January 17, 2020

www.atari.com

SEMI-ANNUAL FINANCIAL REPORT 2019

FOR THE SIX-MONTH PERIOD

FROM APRIL 1, 2019 TO SEPTEMBER 30, 2019

Note to the reader: The English version of this report is a free translation from the original, which was prepared in French and is available on the company's corporate French website. In the event of any inconsistencies between the original language version of the document in French and this English translation, the French version will take precedence.

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1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019)

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French *société anonyme* (corporation) with capital of €2,561,092.60
Corporate headquarters: 25 rue Godot de Mauroy 75009 PARIS
341 699 106 RCS PARIS

SEMI-ANNUAL REPORT
FIRST HALF OF THE 2019/2020 FINANCIAL YEAR
(Six months ended September 30, 2019)

NOTES

In this document, the terms "**Atari**" or the "**Company**" refer to Atari SA. The term "**Group**" refers to the group of companies formed by the Company and its consolidated subsidiaries. The term "Universal Registration Document" refers to Atari's universal registration document, filed with the AMF on November 9, 2019 under the number D19-0931.

SUMMARY

CONSOLIDATED INCOME STATEMENT

(M€)		Sept 30, 2019	Sept 30, 2018
Revenue	*Note 10*	**10,7**	10,8
Cost of goods sold		**(1,3)**	(2,7)
GROSS MARGIN		**9,4**	8,1
Research and development expenses	*Note 11*	**(4,6)**	(3,1)
Marketing and selling expenses	*Note 11*	**(2,0)**	(1,5)
General and administrative expenses	*Note 11*	**(2,1)**	(1,7)
Other operating income (expense)	*Note 11*	**-**	0,5
CURRENT OPERATING INCOME (LOSS)		**0,7**	2,2
Other income (expense)		**(0,0)**	(0,2)
OPERATING INCOME (LOSS)		**0,7**	2,0
Cost of debt	*Note 13*	**(0,0)**	(0,0)
Other financial income (expense)	*Note 13*	**(0,5)**	0,0
Income tax	*Note 14*	**(0,0)**	(0,2)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**0,1**	1,8
Net income (loss) from discontinued operations		-	-
NET INCOME (LOSS) FOR THE YEAR		**0,1**	1,8
Group share		**0,1**	1,8
Minority interests		**(0,0)**	(0,0)
Basic earnings per share (in euro)	*Note 1.5*	**0,001**	0,007
Diluted earnings per share (in euro)	*Note 1.5*	**0,000**	0,006

The notes are an integral part of the semi-annual financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(M€)	Sept. 30, 2019	Sept. 30, 2018
CONSOLIDATED NET INCOME	**0,1**	1,8
Elements dirrectly incurred in net equity:		
Translation adjustments	0,9	0,3
Financial assets valued at fair value through the other comprehensive income	(0,2)	-
Other transactions	-	-
Total result directly recognised in equity	0,7	0,3
COMPREHENSIVE INCOME	**0,9**	2,1
Of which: Group	0,9	2,1
Of which: Minority interests	(0,0)	0,0

CONSOLIDATED BALANCE SHEET

ASSETS (M€)		Sept 30, 2019	March 31, 2018
Intangible assets	*Note 3*	**16,1**	13,5
Property, plant and equipment	*Note 1.2*	**2,5**	0,0
Non-current financial assets	*Note 4*	**8,7**	5,4
Deferred tax assets	*Note 14.2*	**2,0**	2,0
Non-current assets		**29,3**	20,9
Inventories	*Note 5*	**0,1**	0,2
Trade receivables	*Note 6*	**5,7**	3,0
Current tax assets		**0,0**	0,0
Other current assets	*0*	**0,5**	0,7
Cash and cash equivalents	*Note 8*	**3,4**	8,5
Assets held for sale		**-**	-
Current assets		**9,8**	12,4
Total assets		**39,1**	33,3

EQUITY & LIABILITIES (M€)		Sept 30, 2019	March 31, 2018
Capital stock		**2,6**	2,6
Share premium		**8,0**	8,0
Consolidated reserves		**12,7**	9,0
Net income (loss) Group share		**0,1**	2,7
Shareholders' equity	*Note 7*	**23,4**	22,3
Minority interests		**(0,0)**	(0,0)
Total equity		**23,3**	22,2
Provisions for non-current contingencies and losses	*Note 16*	**0,7**	0,7
Non-current financial liabilities	*Note 8*	**3,2**	0,6
Deferred tax liabilities		**-**	-
Other non-current liabilities	*Note 9*	**0,1**	0,2
Non-current liabilities		**3,9**	1,4
Provisions for current contingencies and losses	*Note 16*	**0,1**	0,1
Current financial liabilities	*Notes 8&9*	**1,0**	0,1
Trade payables	*Note 9*	**6,7**	5,3
Current tax liabilities		**-**	-
Other current liabilities	*Note 9*	**4,1**	4,3
Current liabilities		**11,9**	9,7
Total equity and liabilities		**39,1**	33,3

The notes are an integral part of the semi-annual financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(M€)	Sept 30 , 2019	March 31, 2019
Net income (loss) for the year	**0,1**	2,7
Non cash expenses and revenue	**-**	-
Charges to (reversals of) depreciation, amortization and provisions for non current assets	**2,9**	4,1
Cost of (revenue from) stock options and related benefits	**0,5**	0,8
Losses (gains) on disposals	**-**	0,2
Others	**(1,2)**	(1,1)
Cost of debt	**-**	-
Income taxes (deferred and current)	**0,0**	(1,3)
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	**2,4**	5,4
Income taxes paid	**(0,0)**	(0,1)
Changes in working capital	**-**	-
Inventories	**0,0**	0,0
Trade receivables	**(1,8)**	0,6
Trade payables	**1,4**	(0,4)
Other current assets and liabilities	**(2,2)**	(0,9)
NET CASH USED IN OPERATING ACTIVITIES	**(0,2)**	4,6
Purchases of / additions to :		
Intangible assets	**(4,8)**	(7,1)
Property, Plant & equipment	**(0,6)**	-
Non current financials assets	**(0,0)**	(0,3)
Disposals / repayments of :		
Intangible assets	**-**	-
Property, Plant & equipment	**-**	-
Non current financials assets	**0,0**	0,2
NET CASH USED IN INVESTING ACTIVITIES	**(5,4)**	(7,2)
Net funds raised from :		
Share issues	**-**	**7,7**
Issue of Oceane bonds	**-**	**-**
Changes in treasury shares	**-**	**0,4**
Net funds disbursed for :		
Interest and other financial charges	**-**	**-**
Debt repayment	**-**	**-**
Changes in treasury shares	**(0,1)**	
Changes in loans or other financial items	**-**	**0,0**
Other cash flows from financing activities	**0,3**	**(0,2)**
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	**0,2**	7,9
Impact of changes in exchange rates	**0,3**	0,1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(5,1)**	5,4

(M€)	Sept 30 , 2019	March 31, 2019
Net opening cash balance	**8,5**	3,1
Net closing cash balance	**3,4**	8,5
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(5,1)**	5,4
Net closing cash balance		
Cash and cash equivalents	**3,4**	8,5
Bank overdrafts (including current financial debts)	**-**	-

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

The change in consolidated shareholders' equity is as follows:

(M€)	Capital	Share premium	Treasury shares	Consolidated reserves	Cumulative translation adjustments	Shareholders equity	Minority interests	Total equity
At March 31, 2018	**2,4**	**11,6**	**(0,1)**	**4,6**	**(4,7)**	**13,7**	**0,0**	**13,8**
IFRS 15 restatement				(1,1)		(1,1)		**(1,1)**
At March 31, 2018 restated IFRS15	**2,4**	**11,6**	**(0,1)**	**3,5**	**(4,7)**	**12,7**	**0,0**	**12,7**
Net income (loss) for the period				2,7		2,7	0,0	**2,7**
Translation adjustments					1,3	1,3	-	**1,3**
Other comprehensive income				(2,8)		(2,8)		**(2,8)**
Comprehensive income				**(0,1)**	**1,3**	**1,2**	**0,0**	**1,2**
Retained earnings allocation	-	(10,9)	-	10,9	-	-		**-**
Share issues	0,1	7,3	-	-	-	7,5		**7,5**
Treasury shares transactions	-	-	0,1	0,0	-	0,1	-	**0,1**
Others changes	-	-	-	0,8	-	0,8		**0,8**
At March 31, 2019	**2,6**	**8,0**	**(0,1)**	**15,2**	**(3,4)**	**22,2**	**0,0**	**22,2**
IFRS 16 restatement				(0,1)		(0,1)		**(0,1)**
At March 31, 2019 restated IFRS16	**2,6**	**8,0**	**(0,1)**	**15,1**	**(3,4)**	**22,2**	**0,0**	**22,2**
Net income (loss) for the period				0,1		0,1	(0,0)	**0,1**
Translation adjustments					0,9	0,9	-	**0,9**
Other comprehensive income				(0,2)		(0,2)		**(0,2)**
Comprehensive income				**(0,0)**	**0,9**	**0,9**	**(0,0)**	**0,9**
Treasury shares transactions	-	-	(0,1)	(0,1)	-	(0,2)		**(0,2)**
Others changes	-	-	0,5	-	-	0,5		**0,5**
At September 30, 2019	**2,6**	**8,0**	**0,3**	**15,0**	**(2,5)**	**23,3**	**0,0**	**23,3**

NOTE 1 - BASIS OF PREPARATION OF THE SEMI-ANNUAL REPORT

Atari (the "**Company**" or the "**Group**") is a French company whose securities are listed on the Euronext Paris market, compartment C (ISIN code: FR0010478248, ticker: ATA).

