Member
 Régionale de Paris

Ernst & YOUNG Audit
 Tour First
 TSA 14444
 92037 Paris La Défense cedex
 S.A.S. with variable capital
 344,366,315 R.C.S. Nanterre

Statutory Auditor
 Company Member
 Of Versailles and the Centre

Ateme

Year ended 31 December 2021

Statutory Auditors' report on the financial statements

To the Shareholders' Meeting of Ateme,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Ateme for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the results of operations for the year then ended and of the financial position and assets of the Company at the end of the year, in accordance with French accounting 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 opinion.

Our responsibilities under those standards are further described in the 'Statutory Auditors' Responsibilities for the Audit of the Financial Statements' section of our report.

■ Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from 1 January 2021 to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Justification of our assessments - Key audit matters

The global crisis related to the Covid-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and the procedures for implementing audits.

It is in this complex and evolving 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 inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not express an opinion on individual items of these financial statements.

■ Valuation of equity investments

Risk identified	Our response
<p>At 31 December 2021, the net carrying amount of investments in subsidiaries and affiliates amounted to K €21443, corresponding mainly to Anevia shares.</p> <p>These securities are recognised at their entry date and at the acquisition, subscription or contribution price. Their recoverable amount is assessed at the end of each financial year. The latter is determined using the discounted cash flow method, where applicable, or according to the share of net equity, as indicated in Note 2.1.3 to the annual financial statements. If the recoverable amount is less than the carrying amount, an impairment loss shall be recognised.</p> <p>Given their importance in the financial statements and the sensitivity to estimates, we considered the valuation of equity investments to be a key audit matter.</p>	<p>Our work consisted mainly in examining the justification provided by management in respect of the valuation method used and the figures used. In particular, we have:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the process implemented by management to estimate the recoverable amount of equity investments, and the documentation of management's choices with respect to the items to be considered; ▶ Assessed the consistency of the key assumptions used to determine discounted cash flows and the long term growth rates of these flows: We assessed the consistency of the assumptions with respect to historical performance and operating budgets approved by management for the coming financial year, including growth forecasts for subsequent years; ▶ Examined the possible existence of indications of impairment of the Anevia entity; ▶ Assessed the appropriateness of the financial information provided in the notes to the financial statements.

■ Impairment of inventories

Risk identified	Our response
<p>The gross value of your company's inventories amounted to K €4680 at 31 December 2021 and was written down by K €205. These inventories mainly consist of goods.</p>	<p>Our audit procedures consisted in:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment;

As disclosed in Note 2.2 'Inventories and work in progress' to the annual financial statements, the provision for inventory impairment concerns components or goods that are subject to internal loan, testing or repair.

Components or goods for which technological advances are beginning to render obsolete inventories or those with little or no movement during the year are scrapped.

We considered that the impairment of inventories was a key audit matter due to the relative importance of inventories in the company's financial statements and due to management's judgement in identifying inventories to be impaired.

- ▶ Attend physical inventories at the end of the year;
- ▶ Compare, on a test basis, the cost of the main items in inventory with the net selling price during the year;
- ▶ Analysing the data and assumptions used by management to identify inventories to be impaired;
- ▶ Perform a retrospective analysis of inventory run off based on inventory movements during the year.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations.

■ Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to the payment terms mentioned in Article D. 441-6 of the French Commercial Code.

■ Information on corporate governance

We attest that the section of the Board of Directors' management report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-09 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-09 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it that are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information relating to items that your company considered likely to have an impact in the event of a public tender or exchange offer, provided in accordance with the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the documents from which they are sourced and which have been communicated to us. On the basis of our work, we have no matters to report on this information.

■ Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, the identity of shareholders and holders of voting rights and reciprocal shareholdings has been properly disclosed in the management report.

Other verifications or information required by law and regulations

■ Presentation format of the annual financial statements for inclusion in the annual financial report

We have also verified, in accordance with the professional standard on the Statutory Auditor's procedures relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, compliance with this format defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

Based on our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report respects, in all material respects, the single European electronic information format.

It is not our responsibility to verify that the annual financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

■ Appointment of the Statutory Auditors

We were appointed Statutory Auditors of AteME by your Annual General Meeting of 30 June 1997 for BL2A and 11 April 2014 for ERNST & YOUNG Audit.

