



## ATARI

*Société Anonyme* with a Board of Directors and a share capital of 3,060,274.29 euros  
Registered office: 25 rue Godot de Mauroy - 75009 Paris France  
Registration number: 341 699 106 RCS Paris

## PROSPECTUS

Made available to the public in connection with the offering and the admission on Euronext in Paris ("**Euronext Paris**") of the issued New Shares, to be subscribed for in cash or by debt set-off, in the context of a capital increase with the shareholders' preferential subscription right maintained, for a total gross amount, including issue premium, of EUR 12.547.124,55 by issue of 76.506.857 New Shares at a subscription price of EUR 0.1640 (of which EUR 0.01 par value and 0.1540 euro issue premium per share), at a ratio of 1 New Share for 4 existing shares.

Trading period for preferential subscription rights from March 11, 2022 to March 24, 2022 inclusive

Subscription period from March 15, 2022 to March 28, 2022 inclusive

AUTORITÉ  
DES MARCHÉS FINANCIERS



The prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**") on 8 March 2022 under the approval number 22-055, in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the issuer and on the quality of the securities that are the subject of this prospectus. Investors should make their own assessment of the opportunity to invest in such securities.

The prospectus remains valid until the admission to trading of the New Shares on the regulated market of Euronext Paris and, during this period and pursuant to Article 23 of Regulation (EU) 2017/1129, must be updated by a supplement in the event of significant new facts or substantial errors or inaccuracies.

The prospectus has been prepared to constitute a recovery prospectus in accordance with Article 14 bis and Annex V bis of the Prospectus Regulation as amended by Regulation (EU) 2021/337 of 16 February 2021.

The prospectus is available free of charge at the registered office of ATARI located at 25 rue Godot de Mauroy - 75009 Paris France, as well as in electronic form on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and on the Company's website ([www.Atari.com](http://www.Atari.com)) (the "**Prospectus**").

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## GENERAL REMARKS

In this document, unless otherwise indicated, the terms "**Issuer**", "**Company**" or "**Atari**" refer to Atari S.A. and the term "**Group**" refers to the group of companies consisting of the Company and its subsidiaries.

### *Disclaimer*

The Prospectus contains information relating to the Company's business and the market in which it operates. This information is based on studies carried out either internally or by external sources (e.g., industry publications, specialized studies, information published by market research companies, analysts' reports). The Company believes that this information provides an accurate picture of its reference market and its competitive position in that market. However, this information has not been verified by an independent expert and the Company cannot guarantee that a third party using different methods to gather, analyse or calculate market data would obtain the same results. The Company makes no representation or warranty as to the accuracy of this information. It is possible that such information may prove to be inaccurate or out of date. The Company does not undertake to publish updates of this information, except in accordance with any legal or regulatory obligation applicable to it.

The Prospectus also contains information on the Company's objectives and development plans. This information is sometimes identified by the use of the future tense, the conditional tense and forward-looking words such as "estimate", "consider", "aim", "expect", "intend", "should", "wish" and "may" or other similar variations or terminology. The reader's attention is drawn to the fact that these objectives and development paths are not historical data and should not be interpreted as a guarantee that the facts and data stated will occur, that the assumptions will be verified or that the objectives will be achieved. These are objectives which, by their nature, may not be achieved and the information produced in the Prospectus may prove to be erroneous without the Company being subject in any way to an obligation to update, subject to applicable regulations, in particular the AMF General Regulation and Regulation (EU) 596/2014 on market abuse.

Investors are also invited to consider the risk factors described in section IV "**Risk Factors**" of the Prospectus before making their investment decision. The occurrence of some or all of these risks could have an adverse effect on the Company's business, situation, financial results or objectives. In addition, other risks, not yet identified or considered insignificant by the Company as of the date of the Prospectus, could have the same negative effect.

Certain figures (including figures expressed in thousands or millions) and percentages presented in the Prospectus have been rounded. Where applicable, the totals presented in the Prospectus may differ slightly from those that would have been obtained by adding up the exact (unrounded) values of these figures.

### *Information incorporated by reference*

Pursuant to Article 19 of the Prospectus Regulation, the following are incorporated by reference in the Prospectus:

- the IFRS consolidated half-year financial statements for the first semester ended on 30 September 2021 and the related auditors' report, as set out respectively on pages 3 to 26, and pages 36 to 37 of the half-year financial report published on 17 January 2022 (the "**Half-Year Financial Report**") (<https://atari-investisseurs.fr/wp-content/uploads/2022/01/Atari-Rapport-Semestriel-2021-VEN-DEF.pdf>);
- the IFRS consolidated financial statements for the year ended 31 March 2021 and the related auditors' report, as set out respectively on pages 45 to 88 and pages 89 to 93 of the Universal Registration Document filed with the AMF on 8 November 2021 under the number D.21-0916 (<https://atari-investisseurs.fr/wp-content/uploads/2021/11/URD-2021-03-VEN-V2021-11-08.pdf>);

### *Equal access to information*

The information contained in the Prospectus allows to maintain and, if necessary, restore, in all material respects, equal access to information about the Company for the various shareholders and investors.

## I. Summary of the prospectus

### Section A – Introduction et avertissements

**Titres de l'émetteur** : actions ordinaires (ATARI, code ISIN FR0010478248). **Adresse de l'émetteur** : Atari, 25 rue Godot de Mauroy - 75009 Paris France (LEI code: 969500EY082T9MF5R336).

**Autorité compétente ayant approuvé le Prospectus le 8 mars 2022** : Autorité des marchés financiers (l' « AMF ») – 17, place de la Bourse, 75002 Paris, France.

#### Avertissement

Le présent résumé doit être lu comme une introduction au Prospectus. Toute décision d'investir dans les actions dont l'admission aux négociations sur un marché réglementé est demandée doit être fondée sur un examen exhaustif de l'intégralité du Prospectus par l'investisseur. L'investisseur pourrait perdre la totalité ou une partie des sommes qu'il investirait dans les actions de la Société dans le cas d'une baisse du cours des actions de la Société. Lorsqu'une action concernant l'information contenue dans le Prospectus est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des États membres de l'Union européenne ou parties à l'accord sur l'Espace Economique Européen, avoir à supporter les frais de traduction du Prospectus avant le début de la procédure judiciaire. Les personnes qui ont présenté le présent résumé, y compris sa traduction, n'engagent leur responsabilité civile que si le contenu du présent résumé est trompeur, inexact ou incohérent, lu en combinaison avec les autres parties du Prospectus, ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans ces valeurs mobilières. L'information faisant l'objet du présent Prospectus permet de maintenir, et rétablir, le cas échéant, en tous points significatifs et en tant que de besoin, l'égalité d'accès entre les différents actionnaires et investisseurs à l'information relative à la Société.

### Section B – Informations clés sur l'émetteur

**Activités principales** : Atari est un groupe de production de divertissement interactif (le « Groupe »), qui exploite un portefeuille de droits intellectuels centré sur la marque Atari, les jeux Atari Classics, des propriétés intellectuelles et des licences telles que RollerCoaster Tycoon. Le Groupe est organisé en deux divisions principales : (i) Atari Gaming, axée sur les jeux et plus particulièrement sur le marché en expansion des jeux rétro, et le développement de la console de retro-gaming Atari VCS ; et (ii) Atari Blockchain, qui regroupe toutes les activités du Groupe liées à la blockchain, y compris le développement et la commercialisation de jetons non-fongibles (NFTs) et le développement de l'écosystème autour de l'Atari Token. Au titre de l'exercice clos le 31 mars 2021, le chiffre d'affaires du Groupe s'établit à 18,9 millions d'euros contre 24 millions d'euros en 2020, et une perte nette de 11,9 millions d'euros en 2021. Au 30 septembre 2021, le chiffre d'affaires du Groupe s'établit à 6 millions d'euros contre 7,8 millions d'euros en septembre 2020. La part du chiffre d'affaires d'Atari Gaming s'élève à 93% et la part relative à Atari Blockchain s'élève à 7% du chiffre d'affaires du Groupe au 30 septembre 2021. La Société est cotée sur le marché Euronext Paris. A la date du présent prospectus, l'actionnaire principal, IRATA LLC, détient 16,5% du capital social de la Société.