Atari (www.atari.com) is an interactive entertainment production company that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and licenses such as RollerCoaster Tycoon. The company has 4 main business lines: (i) video games ("**Atari Games**") make up the Group's DNA, which includes, by extension, the monetization of such games via multiple channels, multimedia production and licensing activities, (ii) the regulated online casino games within **Atari Casino**, a company dedicated to this business, (iii) the Group's new console **Atari VCS**, and (iv) **Atari Partners**, which covers investments in technology companies, primarily by licensing the Atari brand.

The Company's business model is based on directly or indirectly monetizing its rights, in the broadest possible sense. Direct monetization includes revenue earned from game played on mobile, PC, online, console, or multimedia platforms. Such direct monetization also includes the final sale of rights under a regular arbitrage policy concerning the Company's intellectual property portfolio. Indirect monetization covers licensing agreements granted to third parties, who are then responsible for manufacturing and producing products or applications in exchange for royalties paid to Atari, under multi-year contracts. In general, any transaction concerning such rights, whatever their legal nature, is considered part of the Company's current business activity and contributes to its revenue and/or current operating income.

The corporate headquarters of the Company are located at 25 rue Godot de Mauroy, 75009 Paris (France).

1.1. Principles Applied to the Semi-annual Financial Statements

Preparation of the Financial Statements

The condensed consolidated financial statements of the Group as of September 30, 2019 have been prepared:

- In accordance with IAS/IFRS and their interpretations, as approved by the European Union. This standard is available on the website of the European Commission: http://ec.europa.eu/finance/company-reporting/index_fr.htm;
- In accordance with IAS 34—Interim Financial Reporting.
- Applying the same principles and accounting methods as those applied as of March 31, 2019, with the exception of the standards, amendments and interpretations which have been applied for the first time for financial years beginning after January 1, 2019.

In the case of condensed financial statements, they do not include all the information required by IFRS for annual financial statements. They must therefore be read in conjunction with the Group's consolidated financial statements for the year ended March 31, 2019, as presented in the universal registration document filed with the AMF on November 8, 2019 under number D19-0931.

For the first half of its financial year 2019/2020, the Atari Group has applied two new accounting standards IFRS 16 and IFRIC 23, which came into effect for financial years beginning after January 1, 2019.

- **IFRS 16 – Leases :** this standard eliminates the current distinction between operating leases and finance leases and requires for virtually all leases the recognition of an asset ("right-of-use asset") and of a liability representing the discounted future lease payments. These changes are presented in more detail in note 1.2. Change in Methodology.

- **IFRIC 23 – Uncertainty over Income Tax Treatments**: this standard clarifies the application of the recognition and measurement provisions of IAS 12 "Income Taxes", when there is uncertainty over income tax treatments under that standard. The application of this standard had no impact on the effect of current or deferred taxes.

1.2. Change in Methodology

IFRS 16

On April 1, 2019, the Group applied for the first time the standard IFRS 16 – *Leases*, which came into effect for financial years beginning after January 1, 2019.

The Group has elected to apply the simplified retrospective method by accounting for the cumulative effect of the initial application as an adjustment to the opening balance of shareholders' equity. As a consequence, figures from the previous financial years are presented according to the accounting methods applied previously, as presented in the consolidated financial statements for the financial year ended March 31, 2019.

The IFRS 16 standard eliminates the distinction between operating leases and finance leases that existed under IAS 17, introduces a single lessee accounting model and requires lessees to account for all leases on their balance sheet by recognizing: an asset represing the right to use the leased asset over the lease term; a liability corresponding to the present value of future payments. In the income statement, rental expense is replaced by depreciation of the right-of-use asset and interest on the lease liability. In the cash-flow statement, only interest expenses continue to impact cash-flows from operations, the depreciaton of the right-of-use asset is added back to cash-flows from operations, investing cash-flows are not affected while the repayment of the principal of the lease liability impacts the financing cash-flows.

The types of lease contracts of the Group are fairly standard. The impact of this new standard only applies to property lease contracts related to the Group's operations in Paris and New York.

The Group has opted to apply the exemptions provided for short duration lease contracts and those of low value. Lease contracts with a duration of less than or equal to 12 months, as well as those related to assets of low value are thus not being restated and the corresponding rental expenses continue to be recognized as an operating expense.

The discount rate used to calculate the lease liability is based on the Group's marginal borrowing rate. This rate is applied at the commencement of the lease or at the date of the decision to renew the lease.

The following table presents the adjustments recognized for each balance sheet item. Items that have not been affected by these normative changes have not been included therefore, subtotals and totals cannot be calculated from the figures provided.

	March 31, 2019 Reported	April 1, 2019 IFRS 16	1st half FY 2020 IFRS 16	Sept. 30, 2019 Total
Tangible assets gross value	0,0	2,6	0,6	3,2
Tangible assets amortization	(0,0)	(0,5)	(0,2)	(0,7)
Tangible assets	**0,0**	**2,1**	**0,4**	**2,5**
TOTAL ASSETS	**33,3**	2,1	0,4	**35,8**

	March 31, 2019 Reported	April 1, 2019 IFRS 16	1st half FY 2020 IFRS 16	Sept. 30, 2019 Total
Consolidated reserves	9,0	(0,1)	(0,0)	8,9
Net Income	-	-	(0,0)	(0,0)
Total equity	**22,2**	(0,1)	(0,0)	**22,2**
Non current financial liabilities	0,6	1,8	0,5	2,9
Non Current liabilities	**1,4**	1,8	0,5	**3,7**
Current financial liabilities	0,1	0,3	0,0	0,4
Current liabilities	**9,7**	0,3	0,0	**10,0**
TOTAL EQUITY & LIABILITIES	**33,3**	**2,1**	**0,4**	**35,8**

Methods and Scope of Consolidation

Full Consolidation

All companies in which the Group exercises control, that is, in which it has the power to govern their financial and operating policies in order to obtain benefits from their activities, are fully consolidated.

The Group does not include any special-purpose entity.

Scope of Consolidation

During the first half of 2019, one subsidiary has been established for the Atari Casino activity: Atari RDC, SARL in the Democratic Republic of Congo.

As of September 30, 2019, 20 entities are consolidated compared to 15 as of September 30, 2018. All the Group companies are fully consolidated.

Company	Fiscal year end	Country	% control		% interest	
			30/09/2019	30/09/2018	30/09/2019	30/09/2018
Active subsidiairies						
Atari Partners S.A.S.	March 31	France	100,00	100,00	100,00	100,00
Atari US Holdings Inc.	March 31	USA	100,00	100,00	100,00	100,00
Atari Inc.	March 31	USA	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	USA	100,00	100,00	100,00	100,00
Atatri Studios Inc	March 31	USA	100,00	100,00	100,00	100,00
Atari Games Corp	March 31	USA	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	USA	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	USA	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	USA	100,00	100,00	100,00	100,00
Atari Connect LLC	March 31	USA	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	USA	100,00	100,00	100,00	100,00
Atari VCS LLC	March 31	USA	100,00	100,00	100,00	100,00
Atari Game Partners Corp	March 31	USA	100,00	100,00	100,00	100,00
Atari Entertainment Africa Ltd	March 31	Mauritius	100,00		100,00	
Atari Gaming Ltd	March 31	Kenya	99,90		99,90	
Atari Liberia Inc	March 31	Liberia	100,00		100,00	
Atari RDC SARL	March 31	RDC	100,00		100,00	
Inactive and undergoing liquidation						
Atari Japan KK	March 31	Japan	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Deutchland	100,00	100,00	100,00	100,00
Infogrames Interactive Gmbh	March 31	Deutchland	100,00	100,00	100,00	100,00

1.3. Application of the Going Concern Principle

In recent years, the Group has significantly improved its financial position. Since the 2012/2013 financial year, the Group has implemented a program for massive deleveraging and replenishment of equity. As of September 30, 2019, the net cash position (cash available less debt outstanding) is positive ; in other terms, cash available exceeds the amount of debt still to be redeemed. Furthermore, shareholder's equity is positive. Thus:

- As of March 31, 2018, shareholders' equity (Group share) amounted to +13.8 M€. At the same date, the Group's net cash amounted to 2.5 M€.
- As of March 31, 2019, shareholders' equity (Group share) amounted to +22.2 M€. At the same date, the Group's net debt amounted to 7.8 M€.
- As of September 30, 2019, shareholders' equity (Group share) amounted to +23.3 M€. At the same date, the Group's net cash amounted to 0.2 M€ after taking into account a lease liability (IFRS 16) of 2.5 M€.