As at 31 December 2021, BL2A was in the twenty fifth year of its uninterrupted engagement (including eight years since the company's securities were admitted to trading on a regulated market) and ERNST & YOUNG Audit in the eighth year.

Responsibilities of management and those charged with corporate governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

■ Audit objective and approach

Our responsibility is to prepare a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified in Article L. 823101 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- ▶ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its report. However, subsequent events or circumstances may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, the statutory auditor draws attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, issues a qualified opinion or a disclaimer of opinion;
- ▶ Evaluates the overall presentation of the financial statements and assesses whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the conclusions of our audit. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014 confirming our independence within the meaning of the rules applicable in France as set in particular by Articles L. 82210 to L. 82214 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the related safeguards.

Savigny sur Orge and Paris La Défense, 28 April 2022

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hu Charles

Jean Christophe Pernet

2. Statutory Auditors' report on the consolidated financial statements

BL2A
 10, Parc François Villon
 91600 Savigny sur Orge
 S.A.S. with share capital of €34400
 403,136,351 R.C.S. Evry

Statutory Auditor
 Company Member
 Régionale de Paris

Ernst & YOUNG Audit
 Tour First
 TSA 14444
 92037 Paris La Défense cedex
 S.A.S. with variable capital
 344,366,315 R.C.S. Nanterre

Statutory Auditor
 Company Member
 Of Versailles and the Centre

Ateme

Year ended 31 December 2021

Statutory Auditors' report on the consolidated financial statements

To the Shareholders' Meeting of Ateme,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Ateme for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the results of operations for the year then ended and of the financial position and assets and liabilities of the consolidated group as at the end of the year.

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 opinion.

Our responsibilities under those standards are further described in the 'Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

■ Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from 1 January 2021 to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Justification of our assessments - Key audit matters

The global crisis related to the Covid-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and the procedures for implementing audits.

It is in this complex and evolving 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 inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year, as well as how we addressed those risks.

These assessments were made in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not express an opinion on individual items of these consolidated financial statements.

■ Revenue recognition

Risk identified	Our response
<p>An analysis is performed for multi element customer contracts in order to recognise revenue separately for each of the items when they are separately identifiable and the customer can benefit from it separately. When a contract contains several performance obligations, the price is allocated to each of them on the basis of its selling price. This selling price is determined on the basis of the 'catalogue' price.</p> <p>Revenue is recognised when the Group transfers control over the goods or services sold to the customer, either on a given date over time or continuously as specified in Note 3 'Revenue' to the consolidated financial statements. In particular, for licenses, revenue is recognised when the service obligation promised to the contract is satisfied (static license) or as it is satisfied (dynamic license).</p> <p>The terms of commercial contracts between the Group and its customers include terms for the transfer of ownership and the performance of services, the analysis of which is therefore decisive for the proper recognition of revenue. The accounting standards for recording this type of contract require some judgement in the interpretation to be given to the contracts.</p> <p>An error in the analysis of the obligations of this type of contract and their realization may lead to incorrect recognition of revenue. As a result, we considered the recognition of revenue in accordance with IFRS 15 to be a key audit matter.</p>	<p>We familiarised ourselves with the procedures and, where applicable, specific information systems contributing to the formation of consolidated revenue.</p> <p>We examined the compliance of the revenue recognition rules with IFRS 15 on new key contracts signed in 2021.</p> <p>We familiarised ourselves with the internal control procedures implemented to recognise revenue.</p> <p>Based on a selection of contracts based on quantitative criteria (amount of revenue to be recognised) and qualitative criteria (complex contracts with several services), we performed the following procedures:</p> <ul style="list-style-type: none"> ▶ We analysed the contractual clauses and reconciled the financial data with the invoices issued; ▶ For a sample of contracts, we assessed whether the revenue allocated for each service corresponds to the fair value of the consideration received or receivable for the goods sold in the ordinary course of the company's business; ▶ We verified that each service is then accounted for in accordance with applicable accounting rules and methods; ▶ We also examined the relevance of the note presented in the notes to the consolidated financial statements.