**Impact économique et financier de la pandémie de Covid-19** : Dans le contexte de la crise sanitaire et économique liée au Covid-19, un effet défavorable important a été enregistré (i) sur l'activité de « *licensing* » du fait des reports intervenus dans les renouvellements de contrats de licence et (ii) dans le calendrier de livraison des unités de l'Atari VCS. Le Groupe observe attentivement l'évolution de la situation sanitaire pour mener les actions nécessaires et assurer la protection de ses collaborateurs et la continuité de son activité.

### Section C – Informations clés sur les titres

**Nature, classe et code ISIN** : les 76.506.857 actions nouvelles offertes dont l'admission aux négociations sur Euronext Paris (« **Euronext Paris** ») est demandée dans le cadre d'une augmentation de capital avec maintien du droit préférentiel de souscription des actionnaires (l'« **Augmentation de Capital** »), et dont l'émission est visée par le Prospectus (les « **Actions Nouvelles** »), seront des actions ordinaires de même catégorie que les actions existantes de la Société.

Les Actions Nouvelles seront admises aux négociations sur le marché d'Euronext Paris sous le code ISIN FR0010478248.

**Valeur Nominale** : EUR 0,01.

**Droits attachés aux actions** : Les Actions Nouvelles seront, dès leur création, soumises à l'ensemble des stipulations des statuts de la Société. Elles porteront jouissance courante et donneront droit à tous les droits attachés aux actions ordinaires existantes détaillés dans les statuts de la Société. En l'état actuel de la législation française et des statuts de la Société, les principaux droits attachés aux Actions Nouvelles sont : (i) droit à dividendes, (ii) droit de vote (dont un droit de vote double, conformément à l'article L. 22-10-46 du Code de commerce, pour les actions entièrement libérées en compte nominatif au profit du même actionnaire depuis deux ans au moins), (iii) droit préférentiel de souscription de titres de même catégorie, (iv) droit de participation à tout excédent en cas de liquidation et (v) droit d'information des actionnaires.

### Section D - Informations clés sur l'admission à la négociation sur un marché réglementé

**Structure de l'Offre (Principales caractéristiques des Actions Nouvelles)**: les Actions Nouvelles sont émises dans le cadre de l'Augmentation de Capital avec droit préférentiel de souscription des actionnaires conformément à la 12ème résolution adoptée par l'assemblée générale mixte (« **Assemblée Générale Mixte** ») des actionnaires de la Société qui s'est tenue le 30 novembre 2021 (l'« **Offre** »).

**Le prix de souscription des Actions Nouvelles** : Le prix de souscription des Actions Nouvelles est de EUR 0,1640 par action (EUR 0,01 de valeur nominale et EUR 0,1540 de prime d'émission) (le « **Prix de Souscription** ») à libérer intégralement au moment de la souscription. Sur la base du cours de clôture de l'action Atari le jour de bourse précédant la date d'approbation de l'AMF sur le Prospectus, soit EUR 0,1900 : i) le prix d'émission des Actions Nouvelles de EUR 0,1640 fait apparaître une décote de 14%, ii) la valeur théorique du droit préférentiel de souscription s'élève à EUR 0,052, iii) la valeur théorique de l'action ex-droit s'élève à EUR 0,1848, et iv) le prix d'émission des Actions Nouvelles fait apparaître une décote de 11% par rapport à la valeur théorique de l'action ex-droit. Ces valeurs ne préjugent ni de la valeur des droits préférentiels de souscription pendant leur période de négociation ni de la valeur de l'action ex-droit, ni des décotes, telles qu'elles pourront être constatées sur le marché.

**Droits préférentiels de souscription** : Les titulaires de droits préférentiels de souscription pourront souscrire, à partir du 15 mars 2022 et jusqu'à la fin de la période de souscription, c'est-à-dire jusqu'au 28 mars 2022 inclus, en exerçant leurs droits préférentiels de souscription sur une (i) base irréductible, au taux de 1 Action Nouvelle au titres de 4 actions existantes, sans que cela n'entraîne

l'attribution d'une fraction d'Action Nouvelle et, (ii) à titre réductible, le nombre d'Actions Nouvelles qu'ils souhaiteraient en plus du nombre d'Actions Nouvelles auxquelles ils auraient droit du fait de l'exercice de leurs droits irréductibles, dans la limite de leurs demandes et au prorata du nombre d'actions existantes dont les droits auront été utilisés pour la souscription à titre irréductible.

**Montant de l'Augmentation de Capital :** le montant initial brut de l'Augmentation de Capital, y compris la prime d'émission, s'élève à EUR 12.547.124,55 (dont 11.782.055,98 de prime d'émission), le montant pouvant être souscrit en numéraire et/ou par voie de compensation de créances.

**Intention de souscription des principaux actionnaires ou des membres des organes d'administration ou de direction ayant l'intention de souscrire plus de 5% des Actions Nouvelles :** IRATA LLC, holding de Monsieur Wade J. Rosen, Président-Directeur Général de la Société, actionnaire de référence détenant 16,5% du capital de la Société avant l'Offre, s'est engagé irrévocablement, sous des conditions usuelles, à souscrire par exercice de ses droits préférentiels de souscription à titre irréductible et réductible à de nouvelles actions de la Société, pour un montant de EUR 9.410.343,45 soit en numéraire pour un montant de EUR 6,500,000 et par compensation de créances pour un montant de EUR 2.910.343,45, et ce, conformément aux termes et conditions de l'engagement de souscription irrévocable d' IRATA LLC en date du 7 mars 2022 (l' « **Engagement de Souscription** »), IRATA LLC se réservant par ailleurs le droit d'acquiescer des droits préférentiels de souscription additionnels sur le marché durant la période de négociation des droits préférentiels de souscription, soit entre le 11 mars 2022 et le 24 mars 2022 et de les exercer dans le cadre de sa souscription à titre irréductible, faisant en tout état de cause son affaire de ne pas dépasser le seuil de 30% de détention du capital ou des droits de vote à l'issue de l'Augmentation de Capital.

**Utilisation et produit net estimé :** L'Offre servira à renforcer la structure financière de la Société par le remboursement des comptes courants des actionnaires, l'apurement de son fonds de roulement par le paiement de ses dettes court termes et permettra de disposer de la flexibilité financière permettant de déployer de nouveaux leviers de croissance. Le produit brut estimé de l'Offre s'élèvera au minimum à 9.410.343,45 euros en cas de souscription de 75% de l'Offre et permettra à la Société de procéder au remboursement partiel des comptes courants d'actionnaires et le paiement de ses dettes fournisseurs pour un montant de l'ordre de 4,2 millions d'euros (y compris le remboursement jusqu'à un montant de 2,9 millions d'euros des prêts d'actionnaires d'IRATA LLC par compensation avec sa souscription à l'Offre). En outre, l'Augmentation de Capital permettra à la Société d'accroître sa flexibilité financière et sera utilisée à des fins générales dans le cadre du développement de sa stratégie, consistant en le développement de nouveaux jeux pour un montant d'environ 2,3 millions d'euros, l'acquisition de droits de propriété intellectuelle et des investissements directs dans des sociétés offrant des solutions à valeur ajoutée pour le Groupe pour un montant total d'environ 3,4 millions d'euros. En cas d'Augmentation de Capital à 75%, la Société ajustera en conséquence l'utilisation du produit en réduisant les investissements. Le produit net estimé de l'augmentation de capital s'élèvera à environ 12 millions d'euros après prise en compte des frais relatifs à l'opération.

**Accords / Engagement d'abstention :** Aucun contrat de placement n'ayant été conclu dans le cadre de l'Augmentation de Capital, la Société n'a pas pris d'engagement d'abstention.