Cash and cash equivalents amount to 3.4 M€ and gross financial debt amounts to 3.2 M€, excluding the Legalist debt, which will not lead to a cash outflow. This financial debt mainly consists of the financial liabilities from lease contracts (IFRS 16) of 2.5 M€ and of the 2003-2020 Océane Bonds, which were restructured and mature in April 2020 for an amount of 0.6 M€.

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments. It is relying on forecasts linked to its operating activities, games, licensing, casino and VCS, and, in the event of delays, on other options that are being evaluated. The first half of the financial year has been marked by a stronger seasonality of the investments made, including due to the timetable of the Atari VCS launch.

1.4. Use of Estimates

Preparing the consolidated financial statements in accordance with the rules of IFRS requires the Group to make a certain number of estimates and to adopt certain assumptions that it considers reasonable and realistic. These estimates and assumptions affect the amount of assets and liabilities, shareholders' equity, profits, and the amount of contingent assets and liabilities, as presented as of the balance sheet date.

Estimates may be revised if the circumstances on which they were based change, or as a result of new information. Actual results may differ from these estimates and assumptions.

The estimates and assumptions prepared on the basis of the information available as of the balance sheet date, relate in particular to: valuations of non-current assets, recoverable amounts of deferred tax assets, provisions for risks and financial debts.

There are always inherent uncertainty in achieving objectives, the operating budget and the financing plan, and the non-realization of assumptions may have an impact on the valuation of the Group's assets and liabilities.

1.5. Earnings per Share

The Group presents basic earnings per share and diluted earnings per share.

Earnings per share correspond to the net income of the Group compared to the weighted average number of shares outstanding during the financial year, fewer treasury shares, if any.

Number of shares used to calculate earnings per share: 255 829 671

▪ Number of shares as of September 30, 2019:	256 109 260
▪ Minus treasury shares :	-279 589
Weighted average number of shares outstanding:	**255 829 671**

Diluted earnings per share are calculated by dividing the net income of the Group by the weighted average number of common shares outstanding plus all potential dilutive common shares. Potential dilutive common stock include stock options or warrants, free shares and bonds convertible into shares and bonds repayable by shares issued by the Group.

Number of shares used to calculate diluted earnings per share: 279 895 957

▪ Weighted average number of shares outstanding:	255 829 671
▪ Exercise of stock options Plan 23 :	+ 6 914 691
▪ Exercise of stock options Plan 24 :	+ 5 597 478
▪ Exercise of stock options Plan 25 :	+ 8 755 000
▪ Exercise of stock warrants:	+ 2 799 117
Weighted average number of shares outstanding plus potential dilutive shares:	**279 895 957**

NOTE 2 – HIGHLIGHTS OF THE PERIOD

Highlights of the first half of the 2019/2020 financial year are:

- **April 2019 : Secondary listing in Stockholm**
  On April 25, 2019, Atari announced that its shares would begin trading on the Nasdaq First North segment in Stockholm, the stock exchange segment for growth companies in Nordic countries. No new shares were issued as part of this listing. As part of this process, Atari completed a retail offering of Swedish depositary receipts reserved for individuals in Sweden, Norway, Denmark, and Finland. The conditions, particularly a minimum float requirement, were met, and the listing began on April 25, 2019.

- **May 2019 : Change of address of headquarters**
  The company relocated its headquarters to 25 rue Godot de Mauroy 75009 Paris and entered into a new renewable nine-year lease that took effect on May 1, 2019. The annual rent including charges is about €69K.

- **Juin 2019 : Distribution agreements for the Atari VCS with Walmart and GameStop**
  The Group entered into exclusive distribution agreements for the Atari VCS and launched the official pre-order campaign on Walmart.com and GameStop.com in the United States. These agreements include exclusive limited editions for these distributors with deliveries expected to begin in the United States in March 2020.

- **September 2019 : Atari VCS partnership with Antstream Arcade**
  Atari has entered into a partnership with Antstream Arcade, a streaming platform for retro games. Through an exclusive Antstream Arcade Atari VCS app this partnership will offer access to a streaming library of over 2,000 officially licensed retro games as well as to the library of classic Atari games in enhanced edition formats.

- **September 2019 : Distribution agreements for the TV shows Codebreaker and Player Up**
  Atari has entered into two non-exclusive distribution agreements for these TV shows fo an amount of 1.7 M$US.

- **September 2019 : Agreement with Legalist**
  Atari Interactive has concluded an agreement with Legalist, where the latter has agreed to pay 0.9 M€ to Atari Interactive in exchange for a share of future profits to be received by Atari in its ongoing copyright infringement lawsuits. This amount, which is not recoverable from the Group even in the event of an adverse outcome of these lawsuits, is considered as a financial asset in application of IFRS 9 and has been recognized as a financial debt until the resolution of the lawsuits.

- **Atari Casino : Development in Africa**
  During the first semester ended September 30, 2019, the Group has developed its casino activities in Afric. The objective is to establish a platform, launch the first games and to leverage the acquired experience to later approach the European markets with a partner. The development thus covers:

  - The full development of a gaming platform, for mobile phones and PC, integrating user interface and the complete backend (betting management, promotional activities, reporting,…); the USSD format has been prioritized with the development for smartphones planned ahead of a European expansion.
  - The obtention of national licences (Kenya, Liberia, other countries in application process) or the conclusion of partnerships with owners of such licenses.
  - The creation of local subsidiaries and the setup of a dedicated technical and commercial team in Nairobi, with local marketing support in target countries.
  - The launch of this platform, country by country.

- **Atari Partners : Crypto-currencies**
  High selectivity of projects. The Group continues to pursue its blockchain platform projects and 2 crypto-currency projects. The first project is the *Atari Token* (token for general use) Infinity Network Limited ("INL"): this project is being renegotiated due to the delays experienced by INL

in its fundraising activities. The second project is the *Pong Token* (token for real-money casino games): the platform supporting the Pong Token has been finalized and the Atari Group is today technically and legally capable of issuing the *Pong Token* in certain countries. The test phase is starting in Q1 2020.

NOTE 3 – INTANGIBLE FIXED ASSETS

As of September 30, 2019, intangible fixed assets break down as follows:

Gross value (M€)	Games	Audiovisual production	Atari VCS	Licenses	Total
March 31, 2019	**17,5**	**2,0**	**1,8**	**0,2**	**21,5**
Acquisitions	3,5	0,1	1,9		5,5
Disposals / Retirements					-
Translation adjustments					-
September 30, 2019	**21,1**	**2,0**	**3,7**	**0,2**	**27,0**

Amortization & provisions (M€)	Games	Audiovisual production	Atari VCS	Licenses	Total
March 31, 2019	**(7,5)**	**(0,4)**	**-**	**(0,1)**	**(8,0)**
Amortization / Provisions	(2,3)	(0,7)		(0,0)	(3,0)
Disposals / Retirements					-
Translation adjustments					-
September 30, 2019	**(9,8)**	**(1,0)**	**-**	**(0,1)**	**(10,9)**

The net values break down as follows:

Net value (M€)	Games	Audiovisual production	Atari VCS	Licenses	Total
March 31, 2019	**10,1**	**1,6**	**1,8**	**0,1**	**13,5**
September 30, 2019	**11,3**	**1,0**	**3,7**	**0,1**	**16,1**

At each closing, the Group assesses the future economic benefits it will receive from this asset by using the principles set out in IAS 36—Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is noted, and depending of how significant this deviation is, the depreciation/amortization plan is accelerated or the asset is depreciated/amortized in full.

3.1. GAMES

Game development costs are, in principle, amortized over 3 years on a straight-line basis from the marketing of the product; the engines, tools, and developments related to the information system are amortized over 5 years. For certain products that encounter difficulties at launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows. At the close of the financial year, the residual net book value is compared with the future sales prospects to which the terms of the contract are applied. If those sales projections fall short, a provision for additional impairment is recognized accordingly.

3.2. Audiovisual Productions

Audiovisual productions are reviewed on a case-by-case basis, based on the unique features of each project, following specific rules for audiovisual productions. The amortization methods are pro-rata based on net revenues over the financial year. If the net value of a project turns out to exceed the projected net revenues, an additional impairment is recognized.

3.3. Atari VCS

The same amortization principles shall be applied from the release date, based on an evaluation of the console's various components, which include hardware, engines, tools, and developments related to the information system, as well as the content developed for the console.

3.4. Licenses

Licenses are rights acquired from third-party publishers.

At the end of the period, the residual net book value is compared with future sales projections to which the contract's conditions are applied. If those sales projections fall short, a provision for additional impairment is recognized accordingly.