■ Measurement of goodwill

Risk identified	Our response
<p>At 31 December 2021, goodwill amounted to €12.9 in net value, or 14% of consolidated assets.</p> <p>As disclosed in Note 11 'Business combinations and goodwill' to the consolidated financial statements, goodwill is not amortised but is tested for impairment annually or more frequently if there is an indication of impairment. Goodwill is tested for impairment at the level of Cash Generating Units (CGUs), which together generate cash flows that are largely independent of the cash flows generated by the other CGUs.</p> <p>As indicated in Note 15 'Impairment,' the need to recognise an impairment loss is assessed by comparing the carrying amount of the CGU with its recoverable amount. Recoverable amount is defined as the higher of fair value less costs to sell and value in use. The determination of value in use is sensitive to the discount rate, the estimated future cash flows and the long term growth rate used.</p> <p>As a change in these assumptions may affect the recoverable amount of goodwill, and given their importance in the consolidated financial statements, we considered the measurement of goodwill to be a key audit matter.</p>	<p>After reviewing and assessing the process developed by management to estimate the recoverable amount of goodwill, we obtained the CGU's impairment test from management. On the basis of this information, with the help of our evaluation experts integrated into the audit team, we conducted our work with particular attention to the following elements:</p> <ul style="list-style-type: none"> ▶ Regarding the key assumptions used to determine cash flows and long term growth rates: We assessed the consistency of the assumptions with respect to the Group's historical performance and the operating budgets drawn up by management for the coming financial year, including forecasts for the following five years; ▶ Discount rates: We compared the rates used with market benchmarks; ▶ Regarding sensitivity analyses performed by management: We analysed the calculations made to identify whether a change in assumptions would lead to a significant impairment of goodwill.

■ Impairment of inventories

Risk identified	Our response
<p>The gross value of the company's inventories amounted to K €6943.1 at 31 December 2021 and was written down by K €384.9. They mainly consist of goods.</p> <p>As presented in Note 17 'Inventories' to the consolidated financial statements, the provision for inventory impairment concerns components or goods that are subject to internal loan, testing or repair.</p> <p>Components or goods for which technological advances are beginning to render obsolete inventories or those with little or no movement during the year are scrapped.</p> <p>We considered impairment of inventories to be a key audit matter due to the relative importance of inventories in the company's financial statements and due to management's judgement in identifying the inventories to be impaired.</p>	<p>Our audit procedures consisted in:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the internal control procedures implemented to identify inventories requiring impairment; ▶ Attend physical inventories at the end of the year; ▶ Compare by sampling the cost of the main items in inventory with the net selling price during the year; ▶ Analysing the data and assumptions used by management to identify inventories to be impaired; ▶ Perform a retrospective analysis of inventory run off based on inventory movements during the year.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations of the information relating to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications or information required by law and regulations**■ Presentation format of the consolidated financial statements for inclusion in the annual financial report**

We have also verified, in accordance with the professional standard on the Statutory Auditor's procedures relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, compliance with this format defined by European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. As regards the consolidated financial statements, our procedures include verifying that the marking of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic information format.

It is not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

■ Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Ate me by your Annual General Meeting of 30 June 1997 for BL2A and 11 April 2014 for ERNST & YOUNG Audit.

As at 31 December 2021, BL2A was in the twenty fifth year of its uninterrupted engagement (including eight years since the company's securities were admitted to trading on a regulated market) and ERNST & YOUNG Audit in the eighth year.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

■ Audit objective and approach

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified in Article L. 823101 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition:

- ▶ Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- ▶ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its report. However, subsequent events or circumstances may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, they issue a qualified opinion or refuse to certify;
- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ Regarding the financial information of the persons or entities included in the scope of consolidation, it gathers sufficient and appropriate information to express an opinion on the consolidated financial statements. It is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

■ Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the conclusions of our audit. We also bring to its attention, where applicable, any significant weaknesses in internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014 confirming our independence within the meaning of the rules applicable in France as set in particular by Articles L. 82210 to L. 82214 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks to our independence and the related safeguards.

Savigny sur Orge and Paris La Défense, 29 April 2022

The Statutory Auditors

BL2A

Ernst & YOUNG Audit

Mélanie Hu Charles

Jean Christophe Pernet