**Incidence de l'émission sur la quote-part des capitaux propres :**

Quote-part du capital par action (EUR)	
Avant émission des Actions Nouvelles	0,089
Après émission des Actions Nouvelles à hauteur de 75% du montant de l'Augmentation de Capital	0,101
Après émission des Actions Nouvelles à hauteur de 100% du montant de l'Augmentation de Capital	0,104

**Dilution résultant de l'Offre :**

Impact de la dilution sur le capital (en %)	Participation des actionnaires (base non diluée)
Avant émission des Actions Nouvelles	1%
Après émission des Actions Nouvelles à hauteur de 75% du montant de l'Augmentation de Capital	0,84%
Après émission des Actions Nouvelles à hauteur de 100% du montant de l'Augmentation de Capital	0,80%

**Déclaration sur le fonds de roulement :** A la date du présent prospectus, la Société ne dispose pas d'un niveau de fonds de roulement net consolidé suffisant pour faire face à ses obligations actuelles au cours des douze (12) prochains mois suivant la date de l'approbation du Prospectus. Compte tenu des développements en cours ou envisagés, la Société pourra financer ses activités jusqu'à la fin du mois de mars 2022. Le montant net de trésorerie supplémentaire nécessaire à la Société pour faire face à ses besoins sur les 12 prochains mois s'élève à 6,5 millions d'euros. Bien que la Société bénéficie actuellement du soutien financier inconditionnel de son actionnaire principal, IRATA LLC, jusqu'à la date de l'assemblée générale des actionnaires appelée à approuver les comptes de la Société pour l'exercice clos le 31 mars 2022, l'Augmentation de Capital est la solution privilégiée par la Société pour financer son activité, étant précisé que cette opération fait l'objet de l'Engagement de Souscription par IRATA LLC à hauteur de 75% de l'Augmentation de Capital. Ainsi en cas de réalisation de l'Augmentation de Capital, la Société disposera d'un fonds de roulement net consolidé suffisant pour faire face à ses besoins de trésorerie sur les douze (12) prochains mois.

**Conflits d'intérêt:** IRATA LLC est le principal actionnaire de la Société détenant 16,5 % de son capital social et la société patrimoniale de Monsieur Wade J. Rosen, Président-Directeur Général de la Société.

## II. Information about the issuer

The Company's name is Atari.

The Company's registered office is located at 25 rue Godot de Mauroy - 75009 Paris France.

Legal Entity Identifier (LEI): 969500EY082T9MF5R336.

The Company is a French limited liability company (*société anonyme*) with a Board of Directors, registered with the Paris Trade and Companies Registry under the identification number 341 699 106.

The Company Atari SA, in accordance with Article 2 of the bylaws, both in France and abroad, directly or abroad, directly or indirectly:

- designs, produces, publishes and distributes multimedia and audio-visual products and works, in particular for entertainment purposes, in any form whatsoever and in particular under software, data processing and content – interactive or not – on any medium and through any current or future means of communication;
- purchases, sells, supplies and more generally distributes all products and services in connection with the subject above;
- creates and acquires intellectual and industrial property rights or any other real or personal rights, in particular by way of transfer, concession, licenses, patents, trademarks or other rights of use;
- acquire, researches of partnerships and the acquisition of shareholdings, whatever the form and in particular by way of creation, issue, subscription, contribution, in any activity directly or indirectly related to the above-mentioned purpose or to the products and themes developed by the Company;
- and more generally any operations whatsoever relating directly or indirectly to the above object or to any similar or related purposes likely to facilitate the facilitate the Company's development.

Founded in 1987, Atari has its registered office located 25 rue Godot de Mauroy - 75009 Paris France. The American subsidiaries have their registered office located in 286 Madison Avenue, New York, NY 10017 (United-States).

Website: [www.Atari.com](http://www.Atari.com), where investors can find information on the Company's activities, the products it manufactures or the services it provides, the main markets in which it competes, its main shareholders, the composition of its administrative, management, supervisory and executive bodies, and the information incorporated by reference. The information on the website does not form part of the Prospectus, unless such information is incorporated by reference in the Prospectus.

## III. Responsible persons, third party information, expert reports and approval of the competent authority

### Person responsible for the Prospectus

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Mr Wade J. ROSEN, Chief Executive Officer (*Président-Directeur Général*).

### Statement of the person in charge

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I certify that the information contained in the Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its impact.

Paris, on March 8, 2022.

**Mr. Wade J. ROSEN,**

Chief Executive Officer (*Président-Directeur Général*)

### Appointment of Experts

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None.

## Information from a third party

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None.

## Statement on the Prospectus

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The Prospectus has been approved by the AMF, as the competent authority under the Prospectus Regulation. This approval should not be construed as a favourable opinion of the issuer that is the subject of the Prospectus or of the quality of the shares to which the Prospectus relates.

The AMF approves this Prospectus only insofar as it meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

The Prospectus is prepared in accordance with Article 14 bis and Annex V bis of the Prospectus Regulation as amended by Regulation (EU) 2021/337 of 16 February 2021.

## IV. Risk factors

As of the date of the Prospectus, the risks detailed in the section below are the risks that the Group believes could have a material adverse effect on the Group, its business, financial position, reputation, results of operations or growth prospects, and that are material to any investment decision by an investor. The attention of investors is drawn to the fact that the list of risks presented below is not exhaustive and that additional risks, that are unknown as of the date hereof or that the Group has identified as not material based on the information available to it, may have a material adverse effect on the Group, its business, financial position, and reputation results of operations or growth prospects, as well as on the market price of the Group's shares once listed on Euronext Paris.

### Risk factors relating to the Group

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The main risk factors are grouped into 3 categories below. The most important risks are identified with an asterisk. The occurrence of new facts, either internal to the Company or external, is likely to modify the level of risk allocated to each risk in the future.

<b>Significant and specific risks to which the Group considers itself exposed</b>	<b>Allocated level of risk</b>	
Financial risks	Risk associated with liquidity and going concern*	<b>High</b>
	Risk associated with new business sectors*	<b>High</b>
	Risk associated with equity participations	<b>High</b>
	Risk associated with fiscal regulations	<b>Moderate</b>
Risks associated with the business model and the group organization	Credit or counterparty risk*	<b>High</b>
	Risk associated with inbound licensing and hardware use licenses	<b>High</b>
	Risk associated with the lifetime and success of games	<b>High</b>
	Risk associated with dependency on a limited number of games and delayed releases of key games	<b>High</b>
	Risk associated with the freemium business model	<b>Moderate</b>
	Risk associated with customer dependency and withdrawal from sale	<b>Moderate</b>
Legal risks	Risk associated with the Group's regulatory environment	<b>High</b>
	Risk related to data security	<b>High</b>
	Risk related to piracy	<b>Moderate</b>
	Risk related to litigation	<b>Moderate</b>

#### 4.1. Financial risks

Certain financial risks, which are not considered to be specific to Atari's activity (foreign exchange and interest rate), are covered in the notes to the consolidated financial statements in the Universal Registration Document.

##### ***Risk associated with liquidity and going concern\****

As at December 31, 2021<sup>1</sup>, cash and cash equivalents amounted to EUR 2.7 million and gross financial debt, excluding liabilities related to leases within the meaning of IFRS 16, amounts to EUR 2.3 million. This debt was made up of shareholder loans of which USD 2,100,000 (ca EUR 1.9 million) in principal amount were granted by IRATA LLC, a company controlled by Wade Rosen, and USD 500,000 (ca EUR 0.4 million) in principal amount were granted by South Silver, another Company shareholder, both with an effective interest rate of 8%. On January 17, 2022 and on February 18, 2022, IRATA LLC has made two additional loans to the Company, both in an amount of USD 1,500,000 (ca EUR 1.3 million) in principal amount under the same interest terms. A third additional loan made under the same terms and interest rate will be granted by IRATA LLC for an amount of USD 750,000 (ca EUR 660,000) before March 19, 2022. As a result, the aggregate indebtedness of the Company towards IRATA LLC in principal is of ca. EUR 4.6 million and will be at ca EUR 5.3 million as at March 19, 2022.

The Company currently benefits from the continued unconditional financial support of its principal shareholder IRATA LLC. Such financial support will remain in place until the date of the shareholders meeting convened to approve the financial statements of the Company for the financial period ending on March 31, 2022. In this context, the half-year financial statements dated September 30, 2021 have been established on a going concern basis.