NOTE 4 – FINANCIAL INSTRUMENTS

4.1. Non-current Financial Assets

Non-current financial assets break down as follows as of September 30, 2019:

(M€)	Sept 30, 2019	March 31, 2019
Financial assets measured at fair value through OCI	**0,7**	0,8
Financial assets measured at fair value through profit & loss	**2,9**	1,6
Financial assets measured at amortized cost	**5,1**	3,0
Non-current financial assets	**8,7**	5,4

The financial assets are initially measured at fair value plus any transaction costs directly related to the acquisition in the case of a financial asset not measured at fair value through profit or loss. Acquisition costs for financial assets measured at fair value through profit or loss are recorded through the profit and loss statement

The Group classifies its financial assets into the three following categories :

- amortized cost ;
- fair value through other comprehensive income (FVTOCI) ;
- fair value through profit or loss (FVTPL).

The classification depends on the business model of the entity holding the asset defined by the Group and the cash flow characteristics of the financial instruments.

Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they are not designated as FVTPL, when they are held in order to collect the contractual cash flows, and their cash flows are solely payments of principal and interest ("SPPI" criterion).

Financial assets measured at fair value through other comprehensive income (OCI)

This category comprises debt and equity instruments.

- Debt instruments are measured fair value through OCI if they are not designated as fair value through P&L and if they are held in order to both collect the contractual cash flows and sell the financial asset and if their cash flows are solely payments of principal and interest ("SPPI" criterion). Interest received, exchange rate profit or loss and impairments are recognized in profit or loss. Other net profit or loss is recognized in OCI. Upon de-recognition, all cumulative gains or losses are then recognized in net earnings.
- Equity investments that are not held for trading can be measured fair value through OCI. The Group can make an irrevocable election in that respect for each individual investment. Dividend income is then recognized in the profit or loss unless it clearly corresponds to a partial repayment of the initial investment cost. Other profit or loss is recognized in OCI and never reclassified as profit or loss.

Financial assets measured at fair value through profit and loss

All financial assets that are not designated as measured at amortized cost or as fair value through OCI are measured as fair value through OCI. The net profit or loss, including interest or dividend income, is recognized as profit or loss.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OCI

They mainly consist of securities in LGBT Media and GMS ("Pariplay"). The Company also holds securities in the companies Kizzang and INL that have been fully depreciated.

- LGBT Media securities: in April 2017, the Group sold the Pridefest game to LGBT Media, and invested 30,000 US$, all in exchange for a 22% stake in LGBT Media, a US company that develops an application for the LGBTQ community. During the financial year 2018-2019, the Group entered into an agreement allowing it to ultimately own 42% of the company for an additional investment of 165,000 US$. The company is still controlled by its two founders; the Atari Group is not on the board of directors and has no notable influence on this company. An impairment test is performed annually; as of March 31, 2019, the Group had set aside a provision of 0.3 M€, which has been maintained as of September 30, 2019.
- GMS securities ("Pariplay"): A 2.52% stake obtained during the financial year 2018-2019 in exchange for a licensing agreement. As Pariplay has been sold in September 2019, the Group had to sell its participation in December 2019 and to recognize it at its sale price as of September 30, 2019. An impairment provision of 0.2 M€ has been recognized in OCI according to IFRS 9.
- Kizzang securities: This company, which offers a new online casino gaming model offering real money jackpots with no initial outlay. During the 2016-2017 financial year, Atari acquired a minority stake in Kizzang valued at 2.0 M€ in exchange for a five-year Atari game license. In 2017-2018, Kizzang granted Atari a 10-year license to use patents and related assets, which are expected to be used by Atari Casino. This license, which has not been valued in the accounts, offers promising prospects. Up to two-thirds of the royalties due for this license may be paid in the form of Kizzang shares valued at their acquisition price. Thus, the value of the Kizzang shares can be considered an advance payment of royalties for the license. Because the Securities and Exchange Commission decided in early 2019 to bring a complaint against Kizzang's management for fraud, particularly in connection with raising funds from certain shareholders other than Atari, the Group opted to impair this minority stake, pending more precose information about the progress of the complaint and the company.

- Infinity Network Limited ("INL") securities: In February 2018, Atari granted a license to INL for the development of a blockchain platform and an Atari Token. During the financial year 2018-2019, Atari and INL renegotiated the Atari Token brand license, raising Atari SA's stake to 30% for an investment of 295,000 US$. The Atari Group does not exercise any notable influence on INL, which is still controlled by its founders in terms of both equity and the number of seats on the board. Furthermore, given the negotiations underway regarding the financing of the project, the informal timetable, and the range of possible outcomes, during the previous financial year the company decided not to assign any value to these shares until those discussions are complete. The *Atari Token* has experienced some delays, mainly as a result of the partner Infinity Network Limited ("INL") having to undertake fundraising activities, which are dependent on the health of the crypto-currency market.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

They mainly consist of:

- Stock warrants from Roam, an innovative company specializing in audio accessories. Under a license agreement entered into in the course of the 2016-2017 financial year, Atari received Roam stock warrants recorded for 0.6 M€. Atari has also acquired an additional 10% stock option exercisable for 10 years and based on a valuation of 20 million US$, at Atari's sole discretion and at any time, including in the event of a change of control of Roam. Since the production and launch of Roam products has again been pushed back one year, Atari has estimated it prudent to recognize a partial impairment provision of 0.2 M€ as of March 31, 2019, an additional impairment provision of 0.1 M€ has been recognized as of September 30, 2019.
- Convertible promissory notes for 1.1 M€, issued by Bayside Games, Inc., a company that develops tournament games, giving access to approximately 15% of the capital of this company. These convertible bonds were received during the financial year 2017-2018 in exchange for a license agreement granted by the Group.
- Shares of Animoca, held or to be issued, valued at 1.2 M€ based on the average price of the last 60 trading days and after applying a discount of 50% ; Animoca is a Hong Kong based company, that develops blockchain games, including with licenses for Atari games. Animoca shares are listed on the Australian Stock Exchange. At the date of this report, trading in the shares has been suspended mainly due to a review by the ASX of the accounting treatment applied by Animoca to its blockchain activities. Atari holds a participation that is not material of less than 5% of the share capital.
- A *"Simple Agreement For Future Equity"* giving rights to securities in the company Portal One, for 0.2 M€. Portal One is a US company that produces TV shows mixing games and virtual reality, including with licenses for Atari games. Portal One securities are unlisted. Atari would obtain a participation that is not material of less than 5% of the share capital.

FINANCIAL ASSETS MEASURED AT AMORTIZED COST

Non-current financial assets measured at amortized cost are primarily made up of:

- deposits and guarantees
- trade receivables, with a maturity over one year, recognized using the effective interest rate method. As of September 30, 2019, they represented 4.9 M€.

NOTE 5 – INVENTORIES

As of September 30, 2019, inventory amounts to nearly 0.1 M€ and corresponds to the Speaker Hats in stock on that date. As of March 31, 2019, the amount of inventory was at a similar level.

NOTE 6 – TRADE RECEIVABLES

As of September 30, 2019 and as of March 31, 2019, the balance of trade receivables corresponds to receivables from distributors, collected with a term of 30 to 60 days, as well as receivables relating to licenses with maturities greater than one year.

The item "Trade receivables", after deducting sales returns and other future trade discounts, breaks down as follows:

(M€)	Sept 30, 2019	March 31, 2019
Trade receivables	**6,6**	3,9
Provisions for impairment in value	**(0,9)**	(0,9)
Trade receivables net value	**5,7**	3,0

Receivables considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery. The limited number of customers enables the Company to regularly review trade receivables. When a payment delay is noted, an analysis is carried out, notably concerning the age of the receivable, the customer's financial position, the possibility of negotiating a payment plan, guarantees received and possibly credit insurance to determine the recoverable amount. Any difference between the book value and the recoverable value is recognized under current operating income via an allowance for provisions. Impairment is considered final when the receivable itself is considered to be permanently irrecoverable and is then recognized as a loss. These analyses led to an impairment of 0.9 M€ being recognized, unchanged from the previous financial year, of which 0.5 M€ for two clients of the French subsidiary Atari Partners and 0.3 M€ for the client INL of Atari SA.

NOTE 7 – SHAREHOLDERS' EQUITY

As of September 30, 2019, unchanged from March 31, 2019, shareholders' equity is made up of 256,109,260 fully paid-up common shares with a nominal value of €0.01 each.

All shares are of the same class and may be held, at the option of the holder, in the form of Identifiable Bearer Securities (*Titres au Porteur Identifiable*, TPI) or registered shares. Each share entitles the holder to one vote on each of the resolutions submitted to the shareholders. A double voting right is attached to all the existing paid-up shares held by the same shareholder for a minimum of two years, as well as to any shares subsequently acquired by the same shareholder through the exercise of the rights attached to these registered shares.

