



## **Atari launches a share capital increase of ca. EUR 12.5 M with the shareholders' preferential subscription rights maintained**

- Subscription price: EUR 0.1640 per new share;
- Exchange ratio: ratio of one (1) new share per four (4) existing shares;
- Detachment and start of trading of preferential subscription right (the "**PSR**") attached to the existing shares: from March 11, 2022 to March 24, 2022 inclusive;
- Subscription period: from March 15, 2022 to March 28, 2022 inclusive;
- Subscription commitment of IRATA LLC on an irreducible and reducible basis up to 75% of the total amount of the share capital increase by way of cash or by way of compensation of receivables.

**Paris, March 9, 2022** – Atari S.A., (the "**Company**"), a world-wide producer in the industry of consumer brands and interactive entertainment products, announces that the launch of a share capital increase of an amount of 12,547,124.55 euros through the issuance of new shares (the "**New Shares**") to be subscribed in cash or by offsetting receivables (the "**Share Capital Increase**"). The Share Capital Increase will be carried out while maintaining the shareholders' PSR and will be the subject of an irrevocable subscription commitment by IRATA LLC, the Company's main shareholder, up to 75% of the total amount of the Share Capital Increase's total amount, i.e. a subscription on an irreducible basis up to the amount of its holding of the share capital as of March 7, 2022 (i.e. 16.50% of the Company's share capital) for a subscription of 12,627,313 new shares by exercising all the preferential subscription rights attached to the existing shares of the Company that IRATA LLC holds and on a irreducible basis for an amount of new shares, corresponding, together with the irreducible basis subscriptions, to 75% of the amount of the Share Capital Increase. IRATA LLC reserves its right to the possibility of acquiring preferential subscription rights on the market during the trading period of the preferential subscription rights, enabling it to increase the portion of its subscription on an irreducible basis, if necessary.

The *Autorité des Marchés Financiers*, French Financial Markets Authority (the "**AMF**") has approved on 8 March, 2022 the Prospectus relating to this transaction under number 22-055. The Share Capital Increase is launched on the basis of the twelfth resolution adopted by the Company's combined general meeting of the shareholders held on November 30, 2021.

The Share Capital Increase will be used to strengthen the Company's balance sheet with the reimbursement of shareholder loans, to clear working capital with payment of its short-term debts and to gain additional financial flexibility allowing to invest in growth initiatives.

### **Main modalities of the Share Capital Increase**

The Share Capital Increase will be carried out through the issuance of New Shares to be subscribed in cash or by offsetting debts with the shareholders' PSR maintained, for an amount of 12,547,124.55 euros at a ratio of one (1) New Share per four (4) existing shares (the "**Existing Shares**").

Each shareholder of Atari will be allocated on March 11, 2022, 1 PSR for 1 share held and recorded in its securities account, at the end of the accounting day of March 10, 2022, according to the indicative calendar hereunder.

The offer will be open to the public only in France (the "**Offer**").

### **Number of offered shares**

76,506,857 New Shares with a par-value of EUR 0.01 each, bearing current dividend rights and giving the rights attached to the Existing Shares.

### **Subscription period**

The subscription period of the New Shares will be open from March 15, 2022 to March 28, 2022.

### **Subscription price of the New Shares**

The New Shares will be issued at a unit subscription price of EUR 0.1640, including a par-value of EUR 0.01 and a share premium of EUR 0.1540, i.e. EUR 0.1640 per new share in total, to be fully paid at the time of the subscription, by way of cash or by off-setting receivables. This price has been set by reference to the stock market closing price of the Atari share preceding the approval of the Prospectus by the AMF, i.e., EUR 0.1900 on March 7, 2022 and includes a discount of 14%.

Likewise, the theoretical value of the PSR amounts to EUR 0.0052 and the theoretical value of the ex-right share amounts to EUR 0.1848. The issuance price of the New Shares shows a discount of 11% compared to the theoretical value of the ex-right share.

These values do not prejudice the value of the PSR during the trading period of the PSR, nor the value of the ex-right share, nor the discounts, as they will be recorded on the market.

### **Gross amount of the Share Capital Increase**

The gross amount of the Share Capital Increase, inclusive of the share premium, would amount to EUR 12,547,124.55 (EUR 765,068.57 of par-value and EUR 11,782,055,98 of share premium) corresponding to the number of issued New Shares multiplied by the subscription price of a New Share.

### **Preferential subscription rights**

The subscription of the New Shares will be reserved, on a preferential basis:

- to the holders of Existing Shares registered in their securities account at the end of the accounting day of March 10, 2022 according to the indicative calendar, at the ratio of one PSR per Existing Share; and
- to the transferees of the PSR.

In order to exercise their PSR, PSR holders must make a request to their authorized financial intermediary from March 15, 2022 to March 28, 2022 inclusive and pay the corresponding subscription price. Unexercised PSR will lapse at the end of the subscription period, i.e. on March 28, 2022, at the closing of trading.

The subscribers having placed irreducible subscription orders are guaranteed, subject to the effective completion of the Share Capital Increase with PSR, 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.

Fractional PSR may be sold on Euronext Paris during the trading period of the PSR.

Subscription orders are final and non-revocable.

### **Quotation and exercise of preferential subscription rights**

PSR will be detached on March 11, 2022, and will be open to trading on Euronext Paris until the closing of the trading period of the PSR, i.e. until March 24, 2022 inclusive, under the code ISIN FR0014008D33.