In order to continue its development and implement its strategy, the Company's working capital needs over the next twelve (12 months) is of EUR 6.5 million. The Company intends to restore its financial situation through a capital increase such as presented herein, the subscription and successful completion of which will be covered by the Subscription Commitment by IRATA LLC up to 75% of the capital increase amount. Taking into account the proceeds of said share capital increase, the Company considers that it can meet its cash requirements over the next twelve months.

A liquidity shortfall would have a very significant effect on the Group's operational capacities and its adherence to its medium-term strategic plan; consequently, the Company has evaluated this risk as **high**.

##### ***Risk associated with new business sectors\****

The Group is further expanding into new activities, including activities linked to the blockchain environment. The Group is initially looking to grow through partnerships in order to accelerate its acquisition of expertise and to share the risks involved, with a view to then developing these activities through direct operations.

The Atari VCS business is also part of the new activities in which the Group is positioning itself.

These new business lines differ from the video game sector and the Group is therefore assuming a higher level of risk, insofar as it is necessary to acquire new expertise and build strong positions in a new sector, which could lead to higher losses in the early stages of an investment.

The Company has evaluated this risk as **high**.

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<sup>1</sup> Based on non-audited financial information prepared for the purposes of Chapter XIII (*Equity and Debt*)



Development of these new sectors requires a particular analysis of revenue potential and the contractual risk taken on, and there is a risk that, during the start-up phase, the Group might not achieve the levels of performance based on its projections.

More generally, the realization of the plans and their operation budget and financing plan remain inherently uncertain, while this uncertainty may be higher in the new sectors where the Group is developing, and the non-realization of these assumptions may impact the value of certain Group assets and liabilities.

#### ***Risk associated with equity participations***

As part of its licensing business, the Group may receive unlisted securities in consideration for a brand and/or gaming license. These securities are registered at their fair value for a total amount of USD 1,625,000, (ca EUR 1.4 million).

The Company has evaluated this risk as **high**.

Given their lack of liquidity, these securities are more difficult to value and dispose than listed shares. Their value is also more sensitive to significant and rapid variations, as these companies are generally start-ups operating in high-growth industries and are most often in the fundraising phase. The risk of default or impairment on these investments is accordingly higher, given their characteristics.

Even though these participations are, in the majority of cases, based on low cash investments, these risks would lead to the loss of growth opportunities.

#### ***Risk associated with tax regulations***

The Group's tax loss carry-forwards amounting to USD 274 million in the United States come 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 consolidated for tax purposes, with the scope being determined by tax advisors. The method for determining the fiscal scope 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 scope was determined, how the tax was calculated, and/or the amount of losses that can be utilized.

The Company has evaluated this risk as **moderate**.

## **4.2. Risks associated with the business model and the group organization**

#### ***Credit or counterparty risk\****

In the digital market, there are few customers, but global distribution. The Company considers that, given the quality of the counterparties, the counterparty risk on digital sales is low. Moreover, the business risk management procedures have ensured there is no excessive concentration of credit risk.

Accounts receivable at September 30, 2021 are mainly located in the United States. By exception, certain account receivables relating to an outbound license granted to ICICB Investments Ltd, are located in Cyprus, totalling EUR 7.5 million and covered by a bank guarantee for EUR 7.5 million, and accounts receivables totalling USD 3 million (ca EUR 2.7 million) relating to an outbound license granted to ICICB, Limited, are located in Gibraltar.

Recent difficulties encountered in the relation with ICICB have led to the sending by Atari of notices of breach to ICICB. In case no corrective measures are taken by ICICB Group in the short-term in order to remedy such breaches, Atari may have to terminate the related licenses agreements. In case such termination cannot be

avoided, this would lead to a write-down on the minimum incomes booked in Atari's accounting records for a financial impact estimated to be up to EUR 10 million. The Company has evaluated the risk as **high**, given the overall importance of the ICICB receivables in question.

***Risk associated with inbound licenses and hardware use licenses***

The Group is dependent on a number of inbound licenses for its activities and products commercialization. The simultaneous loss of several licenses could significantly affect the Group's financial position, business, or results, since such losses would not be offset by new licenses having the same economic impact.

For instance, the renewal of the RollerCoaster Tycoon license, which accounted for approximately 30% of revenue in 2020-2021, is currently being discussed between the Company and the licensor as it expires in June 2022. In any case, the Group is working to launch new franchises. At this stage, the Group considers that the loss of a license (by non-renewal or termination of contract) such as RollerCoaster Tycoon could, on its own, have a significant impact on its business or results.

The Group's business also depends in part on licenses to use consoles (hardware) granted by console manufacturers. These licenses, granted for three years on average, allow for developing and operating products on a proprietary medium (Xbox One, PS4, iPhone, etc.). These agreements also provide the Group with a guarantee against legal action that third parties could bring directly against the manufacturers because of these products. This warranty covers the content, marketing, or sale of such products and covers infringements of intellectual property rights held by third parties. However, no hardware license is required for products in PC format.

The Company has evaluated this risk as **high** given the importance of intellectual property within the Group's value chain.

***Risk associated with the lifetime and success of games***

The main risks intrinsic to the video game publisher business concern the lifetime of a given game and changes in technologies. In a highly competitive interactive leisure market that is increasingly focused on "hits", the Company's financial position and outlook depend on its ability to regularly offer new titles that can meet players' expectations and obtain commercial successes from these products and in particular from these flagship products. The commercial success of games depends on the public's response, which is not always predictable.

Beyond all the creative and technical means implemented to optimize the quality of each game launched, the Group seeks to protect itself against this risk by offering a balanced and diversified range of products combining original titles with its own franchises.

The Company has evaluated this risk as **high** given the importance of producing innovative and commercially successful games at a high pace, within the Group's value chain.

***Risk associated with dependency on a limited number of games and delayed releases of key games***

Although the Company pays particular attention to the quality of its games, it is nevertheless exposed to a risk of dependency related to the fact that it releases a small number of games, which correspond to a large portion of its revenue.

In addition, the Group's desire to revitalize its publishing plan depends in part on the release of a limited number of "key" franchises.

The Group mainly outsources its development projects to independent developers hired via contract, who may not be able to release the game on schedule or who may be forced to suspend production. In addition, the Group may not find suitable developers for certain games, or the developers' level of competence may be insufficient to obtain the quality necessary for a game to succeed. The developer may also experience financial difficulties, change key members of its team, or face any other difficulty that may cause significant delays or the abandonment of a game.

Although the Group carefully chooses its external developers and the rigor of their production processes, the risk of delayed or even cancelled games cannot be totally eliminated. The delayed release of major games or their abandonment could have a material adverse effect on the Group's financial position. In order to reduce these risks, the Company is seeking to increase internal technical expertise by hiring key personnel in the areas of technology, art and executive production, whilst applying strict criteria to the selection process for external development studios.

The Company has evaluated this risk as **high** given the importance of third parties' involvement in the Group's value chain.

### ***Risk associated with the freemium business model***

Atari derives part of its revenue from the mobile gaming activities of Apple's iOS and Google's Android platforms, and if Atari is unable to maintain good relationships with these two companies, or if Apple's App Store, Google's Play Store, or Amazon's App Store are unavailable for a significant period of time, Atari's business would be adversely impacted.

The Group's teams are continuing to develop more effective monetization of mobile and online games through microtransactions (using the well-known "freemium" business model), advertising, and paid downloads.

In order to increase the revenue generated by digital activities, Atari needs to increase the number of users playing its games and keep them longer for more efficient monetization. To attract and retain players, Atari must allocate its creative and development resources to creating captivating content.

One of the challenges of the freemium business model is to gain users' loyalty after initial game downloads, and Atari may not be able to increase the average play time of its players. If the Group fails to increase the number of active users, if the rates at which it attracts and retains players do not increase, or if the average amount spent by players declines, the Group's financial position will suffer.

In addition, users' preferences are constantly changing and are often unpredictable. Sales could suffer if Atari fails to develop and publish new digital games accepted by the market or if Atari fails to direct users' interest to its games rather than to other forms of entertainment to which consumers have access.

As the Group strategy focuses on strengthening further the "premium" model and decreasing its reliance on the "freemium" model, the Company has evaluated this risk as **moderate**.