The table below shows the changes in equity over the period ended September 30, 2019:

Equity as at March 31, 2019 (M€)	**22,2**
Restatement IFRS 16	(0,1)
Equity as at March 31, 2019 restated IFRS 16 (M€)	**22,2**
Net income	0,1
Financial assets valued at fair value through other comprehensive income	(0,2)
Stock option expenses	0,5
Movement in treasury shares	(0,2)
Currency fluctuations	0,9
Equity as at September 30, 2019 (M€)	**23,3**

7.1. Stock Options

The Company may grant stock options to its executives and senior management, as well as to other employees, for their contribution to the Group's performance. At the grant date, the exercise price of the fixed option shall be close to the price at which the Company's shares are exchanged. The options granted generally have a duration of eight years and a vesting period of between zero and three years.

As of September 30, 2019, three stock option plans are in effect:

- Plan No. 23 approved by the General Meeting of September 30, 2014 for 7,493,938 stock options granted net of cancellations;
- Plan No. 24 approved by the General Meeting of September 30, 2016 for 5,888,773 stock options granted net of cancellations;
- Plan No. 25 approved by the General Meeting of September 29, 2017 for 10,000,000 stock options, 8,775,000 stock options granted as of September 30, 2019.

As of September 30, 2019, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 8.30% of the Company's share capital at that date. The main characteristics of all outstanding Atari stock options are summarized in the 3 tables below.

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
Of which to the Top Executive Management and Board of Directors	*4 000 000*			*1 650 000*
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Total number of stock options outstanding on Sept. 30,2019	**4 181 657**	**220 939**	**144 000**	**2 272 627**

(1) The exercise price of the options is determined based on the weighted average quoted price over the twenty trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
Of which to the Top Executive Management and Board of Directors	*3 680 000*		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Total number of stock options outstanding on Sept. 30,2019	**5 370 626**	**0**	**200 000**

(1) The exercise price of the options is determined based on the weighted average quoted price over the twenty trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting		September 29, 2017	
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
Of which to the Top Executive Management and Board of Directors	*3 680 000*		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Total number of stock options outstanding on Sept. 30,2019	**6 405 000**	**2 000 000**	**350 000**

(1) The exercise price of the options is determined based on the weighted average quoted price over the twenty trading sessions prior to the award of the options, with or without a discount.

7.2. Fair Value of Options Granted During the Period

In accordance with the requirements of IFRS 2 "Share-based Payment", stock subscription or purchase options granted to employees are recognized in the consolidated accounts as they are acquired and in accordance with the following methods: the fair value of the options granted, estimated to be the fair value of the services rendered by the employees in consideration for the options received, are determined at the grant date. The fair value of the stock options is determined using the Black-Scholes model. This model makes it possible to take into account the characteristics of the plan (exercise price, exercise period), market data at the time of allocation (risk-free rate, stock price, volatility, expected dividends) and a behavioral assumption of the beneficiaries, such as whether they will exercise of the options before the end of the exercise period.

Subsequent changes in the fair value of the instrument are not considered

The expense recognized as of September 30, 2019 is 0.5 M€.

7.3. Stock Warrants

As part of the agreement reached with Alden on July 12, 2016, Atari had set up a loan of €2.0 million taken by Ker Ventures (holding controlled by Frédéric Chesnais) and €0.5 million taken out by Alexandre Zyngier, administrator. On July 7, 2016, the Board of Directors granted, as compensation in addition to the loaned sums, 4,117,647 stock warrants for Ker Ventures and 1,029,412 stock warrants for Alexandre Zyngier. These stock warrants (also known by their French acronym BSA, from *bon de souscription d'actions*) are exercisable at any time for 5 years with a non-discounted subscription price of €0.17. The fair value of the stock warrants is determined using the Black-Scholes model.

As of September 30 2019, taking into account this partial exercise of stock warrants, Ker Ventures still holds 1,731,057 warrants, with Alexandre Zyngier holding 1,029,412 warrants. The potential dilution of all the warrants would be 1.09% based on the capital as of September 30, 2019.

NOTE 8 – DEBT

The Group's net cash position amounts to 0.2 M€ and breaks down as follows :

(M€)	Sept 30, 2019	March 31, 2019
OCEANEs 2003-2020	-	(0,6)
IFRS 16 : lease liabilities	(2,3)	
IFRS 9 : Legalist	(0,9)	
Non current	**(3,2)**	(0,6)
Commitments on financial instruments	(0,0)	(0,1)
OCEANEs 2003-2020	(0,6)	-
IFRS 16 : lease liabilities	(0,3)	-
Current	**(1,0)**	(0,1)
Restatement Legalist debt non cash (1)	0,9	
Gross debt	**(3,2)**	(0,7)
Cash and equivalents	3,4	8,5
Net Cash (net debt)	**0,2**	7,8

(1) *Gross financial debt has been adjusted for the Legalist amount of 0.9 M€, recognized as financial debt in application of IFRS 9 but which remains non-recoverable from the Group*

The gross financial debt consists of the debt from leases related to the application of IFRS 16 and of the Oceane 2003-2009 with a maturity date of April 1, 2020.

2003-2009 OCEANE BONDS, NOW THE 2003-2020 OCEANE BONDS

On December 23, 2003, the Company issued 16,487,489 bonds convertible into or exchangeable for new or existing shares (hereinafter, the "2003-2020 OCEANE Bonds") with a par value of €7, amounting to €124.30 million in principal.

On September 29, 2006, the General Meeting of the holders of 2003-2009 OCEANE Bonds amended these OCEANE bonds as follows:

- Change of the maturity date from April 1, 2009 to April 1, 2020
- Loss by holders of OCEANE bonds of the option to convert and/or exchange their debt securities into/for new or existing Atari shares
- Change in the nominal interest rate from the initial 4% to 0.1%
- Deletion of Article 2.5.10 of the issuance agreement entitled "Early Payability of 2020 OCEANE Bonds in the Event of Default"

Since April 1, 2009, the holders of 2003-2020 OCEANE Bonds no longer have a dilutive effect on the share capital of the Company. As of September 30, 2019, 82,906 2003-2020 OCEANE Bonds remain outstanding, maturing in full on April 1, 2020 at a unit price of 7.539 euros.

In September 2019, the Group has concluded an agreement with Legalist, where the latter has agreed to pay 0.9 M€ to Atari Interactive in exchange for a share of future profits to be received by Atari in its ongoing copyright infringement lawsuits. This amount, which has been recognized as a financial debt in application of IFRS 9, will be deducted from any potential proceeds of the lawsuits. Should the lawsuits be unsuccessful, the amount will not be recoverable from the Group under the terms of the agreement, for this reason it has been excluded from the gross financial debt in order to determine the net cash position.

NOTE 9 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(M€)	Sept 30, 2019	March 31, 2019
Other non-current liabilities	**0,1**	0,2
Other non-current liabilities	**0,1**	0,2
Current financial debt	**1,0**	0,1
Trade payables	**6,7**	5,3
Tax liabilities	**-**	-
Other	**4,1**	4,3
Other current liabilities	**11,8**	9,6

As of September 30, 2019 the line « Other current liabilities » mainly includes the advances received from pre-orders of the Atari VCS amounting to 2.5 M€.

NOTE 10 – REVENUE FROM ORDINARY ACTIVITIES & SEGMENT INFORMATION

IFRS 8 defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available.

Atari operates in one unique operating segment: The sale of multimedia products (equipment, games, content) at the intersection of entertainment and digital technology, aimed at monetizing the Atari brand and its portfolio of intellectual properties among consumers worldwide.

Atari's business is understood to be fully contained within a single operating segment representative of its cash-generating unit (CGU). Performance indicators regularly tracked by the chief operating decision maker ('CODM') are the Group's revenue and consolidated net income.

For the first half ended September 30, 2019, the Atari Group recorded revenue of 10.7 M€, compared to 10.8 M€ for the same half of the previous financial year. The evolution of the business activity mainly reflects a stronger seasonality of licensing revenues in the second half, allowing the Group in particular to favor content dedicated for the Atari VCS (launch in the last quarter of 2019-2020). The evolution also reflects more game releases in the second half than in the first half of the current financial year.

NOTE 11 – CURRENT OPERATING EXPENSES

For comparison purposes with other industry peers, Atari is presenting its consolidated income statement by function.

Research and development costs

Research and development costs amount to 4.6 M€ compared to 3.1 M€ in the same period of the previous financial year. Their increase, net of the amounts capitalized as current intangible assets, is a result of the relaunch of production and includes the resources mobilized for the development of the different business lines for the coming years.

Research and development costs break down as follows:

(M€)	Sept 30, 2019	Sept 30, 2018
R&D expenditures	**6,2**	5,0
R&D capitalized	**(4,3)**	(3,2)
Amortization	**2,6**	1,4
Research and development expenses	**4,6**	3,1

Marketing and commercial expenses

Marketing and selling expenses amounted to 2.0 M€ compared to 1.5 M€ in the same period of the previous financial year. Their evolution reflects the effort made for all Group activities.

General and administrative expenses

General and administrative expenses increased by 0.4 M€as of September 30, 2019, reflecting the development of the activity and the strengthening of the teams.

Other operating income and expenses

Other operating income and expenses have not seen any movement as of September 30, 2019. As of September 30, 2018, the net amount of other operating income was +0.5 M€ and corresponded to the sale of 2 non-core franchises (Alone in the Dark and Act of War) to THQ Nordic.