### **Intentions and subscription commitments of the main shareholder**

IRATA LLC, the Company's main shareholder, holding 16.50% of Company's capital before the Offer, has irrevocably undertaken to subscribe on an irreducible and reducible basis, to 53,380,143 New Shares of the Company, for a maximum amount of EUR 9,410,343.45, in cash for an amount of EUR 6,500,000 and by offsetting receivables for a maximum amount of EUR 2,910,343.45, corresponding to a subscription commitment up to a maximum 75% of the amount of the Share Capital Increase (the "**Subscription Commitment**"). As of this day, the amount of IRATA LLC's shareholder loan receivable towards the Company amounts to ca. EUR 4.6 million in principal. This amount will be ca. EUR 5.3 million on March 19, 2022 at the latest.

As of March 9, 2022, the Company is not aware of any intention of other shareholders or members of its administration or management bodies to participate in the Share Capital Increase.

### **Net working capital statement**

As of the date of the 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 EUR 6.5 million. Although the Company currently benefits from the continued unconditional financial support of its main shareholder IRATA LLC, until the date of the general meeting of the shareholders convened to approve the financial statements of the Company for the financial period ending on March 31, 2022, the Share Capital Increase is the preferred solution for the Company to finance its activity, it being specified that this transaction is the subject of an irrevocable Subscription Commitment of IRATA LLC for 75% of the Share Capital Increase amount. In the event of completion of the Share Capital Increase, the Company will have sufficient consolidated net working capital to meet its cash requirements over the next twelve (12) months.

### **Impact of the issue on the shareholder's financial position of shareholders' and on the Company's equity**

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:

<b>Impact of dilution on share capital (in %)</b>	<b>Shareholders' interest (non-diluted basis)</b>
Before issuance of the New Shares from the Offer	1%
After issuance of the New Shares up to 75% of the Share Capital Increase amount	0.84%
After issuance of the New Shares up to 100% of the Share Capital Increase amount	0.80%

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):

<b>Share of equity (EUR)</b>	
Before issuance of the New Shares from the Offer	0.089
After issuance of the New Shares up to 75% of the Share Capital Increase amount	0.101
After issuance of the New Shares up to 100% of the Share Capital Increase amount	0.104

### **Indicative calendar of the Share Capital Increase**

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 of the Offer and availability of the Prospectus. Publication by Euronext of the notice relating to the trading of the PSR.
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. Distribution by Euronext of the notice of admission of the New Shares indicating the final amount of the share capital increase and indicating the allocation scale for subscriptions on an irreducible basis.
April 1, 2022	Issuance of the New Shares - Settlement and delivery.
April 1, 2022	Admission of the New Shares to trading on Euronext Paris.

### **Share Codes**

Shares' label: ATARI

ISIN Code: FR0010478248

Mnemonic: ATA

Place of quotation: Euronext Paris

Compartment: C

ICB sector of activity: Leisure Goods

ICB Classification: 402030

## **Availability of the Prospectus**

Copies of the Prospectus are available without any cost at the Company's registered office.

The prospectus can equally be consulted on the Company's website (<https://atari-investisseurs.fr/en/>) and on the AMF's website (<http://www.amf-france.org>). The information appearing on the Company's website do not form a part of the Prospectus and has not been reviewed or approved by the AMF.

## **Risk Factors**

The Company draws the attention of the investors to the material risk factors specific to the Group and to the New Shares to be issued and admitted to trading, as set out in Chapter 4 of the Prospectus.

Investors should refer to the Prospectus in its entirety before making any investment decision and make their own assessment as to the advisability of investing in the financial securities concerned.

## **About Atari**

Atari, comprised of Atari SA and its subsidiaries, is a global interactive entertainment and multiplatform licensing group. The true innovator of the video game, founded in 1972, Atari owns and/or manages a portfolio of more than 200 games and franchises, including globally known brands such as Asteroids®, Centipede®, Missile Command® and Pong®. Atari makes attractive online games for smartphones, tablets and other connected devices. From this significant portfolio of intellectual property Atari also develops and distributes interactive entertainment for Microsoft and Sony. Atari also leverages its brand and franchises with licensing agreements through other media, derivative products and publishing. For more information: [www.atari.com](http://www.atari.com) and [www.atari-investisseurs.fr/en/](http://www.atari-investisseurs.fr/en/). Atari shares are listed in France on Euronext Paris (Compartment C, ISIN Code FR0010478248, Ticker ATA), and are eligible for the Nasdaq International Program in the United States (OTC Compartment - Ticker PONGF).

## **Forward Looking Statements**

This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, all statements other than statements of historical fact included in this press release about future events are subject to, without limitation, (i) change without notice, (ii) factors beyond the Company's control, (iii) regulatory requirements, (iv) increased manufacturing costs, (v) market access, (vi) competition and (vii) potential claims on its products or intellectual property. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "objective," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. A description of these risks, contingencies and uncertainties can be found in the documents filed by the Company with the AMF, including the 2021 Universal Registration Document, as well as in the documents that may be published in the future by the Company. Furthermore, these forward-looking statements, forecasts and estimates are made only as of the date of this press release. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update any forward-looking statements, forecasts or estimates to reflect any subsequent changes that the Company becomes aware of, except as required by law.

This press release has been prepared in French and English. In the event of any differences between the texts, the French language version shall supersede.

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