### ***Risks associated with customer dependency and withdrawal from sale***

For the 2020-2021 financial year, Wish Holdings / Tastemakers was the Group's largest customer and represents 13.6% of the Group's net revenue; the top five and ten customers represent respectively 54% and 73% of the Group's net revenue.

The Company has evaluated this risk as **moderate**. However, the transition to digital sales, where the business model is based on advertising, microtransactions, the sale of games or of a subscription directly to the end customer, significantly reduces the risk for the Group with respect to customer dependency and withdrawal from sale.

### 4.3. Legal risks

#### ***Risk associated with the group's regulatory environment***

The Group, like any game publisher, must comply with many national regulations on the content of games and the protection of consumer rights. Failure to comply with these regulations may have a negative impact on sales (delayed launching or withdrawal of products from the market for example) and on customer loyalty (loss of players attentive to respect for their rights and risks of complaints filed with consumer associations and administrative authorities).

Furthermore, the Group is developing new businesses, linked in particular to the blockchain environment, that are subject to specific regulations which are evolving, unstable and varying depending on each jurisdiction.

The Company has evaluated this risk as **high**, although the Group ensures that it complies with all applicable regulations.

#### ***Risk related to data security***

The Group is subject to various legislation from France, the United States and other countries regarding the confidentiality and security of personal data that the Group collects from its users.

Legislation and regulations relating to the confidentiality and security of personal data are (and will be, for the foreseeable future) constantly changing, and if the Group does not fully comply with such legislations and regulation, or if there are suspicions, founded or not, that the Group does not, its business might be negatively affected.

The US government, particularly the Federal Trade Commission and Department of Commerce, has announced that it is currently looking into whether there needs to be more significant regulations on collecting information about consumers' behaviour on the Internet, and the European Union has instituted the GDPR policy. Various governments and consumer groups are also calling for new regulations and changes in industry practices. If the Group does not comply with laws and regulations regarding the confidentiality of personal data or if its practices in that regard were found to be suspicious by consumers, even if those suspicions were unfounded, this could harm the Group's reputation, and operating income could suffer.

The Company publishes its privacy policy and terms and conditions of service on the website [www.atari.com](http://www.atari.com). In these documents, the Group describes its practices for using, transmitting, and disclosing information collected from its users. Any violation by the Group of its privacy policy, terms and conditions of service, or laws and regulations regarding the confidentiality of personal data could lead to legal proceedings against the Company, particularly by government agencies, which could harm Atari's business. Additionally, the interpretation of laws regarding data protection and their application in the mobile or online video game industry are often unclear.

The Company has evaluated this risk as **high**, as there is a risk that these laws could be interpreted and applied in a contradictory fashion from one state, country, or region to another, and that such an interpretation might not reflect the practices in effect within the Company. The Company might need to make additional spending and alter its business practices in order to comply with these various obligations. Finally, if the Group were unable to sufficiently protect its users' confidential information, they might lose confidence in its services, which could negatively affect the Group's business.

#### ***Risk related to piracy***

Piracy is fought with a pragmatic approach, based on the risks identified and the territories involved. In France and in the rest of Europe, Atari works directly with the anti-piracy team set up in particular by SNJV (*Syndicat National des Jeux Vidéo*) and the customs services.

The Company has evaluated this risk as **moderate**, as the Group is working in collaboration with US customs in their fight against piracy.

Furthermore, the Group enlists specialized companies in order to fight against the illegal downloading of its products and includes software in its products aimed at preventing illegal copying. The Company works in tandem with online monitoring companies to combat the piracy and infringement of its products.

### ***Risk related to litigation***

In the course of its business, Atari continuously monitors the protection of its intellectual property and is subject to related ongoing litigation against third party infringements. Although Atari wins most of its lawsuits against third-party infringers, it may be ordered by U.S courts in the course of certain litigations to reimburse part or all litigation-related costs to the opposing party.

Atari is currently appealing a loss in a unique intellectual property protection case and is resisting a demand for fees and expenses of over USD 2 million. Atari views the demand as unreasonable and legally questionable.

While adverse parties may request significant award amounts before US courts, the Company has evaluated the risk as **moderate** as it resists such demands and vigorously defends such cases and given that demands made by adverse parties in connection with fees and expenses are rarely awarded in whole by the competent US courts.

### **Risk factors relating to the securities covered by this Prospectus**

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The Company has assessed the significance of the risks associated with the securities covered by this Prospectus in terms of the likelihood of their occurrence and the estimated magnitude of their adverse impact.

The most significant risk factors relating to these securities are listed first and marked with an asterisk in accordance with the above assessment.

***Sales of the Company shares or preferential rights of subscription could occur on the market during the period of trading of preferential rights of subscription, regarding preferential rights of subscription, or during or after the period of trading of preferential rights of subscription, regarding the Company shares, and could have an adverse impact on the market price of Company shares or on the value of the preferential rights of subscription\*.***

Sales of Company shares or preferential rights of subscription on the market, or a market anticipation that such sales may occur, during the period of trading of preferential rights of subscription regarding preferential subscription rights, and during or after the period of trading of preferential rights of subscription, regarding the Company shares, could have an adverse impact on the market price of Company shares or on the value of the preferential rights of subscription. The Company cannot predict the potential effects of sales of preferential subscription rights or sales of shares on market price of sales of preferential rights or shares by its shareholders.

***The market for the preferential subscription rights may offer limited liquidity and be subject to significant volatility\*.***

There can be no assurance that a market for the preferential subscription rights will develop. If such a market develops, the preferential subscription rights may be subject to greater volatility than that of the Company's existing shares. The market price of the preferential subscription rights will depend on the market price of the Company's shares. If the market price of the Company's shares falls, the value of the preferential subscription rights may decrease. Holders of preferential subscription rights who do not wish to exercise their preferential subscription rights may not be able to sell them on the market. The preferential subscription rights will be

tradable on Euronext Paris from March 11, 2022 to March 24, 2022 inclusive, while the subscription period will be open from March 15, 2022 to March 28, 2022 inclusive.

***The market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued upon exercise of the preferential subscription rights\*.***

The market price of the Company's shares during the preferential subscription rights trading period and during the subscription period may not reflect the market price of the Company's shares on the date of the issuance of the New Shares. The Company's shares may trade at prices below the market price prevailing on the date of the launch of the capital increase. No assurance can be given that the market price of the Company's shares will not fall below the subscription price of the New Shares issued upon exercise of the preferential subscription rights. If such a decrease were to occur after the exercise of the preferential subscription rights by their holders, the latter would suffer a loss in the event of an immediate sale of such shares. Accordingly, no assurance can be given that, following the exercise of preferential subscription rights, investors will be able to sell their shares in the Company at a price equal to or greater than the subscription price of the shares issued upon exercise of the preferential subscription rights.

The ***volatility and liquidity of the Company's shares could fluctuate significantly.*** The stock markets have experienced significant fluctuations in recent years that have often been unrelated to the results of the companies whose shares are traded, particularly during the COVID-19 health crisis. Market fluctuations and economic conditions could increase the volatility of the Company's shares. The market price of the Company's shares could fluctuate significantly in response to various factors and events, including the risk factors relating to the Group discussed in this section, as well as the liquidity of the market for the Company's shares.

Financial markets are affected by many factors, including supply and demand for securities, general economic and political conditions, changes in or expectations of interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment and extraordinary events (such as terrorist attacks or natural disasters), or changes in the health situation related to COVID-19. Any of these factors could affect the market price of the New or Existing Shares.

***Shareholders who do not exercise their preferential subscription rights will see their stake in the Company's share capital significantly diluted***

To the extent that shareholders do not exercise their preferential subscription rights, their share of the Company's capital and voting rights will be significantly reduced. If shareholders choose to sell their preferential subscription rights, the proceeds of such sale may not be sufficient to compensate for this dilution (see Section XIV below of this Prospectus).

***If the market price of the Company's shares falls, the preferential subscription rights could lose their value***

The market price of the preferential subscription rights will depend in particular on the market price of the Company's shares. A decrease in the market price of the Company's shares could have an adverse effect on the value of the preferential subscription rights.