NOTE 12 – OPERATING EXPENSES BY NATURE

The table below summarizes the nature of the current operating expenses in accordance with the information required by IAS 1.104:

(M€)	Sept 30, 2019	Sept 30, 2018
Personnel costs (1)	**(1,0)**	(1,1)
Depreciation, amortization and provisions	**(2,7)**	(1,4)
Other income and expenses	**(0,9)**	(0,6)
Research and development expenses	**(4,6)**	(3,1)
Personnel costs (2)	**(0,1)**	(0,1)
Depreciation, amortization and provisions	**-**	-
Other income and expenses	**(1,9)**	(1,4)
Marketing and selling expenses	**(2,0)**	(1,5)
Personnel costs & Director fees (3)	**(1,1)**	(0,7)
Depreciation, amortization and provisions	**(0,0)**	(0,0)
Other income and expenses	**(1,0)**	(1,0)
General and administrative expenses	**(2,1)**	(1,7)
Personnel costs	**-**	-
Depreciation, amortization and provisions	**-**	0,2
Other income and expenses	**-**	0,3
Other operating income (expenses)	**-**	0,5

(1) Of which 0.3 M€ related to the value of stock options
(2) Of which 0.0 M€ related to the value of stock options
(3) Of which 0.2 M€ related to the value of stock options

NOTE 13 – NET FINANCIAL INCOME (EXPENSE)

(M€)	Sept 30, 2019	Sept 30, 2018
Interest on bond debt	-	-
Interest expenses on lease liabilities (IFRS 16)		-
Other	0,0	(0,0)
Cost of debt	**0,0**	(0,0)
Foreign exchange result	0,0	0,0
Financial income	-	-
Financial expenses	(0,4)	-
Depreciation on non curent financial assets	(0,1)	-
Other financial income (expense)	**(0,5)**	0,0
Net financial income (expense)	**(0,5)**	(0,0)

As of September 30, 2019, the cost of debt is 0.

For the first semester ended September 30, 2019, other financial expenses are non-recuring and mainly related to the secondary listing on the NASDAQ First North market in Stockholm and to an additional impairment of the Roam securities.

NOTE 14 – INCOME TAX

14.1. ANALYSIS OF THE TAX CHARGE

Given its results and deferred tax losses, the Group has recorded almost no tax expense during the semester.

14.2. ANALYSIS OF DEFERRED TAX ASSETS

As of September 30, 2019, the Group's deferrable tax losses amounted to around 732 M€ in France and close to 650 M$ in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years, and as such, about 340 M$ will expire at the end of the financial year 2019/2020.

In France, deferred tax assets on unrealized tax losses stand at 205 M€ as of September 30, 2019, subject to the usual restrictions on their use, or approximately €0.80 per existing share as of September 30, 2019, excluding treasury shares.

In the United States, deferred tax assets on unrealized tax losses stand at 136 M$ as of September 30, 2019, subject to the usual restrictions on their use, or approximately $0.53 per existing share as of September 30, 2019, excluding treasury shares.

As a result of the significant tax savings of the US entities, both during the financial year ended March 31, 2019 and during the previous financial year, which ended on March 31, 2018, the Group had recognized a deferred tax asset for the US entities as their recovery is likely over the validity period of the deferred tax assets. The forecast period chosen to determine the recovery window is a two-year horizon. The Group has maintained the recognition of a 1.9 M$ deferred tax asset for the US entities.

In France, the same two-year horizon is used to determine the amount of deferred tax assets for the French entities. These earnings forecasts are linked to (i) the management fee agreements in place with the US subsidiaries, (ii) the forecast activity of the French subsidiary Atari Europe, and (iii) the prospective license agreements that may be entered into in France. In view of these profit forecasts for the current and the next two financial years, the Group has maintained the recognition of a deferred tax asset of 0.3 M€. Deferred tax assets not recognized on other temporary differences are not material.

NOTE 15 – PROVISIONS FOR RISKS & CHARGES AND CONTINGENT LIABILITIES

In the normal course of business, Group companies may be involved in a number of legal, arbitral, administrative and tax proceedings.

Changes in provisions for risks and charges are presented below.

Provisions for contingencies and losses (M€)	April 1, 2019	Charges	Reversals	Sept. 30, 2019
Pension liabilities	0,0	-	-	0,0
Provision for contingencies US	0,6	0,0	-	0,7
Provision for contingencies Europe	-	-	-	-
Non-current	**0,7**	**0,0**	**-**	**0,7**
Litigations	0,1	-	-	0,1
Other	0,0	-	(0,0)	0,0
Current	**0,1**	**-**	**(0,0)**	**0,1**
Total provisions	**0,7**	**0,0**	**(0,0)**	**0,7**

During the period ended September 30, 2019, no significant movement has been registered in the provisions for contingencies and losses.

The provision for various contingencies in the United States, established during the previous financial year, is there to cover any potential uncertainties related to the utilization of the deferred tax assets in the United States. These arose from Atari's historic operations in the United States over the period from 1999 to 2016, and are used in the Group's US tax consolidation. All of the US companies are fiscally consolidated, with the perimeter being determined by tax advisors. The method for determining the fiscal perimeter has been unchanged since the final exit from the Chapter 11 proceedings in June 2014. Nonetheless, there is still a risk that the tax authorities could at some future point question the balance of tax losses or their past utilization, whether due to how the consolidation perimeter was determined, how the tax was calculated, and/or the amount of losses that can be utilized.

NOTE 16 – OFF–BALANCE SHEET COMMITMENTS

16.1. Commitments given

No security or guarantee has been granted to third parties.

16.2. Commitments received

Commitments received mainly consist of the commitment made by Infinity Networks Limited, pursuant to the blockchain license agreement, to pay to Atari SA, for the period 2019–2029, a minimum annual amount of between 0.5 M$ and 1.0 M$.

NOTE 17 – RELATED-PARTY TRANSACTIONS

Between April 1, 2018 and the date of this Annual Financial Report, only one agreement was entered into:

- An interest-free loan over 2,500,000 Atari shares granted by Ker Ventures to Atari SA to facilitate the secondary listing on the NASDAQ First North exchange in Stockholm. This loan took effect of April 10, 2019, and was repaid in full on July 10, 2019.

NOTE 18 – SUBSEQUENT EVENTS

None

2. SEMI-ANNUAL ACTIVITY REPORT (SIX MONTHS ENDED SEPTEMBER 30, 2019)

2.1. Environment

Atari (the "Company" or the "Group") is a French company whose securities are listed on the Euronext Paris market, compartment C (ISIN code: FR0010478248, ticker: ATA).

Atari (www.atari.com) is an interactive entertainment production company that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and licenses such as RollerCoaster Tycoon. The company has 4 main business lines: (i) video games ("**Atari Games**") make up the Group's DNA, which includes, by extension, the monetization of such games via multiple channels, multimedia production and licensing activities, (ii) the regulated online casino games within **Atari Casino**, a company dedicated to this business, (iii) the Group's new console **Atari VCS**, and (iv) **Atari Partners**, which covers investments in technology companies, primarily by licensing the Atari brand.

The Company's business model is based on directly or indirectly monetizing its rights, in the broadest possible sense. Direct monetization includes revenue earned from game played on mobile, PC, online, console, or multimedia platforms. Such direct monetization also includes the final sale of rights under a regular arbitrage policy concerning the Company's intellectual property portfolio. Indirect monetization covers licensing agreements granted to third parties, who are then responsible for manufacturing and producing products or applications in exchange for royalties paid to Atari, under multi-year contracts. In general, any transaction concerning such rights, whatever their legal nature, is considered part of the Company's current business activity and contributes to its revenue and/or current operating income.

2.2. Analysis of Consolidated Financial Statements

2.2.1. Condensed consolidated income statement

(M€)	Sept. 30, 2019		Sept. 30, 2018		Variation	
Revenue	**10,7**	**100%**	10,8	100%	**(0,0)**	**-0,4%**
Cost of goods sold	**(1,3)**	**-12%**	(2,7)	-25%	**1,4**	**-51,1%**
GROSS MARGIN	**9,4**	**87%**	8,1	75%	**1,3**	**16,5%**
Research and development expenses	**(4,6)**	**-42%**	(3,1)	-29%	**(1,4)**	**45,7%**
Marketing and selling expenses	**(2,0)**	**-19%**	(1,5)	-14%	**(0,5)**	**30,7%**
General and administrative expenses	**(2,1)**	**-20%**	(1,7)	-16%	**(0,4)**	**25,8%**
Other operating income (expenses)	**-**	**0%**	0,5	5%	**(0,5)**	
CURRENT OPERATING INCOME (LOSS)	**0,7**	**7%**	2,2	20%	**(1,5)**	**-68,0%**

- **Consolidated Revenue**

The strategy aims at the development of the game catalogue with a strong specialization on mobile platforms and simulation / strategy games ("**Atari Games**") and on real-money games ("**Atari Casino**"), the development of the Atari VCS ("**Atari VCS**") and of projects notably in the blockchain space ("**Atari Partners**"). The implementation of this strategy during the first half of the financial year has been coupled with the strengthening of the operational teams, with 22 employees at the end of the period, compared to 20 on September 30, 2018.

For the first half ended September 30, 2019, the Atari Group recorded revenues of 10.7 M€, compared to 10.8 M€ for the same half of the previous financial year. The evolution of the business activity mainly reflects a stronger seasonality of licensing revenues in the second half, allowing the Group in particular to favor content dedicated for the Atari VCS (launch in the last quarter of 2019-2020). The evolution also reflects more game releases in the second half than in the first half of the current financial year.

- **Gross margin**

The gross margin level, at 87.7% of turnover during the period compared to 75.0% for the previous period, reflects the favorable evolution of the product mix, with the previous period having been marked by one-time sales of physical products.

- **Operating expenses**

The main expense items are in line with the expectations of the Group and reflect the efforts made to accelerate the Group's growth relying on its 4 business lines. The R&D expenses cover investments in the Atari and RollerCoaster Tycoon franchises, with a strong specialization on mobile platforms and simulation / strategy games. Marketing and selling expenses amounted to 2.0 million euros for the first half of the 2019-2020 financial year, reflecting an effort for all Group activities. General and administrative expenses increased by 0.4 M€ as of September 30, 2019, reflecting the development of the activity and the strengthening of the teams.

Other operating income and expenses have not seen any movement as of September 30, 2019. As of September 30, 2018, the net amount of other operating income was +0.5 M€ and corresponded to the sale of 2 non-core franchises (Alone in the Dark and Act of War) to THQ Nordic.

- **Current operating income**

In this context, the Atari Group Atari generated a current operating profit of 0.7 M€ during the first half of 2019-2020, compared to 2.2 M€ in the first half of 2018-2019. Atari is counting on a stronger seasonality of its licensing activities and the launch of the Atari VCS in the second half to reach its objective of annual growth in profitability.

OTHER INCOME STATEMENT ITEMS

(M€)	Sept. 30, 2019		Sept. 30, 2018		Variation	
CURRENT OPERATING INCOME (LOSS)	**0,7**	**7%**	2,2	20%	**(1,5)**	**-68,0%**
Other income (expense)	**(0,0)**	**0%**	(0,2)	-2%	**0,2**	
OPERATING INCOME (LOSS)	**0,7**	**6,4%**	2,0	18,2%	**(1,3)**	**-64,7%**
Cost of debt	**(0,0)**	**-0,3%**	(0,0)	-0,1%	**(0,0)**	
Other financial income (expense)	**(0,5)**	**-4,5%**	0,0	0,1%	**(0,5)**	
Income tax	**(0,0)**	**-0,4%**	(0,2)	-1,8%	**0,1**	
NET INCOME (LOSS)	**0,1**	**1,2%**	1,8	16,4%	**(1,6)**	**-92,6%**
Minority interests	(0,0)	**0,0%**	(0,0)	0,0%	**-**	
NET INCOME GROUP SHARE	**0,1**	**1,2%**	1,8	16,4%	**(1,6)**	**-92,6%**

- **Other operating income and expenses**

As of September 30, 2019, and as of September 30, 2018, other operating income and expenses are not significant.

- **Operating income**

Operating income for the first half of 2019/2020 showed a profit of 0.7 M€, compared to a profit of 2.0 M€ in the first half of 2018/2019, representing a fall of 64.7%.

- **Other financial income and expenses**

Other financial income and expenses are non-recurring costs and mainly related to the the secondary listing of the Atari shares on the NASDAQ First North market in Stockholm.

- **Income tax**

The Atari Group is utilizing its deferred tax losses and has not recorded any tax expense for the period.

- **Net income (Group share)**

The net result for the first half of 2019/2020 showed a profit of 0.1 M€ million euros, without any non-recurring items, the result for the period ended September 30, 2018 showed a profit of 1.8 M€.

- **Segment Information**

Atari operates in one unique operating segment: The sale of multimedia products (equipment, games, content) at the intersection of entertainment and digital technology, aimed at monetizing the Atari brand and its portfolio of intellectual properties among consumers worldwide.

Atari's business is understood to be fully contained within a single operating segment representative of its cash-generating unit (CGU). Performance indicators regularly tracked by the chief operating decision maker ('CODM') are the Group's revenue and consolidated net income.

2.2.2. Consolidated Balance sheet

ASSETS (M€)	Sept 30, 2019	March 31, 2018
Intangible assets	**16,1**	13,5
Property, plant and equipment	**2,5**	0,0
Non-current financial assets	**8,7**	5,4
Deferred tax assets	**2,0**	2,0
Non-current assets	**29,3**	20,9
Inventories	**0,1**	0,2
Trade receivables	**5,7**	3,0
Current tax assets	**0,0**	0,0
Other current assets	**0,5**	0,7
Cash and cash equivalents	**3,4**	8,5
Assets held for sale	**-**	-
Current assets	**9,8**	12,4
Total assets	**39,1**	33,3

EQUITY & LIABILITIES (M€)	Sept 30, 2019	March 31, 2018
Capital stock	**2,6**	2,6
Share premium	**8,0**	8,0
Consolidated reserves	**12,7**	9,0
Net income (loss) Group share	**0,1**	2,7
Shareholders' equity	**23,4**	22,3
Minority interests	**(0,0)**	(0,0)
Total equity	**23,3**	22,2
Provisions for non-current contingencies and losses	**0,7**	0,7
Non-current financial liabilities	**3,2**	0,6
Deferred tax liabilities	**-**	-
Other non-current liabilities	**0,1**	0,2
Non-current liabilities	**3,9**	1,4
Provisions for current contingencies and losses	**0,1**	0,1
Current financial liabilities	**1,0**	0,1
Trade payables	**6,7**	5,3
Current tax liabilities	**-**	-
Other current liabilities	**4,1**	4,3
Current liabilities	**11,9**	9,7
Total equity and liabilities	**39,1**	33,3

IFRS 16 Restatement:

On April 1, 2019, the Group applied for the first time the standard IFRS 16 – *Leases*, which came into effect for financial years beginning after January 1, 2019.

The Group has elected to apply the simplified retrospective method by accounting for the cumulative effect of the initial application as an adjustment to the opening balance of shareholders' equity. As a consequence, figures from the previous financial years are presented according to the accounting methods applied previously, as presented in the consolidated financial statements for the financial year ended March 31, 2019.

The IFRS 16 standard introduces a single accounting model for all leases on the lessee balance sheet, by recognizing: an asset representing the right to use the leased asset over the lease term; a liability corresponding to the present value of future payments. In the income statement, rental expense is replaced by depreciation of the right-of-use asset and interest on the lease liability.

The types of lease contracts of the Group are fairly standard. The impact of this new standard only applies to property lease contracts related to the Group's operations in Paris and New York.

The consolidated financial statements take into account the cumulative effect of the application of IFRS 16 as of April 1, 2019. Accordingly, the right of use related to the lease contracts has been recorded in "Property, plant and equipment" for 2.5 M€, and the lease liabilities related to the application of IFRS 16 are included in the items "Non-current financial liabilities" and "Current financial liabilities" for 2.3 M€ and 0.3 M€ respectively.

- **Intangible Fixed Assets**

As of September 30, 2019, intangible fixed assets break down as follows:

Gross value (M€)	Games	Audiovisual production	Atari VCS	Licenses	Total
March 31, 2019	**17,5**	**2,0**	**1,8**	**0,2**	**21,5**
Acquisitions	3,5	0,1	1,9		5,5
Disposals / Retirements					-
Translation adjustments					-
September 30, 2019	**21,1**	**2,0**	**3,7**	**0,2**	**27,0**

Amortization & provisions (M€)	Games	Audiovisual production	Atari VCS	Licenses	Total
March 31, 2019	**(7,5)**	**(0,4)**	**-**	**(0,1)**	**(8,0)**
Amortization / Provisions	(2,3)	(0,7)		(0,0)	(3,0)
Disposals / Retirements					-
Translation adjustments					-
September 30, 2019	**(9,8)**	**(1,0)**	**-**	**(0,1)**	**(10,9)**

Net value (M€)	Games	Audiovisual production	Atari VCS	Licenses	Total
March 31, 2019	**10,1**	**1,6**	**1,8**	**0,1**	**13,5**
September 30, 2019	**11,3**	**1,0**	**3,7**	**0,1**	**16,1**

At the close of every financial year, the Group assesses the future economic benefits it will receive from these assets by using the principles set out in IAS 36—Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is identified, and depending on how significant this deviation is, the amortization plan is accelerated, or the asset is impaired in full.

Licenses are rights acquired from third-party publishers.