## **V. Financial statements**

### **Historical financial information and audit of annual financial information - Interim financial information**

This Prospectus should be read and construed in conjunction with the sections referred below included in the following documents which have been filed with the AMF and shall be deemed to be incorporated in, and to form part of, this Prospectus:

- the IFRS consolidated financial statements for the year ended 31 March 2021 and the related auditors' report, as set out respectively on pages 45 to 88 and pages 89 to 93 of the Universal Registration

Document filed with the AMF on 8 November 2021 under the number D.21-0916 (<https://atari-investisseurs.fr/wp-content/uploads/2021/11/URD-2021-03-VEN-V2021-11-08.pdf>);

- the IFRS consolidated half-year financial statements for the first semester ended on 30 September 2021 and the related auditors' report, as set out respectively on pages 3 to 26, and pages 36 to 37 of the Half-Year Financial Report (<https://atari-investisseurs.fr/wp-content/uploads/2022/01/Atari-Rapport-Semestriel-2021-VEN-DEF.pdf>).

The historical financial information has been audited without qualification by the Company's auditors:

- the firm Deloitte & Associés, a public limited company, whose registered office is located at 6 Place de la Pyramide 92908 Paris La Défense Cedex, as statutory auditor, renewed by the general meeting of shareholders on 29 September 2017 for a duration of six years ending at the close of the shareholders general Meeting to be called to approve the financial statements of the financial year ending on March 31, 2023; and
- the firm Exponens Conseil & Expertise, a simplified joint-stock company, whose registered office is located at 20 rue Brunel, 75017 Paris, as statutory auditor, appointed by the general meeting of the shareholders on 30 September 2019 upon resignation of JLS Partner, previous statutory auditor, for a duration of six years ending at the close of the shareholders general Meeting to be called to approve the financial statements of the financial year ending on March 31, 2022.

**Accounting standards:** the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union at the date of preparation of the relevant financial statements.

**Change of accounting reference date:** none.

**Change in accounting standards:** none.

#### **Financial information PRO FORMA**

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Not applicable.

#### **Significant changes in the financial position of the Group since September 30, 2021**

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On November 23, 2021, Atari made a strategic investment by way of a convertible loan for an overall amount of USD 3.5 million in the arcade videogames company Antstream Limited and purchased an acquisition option of Mobygames Limited's assets for USD 1.5 million.

On November 30, 2021, Atari sold a series of NFTs consisting of digital real estate in the Sandbox metaverse to Republic Realm for an aggregate consideration amount of USD 4.3 million.

On October 4, 2021 and on January 17, 2022, IRATA LLC granted two additional shareholder loans to the Company for respective amounts of USD 1,400,000 (ca. EUR 1.2 million) and USD 1,500,000 (ca. EUR 1.3 million) bearing an interest rate of 8%.

On February 18, 2022, IRATA LLC granted another loan of USD 1,500,000 (ca. EUR 1.3 million) under the same interest terms.

An additional loan of USD 750,000 (ca. EUR 660,000) will be granted by IRATA LLC to the Company under the same interest terms before March 19, 2022.

## VI. Dividend distribution policy

### Dividends paid in the last three years

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No dividends have been paid in the last five years.

### Dividend distribution policy

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The Company has no plans to initiate a dividend distribution for the mid-term.

### Share buyback policy

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The Company has no plans to initiate share buybacks given its financial situation.

## VII. Trend information

New information about the Company, since publication of the annual financial report for the year ended on March 31, 2021 is presented in the 2021-2022 Half-year Financial Report and below. All press releases are available in full on the Atari website: [Press Release Archive - Atari](#).

On November 23, 2021, Atari made a strategic investment by way of a convertible loan for an overall amount of USD 3.5 million in the arcade videogames company Antstream Limited and purchased an acquisition option of Mobygames Limited's assets for USD 1.5 million.

On November 30, 2021, Atari sold a series of NFTs consisting of digital real estate in the Sandbox metaverse to Republic Realm for an aggregate consideration amount of USD 4.3 million.

### 7.1. Known and future economic and financial impact of the COVID-19 pandemic

In the context of the health and economic crisis linked to Covid-19, a significant adverse effect was recorded (i) on the licensing activity due to the postponement of the renewal of license contracts and (ii) on the delivery schedule of the Atari VCS units.

The Group is closely monitoring the evolution of the health situation in order to take the necessary actions to ensure the protection of its employees and the continuity of its business.

### 7.2. Revenues for the first half of the 2021-2022 financial year

Information on results for the first half of the 2021-2022 financial year can be found in the 2021-2022 Half-year Financial Report (in particular in pages 27 to 34).

### 7.3. Trends

In the course of the second half of the current financial year ending on March 31, 2022, the Group expects an improvement of its operations driven notably by the sale of a series of NFTs consisting in digital real estate in the Sandbox metaverse, new licensing opportunities with brand licensing partners, continued commercial activity of Atari VCS and release of new premium games. The Company remains wary about the evolution of the events described in its press release published on February 21, 2022, which could potentially negatively impact its net income.

In its press release dated February 21, 2022, the Company announced in particular that it contemplates a transfer of the listing of its shares from Euronext to Euronext Growth as to appropriately fund the implementation of its strategy for the short-term and midterm, reduce its cost-exposure to the regulatory constraints associated with the Euronext market and be listed on a simplified market which is more appropriate



to the Group's profile and current need. In such press release, the Company also announced that it contemplates a reverse stock-split the modalities of which would be further determined by the Company board of directors upon use of the 26<sup>th</sup> resolution of the Company's shareholders meeting dated November 30, 2021, in order to improve market profile and limit share price volatility.

## VIII. Terms of the Offer, firm commitments, and key features of the underwriting and placement agreements

### Number of shares offered, amount of the Offer, subscription price and terms of exercise of preferential subscription rights

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**Structure of the issue:** the New Shares will be issued in the context of a share capital increase with preferential subscription rights for the Company shareholders in accordance with the 12<sup>th</sup> resolution adopted by the combined general meeting of shareholders of the Company held on November 30, 2021 (the "**General Meeting**") (the "**Offer**" or the "**Capital Increase**").

**Number of shares offered, amount and subscription price:** 76,506,857 shares of the Company are offered to subscription (the "**New Shares**").

The New Shares will be issued at a subscription price of EUR 0.1640 per share (the "**Subscription Price**"), including a nominal value of EUR 0.01 and a premium of EUR 0.1540, i.e. a total amount of EUR 12,547,124.55 for the Offer.

This price has been set by reference to the closing price of the Company's shares on the trading day preceding the date of approval of the Prospectus by the AMF, i.e., EUR 0.1900. On this basis, (i) the theoretical value of the preferential subscription right amounts to EUR 0.052, (ii) the theoretical value of the ex-rights share amounts to EUR 0.1848, and (iii) the Subscription Price of the New Shares shows a discount of 11% over the theoretical value of the ex-rights share and of 14% over the last quoted price. These values do not prejudice the value of the preferential subscription right during the trading period of the preferential subscription rights, nor the value of the ex-rights share, nor the discounts, as they will be observed on the market.

**Preferential subscription rights:** the subscription of the New Shares will be reserved, on a preferential basis, to (i) the holders of existing shares registered in their securities account at the end of the day of March 10, 2022 according to the indicative timetable, at the ratio of one preferential subscription right per existing share, and (ii) the transferees of the preferential subscription rights. Holders of preferential subscription rights will be able to subscribe, from March 15, 2022 until the end of the subscription period, i.e. until March 28, 2022 inclusive, by exercising their preferential subscription rights (i) on an irreducible basis, at the ratio of 1 New Shares for 4 existing shares held, without this resulting in the allocation of a fraction of a New Share and (ii) on a reducible basis, the number of New Shares that they would like in addition to the number of New Shares they would like to receive as a result of the exercise of their irrevocable subscription rights, it being specified that only the New Shares that may not be subscribed for by the irrevocable subscribers will be allocated to the reducible subscribers, within the limit of their requests and pro rata to the number of existing shares for which the rights will have been used in support of their irrevocable subscriptions, without resulting in an allocation of fractional shares. Fractional preferential subscription rights may be sold on Euronext Paris during the trading period of the preferential subscription rights.