- **Non current financial assets**

Non-current financial assets break down as follows as of September 30, 2019:

(M€)	Sept 30, 2019	March 31, 2019
Financial assets measured at fair value through OCI	**0,7**	0,8
Financial assets measured at fair value through profit & loss	**2,9**	1,6
Financial assets measured at amortized cost	**5,1**	3,0
Non-current financial assets	**8,7**	5,4

Financial assets are initially measured at fair value plus any transaction costs directly related to the acquisition in the case of a financial asset not measured at fair value through profit or loss. Acquisition costs for financial assets measured at fair value through profit or loss are recognized in the income statement.

- **Shareholders' Equity**

The table below shows the changes in equity over the period ended September 30, 2019:

Equity as at March 31, 2019 (M€)	**22,2**
Restatement IFRS 16	(0,1)
Equity as at March 31, 2019 restated IFRS 16 (M€)	**22,2**
Net income	0,1
Financial assets valued at fair value through other comprehensive income	(0,2)
Stock option expenses	0,5
Movement in treasury shares	(0,2)
Currency fluctuations	0,9
Equity as at September 30, 2019 (M€)	**23,3**

- **Net cash position / (Net debt)**

As of September 30, 2019, the Group shows a positive net cash position of 0.2 M€. The net cash position breaks down as follows:

(M€)	**Sept 30, 2019**	March 31, 2019
OCEANEs 2003-2020	**-**	(0,6)
IFRS 16 : lease liabilities	**(2,3)**	
IFRS 9 : Legalist	**(0,9)**	
Non current	**(3,2)**	(0,6)
Commitments on financial instruments	**(0,0)**	(0,1)
OCEANEs 2003-2020	**(0,6)**	-
IFRS 16 : lease liabilities	**(0,3)**	-
Current	**(1,0)**	(0,1)
Restatement Legalist debt non cash (1)	**0,9**	
Gross debt	**(3,2)**	(0,7)
Cash and equivalents	**3,4**	8,5
Net Cash (net debt)	**0,2**	7,8

(1) *Gross financial debt has been adjusted for the Legalist amount of 0.9 M€, recognized as financial debt in application of IFRS 9 but which remains non-recoverable from the Group*

The gross financial debt consists of the debt from leases related to the application of IFRS 16 and of the Oceane 2003-2009 with a maturity date of April 1, 2020.

2.2.3. Consolidated Cash flows

As of September 30, 2019, net cash position stood at +0.2 M€, compared to 7.8 M€ as of March 31, 2019.
The cash flow statements prepared by the Company for the six-month periods ended September 30, 2019 and September 30, 2018 are shown below:

(M€)	Sept 30, 2019	Sept 30, 2018
Net cash (used)/generated in operating activities	**(0,2)**	2,1
of which continuing operations	**(0,2)**	2,1
Net cash (used)/generated in investing activities	**(5,4)**	(3,3)
of which continuing operations	**(5,4)**	(3,3)
of which intangible assets and fixed assets	**(5,4)**	(3,3)
Net cash provided (used in) by financing activities	**0,2**	7,3
of which continuing operations	**0,2**	7,3
of which interest paid	**-**	-
Other cah flows	**0,3**	(0,5)
Net change in cash and cash equivalent	**(5,1)**	5,7

Net cash provided by operating activities of 2.4 M€ reduced by a larger working capital requirement of 2.6 M€ resulted in net cash used in operating activities of 0.2 M€. Financing activities generated 0.2 M€. Funds were primarily used during the period for investments in games and the Atari VCS. The change in net cash for the period is (5.1) M€.

2.3. Updated information on risk factors

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 beyond those presented below and those presented in its Universal Registration Document. These risks are, as of the date of filing of this update of the Reference Document, those the Company believes that, were they to materialize, could have a significant adverse effect on the Atari Group, its business, its financial situation, its results, or its prospects. Investors are invited to consider these risks before deciding, as the case may be, to acquire or subscribe for securities of the Company.

2.3.1. Liquidity Risk, Risks Associated with a Going Concern, and Risks Associated with Operating Losses

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments. It is relying on forecasts linked to its operating activities, games, licensing, casino and VCS, and, in the event of delays, on other options that are being evaluated. The first half of the financial year has been marked by a stronger seasonality of the investments made, including due to the timetable of the Atari VCS launch.

Information on the going concern assumption and indebtedness is presented in Notes 1.3 and 8 to the consolidated financial statements as of September 30, 2019.

In recent years, the Group has significantly improved its financial position. Since the 2012/2013 financial year, the Group has implemented a program for massive deleveraging and replenishment of equity. As of September 30, 2019, the net cash position (cash available less debt outstanding) is positive ; in other terms, cash available exceeds the amount of debt still to be redeemed. Furthermore, shareholder’s equity is positive.

Thus:

- As of March 31, 2018, shareholders' equity (Group share) amounted to +13.8 M€. At the same date, the Group's net cash amounted to 2.5 M€.
- As of March 31, 2019, shareholders' equity (Group share) amounted to +22.2 M€. At the same date, the Group's net debt amounted to 7.8 M€.
- As of September 30, 2019, shareholders' equity (Group share) amounted to +23.3 M€. At the same date, the Group's net cash amounted to 0.2 M€ after taking into account a lease liability (IFRS 16) of 2.5 M€.

Cash and cash equivalents amount to 3.4 M€ and gross financial debt amounts to 3.2 M€. This financial debt mainly consists of the financial liabilities from lease contracts (IFRS 16) of 2.5 M€ and of the 2003-2020 Océane Bonds, which were restructured and mature in April 2020 for an amount of 0.6 M€.

2.3.2. Risks related to the achievement of objectives

There is still uncertainty inherent in the achievement of objectives, the operating budget and the financing plan, which may be greater in these new areas, and the valuation of Group assets—in particular where it concerns capitalized productions (games, TV shows) or investments—and liabilities may be affected where assumptions fail to materialize.

6.4. OUTLOOK FOR THE 2018/2019 FINANCIAL YEAR

In light of the expected seasonality and the launches in the second half of the financial year 2019-2020, the Group reiterates its objectives of increased profitability with the priority of increasing the value of the Atari brand and of the portfolio of games.

The second half of the year will be marked by several important projects, in particular:

ATARI GAMES

- Pursuit of the development of the mobile game *Citytopia* with a progressive release in multiple countries, allowing the focus on territories displaying the best player retention and monetization rates ;
- Pursuit of the development of the mobile game *Days of Doom* : one of the first survival games on mobile platforms. It is being progressively released, country by country, with the same retention and monetization objectives;
- Launch of the mobile game *Mob Empire* (*ex-Krysha*) : this simulation game using the engine of RCT Touch is set in a Las Vegas type of environment. The tone of the game combines humor and a "cartoon" type approach;
- Launch of *RollerCoaster Tycoon Touch (RCT) Story*, a new title presenting a different gameplay mode.

ATARI CASINO

- Launch of the first real-money games in Kenya.

ATARI VCS

- Preparations for the commercial launch and negotiation of content partnership agreements with first shipments expected in March 2020 in the United States;
- Revenues for the Atari VCS will contribute from the time of the first shipments.

ATARI PARTNERS

- Renegotiation to come with INL due to the delays experienced by INL in its fundraising and development of the Atari Token project;

- Tests in an operating environment for the Pong Token, a crypto-currency for real-money gaming; the Atari Group as sole responsible for this second project has successfully implemented the technical platform on the blockchain allowing the issuance and management of this crypto-currency.
- Licensing agreement for Atari hotels

The Group reiterates its objectives for the 2019-2020 financial year, which will end on March 31, 2020. For this financial year, the financial objective remains the improvement of profitability, while prioritizing the maximization of the valuation of the Atari brand and of the portfolio of games. The seasonality between the first and second semester is more pronounced than usual, with the main efforts being concentrated on the results of the second semester notably with the launch of the Atari VCS.

As of this date, the Group confirms its objectives, which remain subject to an inherent uncertainty in the realization of the operating budget and the financing plan.

***

3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE SEMI-ANNUAL FINANCIAL REPORT

I certify that, to the best of my knowledge, the summary consolidated financial statements for the half-year ended September 30, 2019 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position, and results of the Company and of all the companies included in the consolidation of the Atari Group, and that the management report presents a faithful representation of the important events that occurred during the first six months of the financial year, of their impact on the accounts, of the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, January 17, 2020

Frédéric Chesnais,
Chairman and Chief Executive Officer of Atari SA

4. STATUTORY AUDITORS' REPORT ON THE 2019-2020 SEMI-ANNUAL FINANCIAL REPORT

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ATARI

Société Anonyme
25 rue Godot de Mauroy
75009 PARIS

Statutory auditors' review report on the first half-year financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of ATARI, for the period from March 31st, 2019 to September 30, 2019 ;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the above conclusion, we draw your attention to Notes 1.1 “Principles applied to the semi-annual financial statements” and 1.2 “Change in methodology” setting out the impacts of the first-time application of IFRS 16 “Leases” after April 1, 2019.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half- yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, January 17, 2020

The Statutory Auditors

French original signed by

EXPONENS CONSEIL & EXPERTISE	**DELOITTE & ASSOCIES**
Anne MOUHSSINE	Benoit PIMONT