**Price disparity:** not applicable.

### Firm commitments and subscription intentions

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**Subscription commitments:** IRATA LLC, which holds 50,509,252 shares of the Company as of the date of the Prospectus, has undertaken to subscribe to the Capital Increase (i) on an irreducible basis by exercising the number of preferential subscription rights necessary for IRATA LLC to maintain a shareholding of

approximately 16.50% in the share capital of the Company after the completion of the Capital Increase and (ii) on a reducible basis, for a total subscription amount covering 75% of the Offer i.e. up to a number of 57,380,143 shares for an amount of EUR 9,410,343.45 (the "**Subscription Commitment**"). The Subscription Commitment would be exercised as follows:

Amount in cash (EUR)	Amount by Set off (EUR)	Total
6,500,000.00	2,910,343.45*	9,410,343.45

*\*The receivable of IRATA LLC corresponds to receivables IRATA LLC holds, and will hold against the Company at the latest on the last date of the subscription period, i.e. on March 28, 2022 based on the indicative calendar set forth in Section IX below, in connection with the shareholder's account of IRATA LLC with the Company. In accordance with articles L. 225-146 and R. 225-134 of the French Commercial Code, these receivables will be duly recorded by the Board of Directors and certified by the auditors of the Company and shall be duly stated in a certificate signed by the auditors amounting to a "certificat du dépositaire" for subscription purposes.*

Additionally, IRATA LLC reserves its right to acquire additional preferential subscription rights on the market during the preferential subscription rights trading period and to exercise them in order to increase its subscription on an irreducible basis, provided that IRATA LLC will ensure not to cross upward a 30% threshold in shareholding or voting rights upon completion of the Capital Increase.

**Subscription intentions:** As of the date of this Prospectus, the Company is not aware of any intention of other shareholders or members of its administrative or management bodies to participate in the Capital Increase.

#### **Investment – Guarantee**

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No placement agreement nor guarantee has been entered into in connection with the Capital Increase.

#### **Undertakings to refrain from trading and to retain shares**

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**Undertaking to abstain:** No undertaking to abstain has been taken in connection with the Capital Increase.

## **IX. Essential information about the shares and their subscription**

### **Nature, class and ISIN code of the New Shares**

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The New Shares will be ordinary shares of the Company, of the same class and fully assimilated to the existing ordinary shares.

As from their issue, the Issuable Shares will be subject to all the provisions of the Company's articles of association. They will carry current dividend rights and will entitle their holders to all the rights attached to the existing ordinary shares detailed in the Company's articles of association, in particular:

- dividend entitlement;
- voting rights (it being specified that, in accordance with Article L. 22-10-46 of the French Commercial Code, a double voting right is attributed to all fully paid-up shares that have been continuously registered in the name of the same holder for at least two years);
- statutory information rights;
- preferential subscription rights for capital increases;
- the right to participate in any surplus in the event of liquidation.

The New Shares will be admitted to trading on the Euronext Paris market under the ISIN number FR0010478248.

### **Terms of exercise of preferential subscription rights and applicable restrictions**

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**Detachment and listing of the preferential subscription rights:** the preferential subscription rights will be detached on March 11, 2022 and traded on Euronext Paris until March 24, 2022, under ISIN code FR0014008D33. Consequently, the existing shares will be traded ex-rights as from March 11, 2022, according to the indicative timetable.

**Procedure for exercising preferential subscription rights:** in order to exercise their preferential subscription rights, holders must submit a request to their authorized financial intermediary at any time between March 15, 2022 and March 28, 2022 inclusive and pay the corresponding subscription price. Preferential subscription rights that have not been exercised will automatically lapse at the closing of the subscription period, i.e., on March 28, 2022, at the close of trading.

**Revocation of subscription orders:** subscription orders are irrevocable.

**Notifications to the subscribers of the New Shares:** the subscribers having placed irreducible subscription orders are guaranteed, subject to the effective completion of the Offer with preferential subscription rights, to receive the number of New Shares they have subscribed for within the applicable deadlines. Those who have placed orders to subscribe on a reducible basis will be informed of their allocation by their financial intermediary.

**Countries in which the Offer will be open to the public:** the Offer will be open to the public only in France.

**Restrictions applicable to the Offer:** the distribution of the Prospectus, the exercise of preferential subscription rights, the sale of the shares and preferential subscription rights and the subscription of the New Shares may, in certain countries, in particular in the United States of America, the United Kingdom, Canada, Australia or Japan, be subject to specific regulations.

#### **Methods of disbursement of funds and financial intermediaries:**

*Administered registered or bearer shareholders:* subscriptions for the New Shares and payments of funds by subscribers whose shares are registered in administered or bearer form will be received until March 28, 2022 inclusive by their authorised intermediary acting in their name and on their behalf.

*Pure registered shareholders:* subscriptions and payments by subscribers whose shares are registered in pure registered form will be received free of charge until March 28, 2022 inclusive by CACEIS Corporate Trust, 14 rue Rouget de L'Isle, 92130 Issy-Les-Moulineaux (France).

*Payment of the subscription price:* each subscription must be accompanied by payment of the subscription price. Subscriptions for which payments have not been made will be cancelled automatically without the need for a formal notice.

*Centralizing institution in charge of drawing up the certificate of deposit of the funds recording the completion of the Capital Increase with preferential subscription rights:* CACEIS Corporate Trust, 14 rue Rouget de L'Isle, 92130 Issy-Les-Moulineaux (France) and, if applicable, the Company's statutory auditor.

## Timetable of the Offer

March 7, 2022	Management Board deciding on the terms of the Offer and establishing a statement of account in connection with receivables to be used for subscription to the Offer by partial set-off
March 8, 2022	Approval of the Prospectus by the AMF
March 9, 2022	Distribution of a press release describing the main characteristics of the transaction and the terms and conditions for making the Prospectus available Publication by Euronext of the notice of issue
March 10, 2022	Accounting day at the end of which the holders of existing shares recorded in their securities accounts will be granted preferential subscription rights
March 11, 2022	Detachment and start of trading of preferential subscription rights on Euronext Paris
March 15, 2022	Opening of the subscription period
March 24, 2022	End of the listing of preferential subscription rights on Euronext Paris
March 28, 2022	Closing of the subscription period
March 30, 2022	Distribution of a press release by the Company announcing the results of the subscriptions Publication by Euronext of the notice of admission of the New Shares indicating the final amount of the capital increase and indicating the allocation scale for subscriptions subject to reduction
April 1, 2022	Issue of the New Shares - Settlement and delivery
April 1, 2022	Admission of the New Shares to trading on Euronext Paris

**Settlement-delivery of the New Shares:** The New Shares will be the subject of an application for admission to trading by Euroclear France, which will ensure the settlement-delivery of the shares between account holders-custodians on April 1, 2022, according to the indicative timetable. It is expected that the New Shares will be registered in a securities account and will be tradable as from April 1, 2022.

**Declaration of crossing of statutory thresholds:** it is recalled for all purposes that, in accordance with Article 9 of the Company's Articles of Association, any individual or legal entity, acting alone or in concert, who comes to hold directly or indirectly a fraction superior to 2% of the share capital or voting rights of the Company, must inform the Company of the information referred to in Article L.233-7- I of the French Commercial Code (in particular the total number of shares and voting rights held) by means of a registered letter with acknowledgement of receipt or by any other equivalent means for persons residing outside France addressed to the Company's registered office within five trading days from the date of settlement and delivery of the shares, i.e., as of April 1, 2022, according to the above indicative timetable.

## X. Reasons for the offer and intended use of the product

The Offer will serve to strengthen the Company's balance sheet with the reimbursement of shareholder loans, to clear working capital with payment of accounts payables and to gain additional financial flexibility to invest in growth initiatives.

The estimated proceeds of the Capital Increase will be EUR 12,547,124.55 in case of subscription of 100% of the Capital Increase and will be used to partially repay shareholder loans and account payables for an approximate amount of EUR 4.2 million (including repayment of IRATA LLC's shareholder loans by set-off with its subscription to the Offer for an maximum amount of approximately EUR 2.9 million<sup>2</sup>). Additionally, the Capital Increase will enable the Company to increase its financial flexibility and will be used for general corporate purposes in the context of the development of its strategy, consisting in the development of new

<sup>2</sup> The definite amount will depend on the portion of IRATA LLC's subscription requests having been served.

games of around EUR 2.3 million, acquisition of intellectual property rights and direct investments in companies offering value-added solutions for the Group for a total consideration of ca. EUR 3.4 million. If the Capital Increase is limited to 75%, the Company will adjust the allocation of proceeds by reducing accordingly the investments.

The estimated net proceeds will amount to a minimum of ca. EUR 12,047,124.55, after taking into account expenses related to the capital increase estimated at around EUR 500,000.

## **XI. State aid**

As of this date, the Company has not received any form of state support within the meaning of section XI of Appendix Vbis of EU Regulation 2021/337 during the current financial period ending on March 31, 2022 and the first semester of the financial period ending on March 31, 2022.

During the previous financial period ended on March 31, 2021, the Company subsidiary Atari Inc. contracted a Paycheck Protection Program (PPP) loan for an amount of ca. USD 0.35 million. Such amount was converted into a grant during the first civil quarter of 2021.

It is recalled that the information contained in this Chapter XI is provided solely under the responsibility of the persons responsible for the prospectus, that the AMF approves the prospectus solely with regards to its completeness, comprehensibility and consistency as required under the Prospectus Regulation, and is not obliged to independently verify the information contained in this Chapter XI.

## **XII. Net working capital statement**

As of the date of this Prospectus, the Company does not have sufficient consolidated net working capital to meet its current obligations for the next twelve (12) months following the date of approval of the Prospectus. Based on current and planned developments, the Company will be able to fund its operations until the end of March 2022.

The net amount of additional cash required by the Company to meet its needs over the next 12 months amounts to around EUR 6.5 million. Although the Company currently benefits from the continued unconditional financial support of its principal shareholder IRATA LLC until the date of the shareholders meeting convened to approve the financial statements of the Company for the financial period ending on March 31, 2022, the Capital Increase is the preferred solution for the Company to finance its activity, it being specified that this transaction subject to the Subscription Commitment by IRATA LLC covering 75% of the Capital Increase amount.

In the event of completion of the Capital Increase, the Company will have sufficient consolidated net working capital to meet its cash requirements over the next twelve (12) months.

### XIII. Equity and debt

In accordance with point XIII of Annex Vbis of Regulation (EU) 2021/337 of February 16, 2021 and the recommendations of the *European Securities Market Authority* (ESMA) of March 2021 (ESMA32-382-1138 of March 4, 2021), the table below presents the unaudited situation of the consolidated shareholders' equity and the consolidated net financial debt as of December 31, 2021.

(in thousands of euros)(IFRS)	31/12/2021 (unaudited)
<b>1. Shareholders' equity and indebtedness</b>	
<b>Total current debt (including current portion of non-current debt)</b>	<b>416</b>
Guaranteed	-
Secured	-
Unguaranteed / unsecured (1)	416
<b>Total non-current debt (excluding the current portion of non-current debt)</b>	<b>3,783</b>
Guaranteed	-
Secured	-
Unguaranteed / unsecured(2)(3)	3,783
<b>Total equity (including minority interests)(4)</b>	<b>27,382</b>
Share capital	3,060
Legal reserve	946
Other reserves (5)	23,376

(1) Includes the current fraction of debt relating to leasing agreement (IFRS 16) for an amount of EUR 0.352 million

(2) Includes the non-current fraction of debt relating to leasing agreement (IFRS 16) for an amount of EUR 1.439 million

(3) Includes the entire amount of the shareholders loans of IRATA LLC that will be used by IRATA LLC for subscription by partial set-off to the Capital Increase, for an amount of ca EUR 1.90 million

(4) Excludes net income / loss of the financial year ending on March 31, 2022

(5) Including issuance premium

<b>2. Net financial debt</b>		<b>31/12/2021 (unaudited)</b>
A	Cash	2,745
B	Cash equivalents	-
C	Other current financial assets (1)	4
<b>D</b>	<b>Liquidity (A + B + C)</b>	<b>2,749</b>
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	0
F	Current portion of non-current financial debt (2)	416
<b>G</b>	<b>Current financial indebtedness (E + F)</b>	<b>416</b>
<b>H</b>	<b>Net current financial indebtedness (G - D)</b>	<b>(2,333)</b>
I	Non-current financial debt (excluding current portion and debt instruments)(3)	3,783
J	Debt instruments	-
K	Non-current trade and other payables	-
<b>L</b>	<b>Non-current financial indebtedness (I + J + K)</b>	<b>3,783</b>
<b>M</b>	<b>Total financial indebtedness (H + L)</b>	<b>1,450</b>

(1) Other current financial assets correspond to interests accrued for amounts already granted to another entity.

(2) Includes the current fraction of debt relating to leasing agreement (IFRS 16) for an amount of EUR 0.352 million

(3) Includes (a) the non-current fraction of debt relating to leasing agreement (IFRS 16) for an amount of EUR 1.439 million and (ii) the entire amount of the shareholders loans of IRATA LLC that will be used by IRATA LLC for subscription by partial set-off to the Capital Increase

Since December 31, 2021, two additional shareholder loans were granted by IRATA LLC to the Company:

- on January 17, 2022 for an amount of USD 1,500,000 (ca EUR 1,3 million) bearing an interest rate of 8%;
- on February 18, 2022, for an amount of USD 1,500,000 (ca EU 1.3 million), bearing the same 8% interest rate.

Additionally, IRATA LLC will grant a third loan for an amount of USD 750,000 (ca. EUR 660,000) under the same 8% interest rate, before March 19, 2022.

#### **XIV. Conflicts of interest**

IRATA LLC, who has granted the Subscription Commitment, is the main shareholder of the Company holding 16.5% of its share capital and the holding company of Wade J. Rosen, Chief Executive Officer (*Président-Directeur Général*) of the Company.

## XV. Post-issue dilution and participation

### Impact of the Offer on the distribution of capital and voting rights

Shareholders	On an non-diluted basis				
	Prior to the Offer		Post Offer at 75% and taking into account only the irreducible and reducible subscriptions of IRATA LLC		
	Number of shares	% of capital	%of (including double voting rights)	Number of shares	% of capital
<b>Main shareholder (IRATA LLC)</b>	50,509,252	16,50%	29,68%	107,889,395	29,69%
Alexandre Zyngier**	3,779,778	1,24%	1,04%	3,779,778	1,04%
<b>Public *</b>	251,738,399	82,26%	69,28%	251,738,399	69,27%
<b>Treasury shares (if applicable)</b>	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	306,027,429	100%	100%	363,407,572	100%

\* Double voting rights: 3,649,778

\*\* Member of the Board of Directors (Conseil d'administration) of the Company

### Impact of the issue on the shareholder's financial position

For information purposes, the impact of the issuance of the New Shares on the shareholding of a shareholder holding 1 % of the share capital of the Company prior to the issuance of the New Shares and not subscribing to the issuance of the New Shares (calculated on the basis of the number of shares making up the share capital of the Company as at the date of the Prospectus), would be as follows:

Shareholder's interest (in %)	
	Non-diluted basis
Prior to the Offer	1 %
After the 75% Offer	0.84%
After the 100% Offer	0.80%

### Impact of the issue on the Company's equity

Based on the Company's consolidated shareholders' equity as of December 31, 2021, the consolidated shareholders' equity per share, before and after the Offer, would be as follows (after allocation of transaction-related costs):

Share of equity per share (EUR)	
Before issuance of the New Shares	0.089
After issuance of 57,380,143 New Shares (75% of the Offer)	0.101
After issuance of 76.506.857 New Shares (100% of the Offer)	0.104

## XVI. Available Documents

Copies of the Prospectus are available free of charge at the registered office of the Company.

The Prospectus may also be consulted on the Company's website ([www.atari.com](http://www.atari.com)) and on the AMF's website (<http://www.amf-france.org>). The information on the Company's website does not form part of the Prospectus and has not been reviewed or approved by the AMF.



The Company's articles of association, minutes of general meetings and other corporate documents, as well as historical financial information and any valuation or statement prepared by an expert at the request of the Company that must be made available to shareholders, in accordance with applicable law, may be consulted, free of charge, at the Company's registered office.