



Société anonyme au capital de 3 825 342,86 euros
Siège social : 25, rue Godot de Mauroy 75009 Paris
RCS Paris 341 699 106

**DOCUMENT D'INFORMATION EN VUE DE L'ADMISSION SUR EURONEXT
GROWTH DE L'ENSEMBLE DES 382 534 286 ACTIONS ORDINAIRES
COMPOSANT LE CAPITAL SOCIAL DE LA SOCIETE ATARI**

Conformément :

- à la loi n° 2009-1255 du 19 octobre 2009 « tendant à favoriser l'accès au crédit des petites et moyennes entreprises et à améliorer le fonctionnement des marchés financiers » et prévoyant « la possibilité pour une société cotée sur un marché réglementé de demander l'admission aux négociations de ses instruments financiers sur un système multilatéral de négociation organisé (SMNO) »,
- à l'arrêté du 4 novembre 2009 portant sur l'homologation des modifications du règlement général de l'Autorité des marchés financiers, tel que publié au journal officiel du 13 novembre 2009, et
- aux articles 1.4, et 3.1 des Règles des marchés Euronext Growth en date du 17 Octobre 2019 Atari.

L'admission des actions de la société ATARI Group aura lieu le 30 juin 2022, selon la procédure de cotation directe dans le cadre de son transfert du marché réglementé d'Euronext Paris vers Euronext Growth.

Le présent document d'information (le « Document d'Information ») sera disponible sur le site d'Euronext (www.euronext.com) et sur le site de la société ATARI (<https://atari-investisseurs.fr/>).

Avertissement

Euronext Growth est un marché géré par Euronext. Les sociétés admises sur Euronext Growth ne sont pas soumises aux mêmes règles que les sociétés du marché réglementé. Elles sont au contraire soumises à un corps de règles moins étendu adapté aux petites entreprises de croissance. Le risque lié à un investissement sur Euronext Growth peut en conséquence être plus élevé que d'investir dans une société du marché réglementé.

Le présent Document d'Information ne constitue pas un prospectus au sens du règlement européen (UE) 2017/1129 du Parlement européen et du Conseil du 14 juin 2017 concernant le prospectus à publier en cas d'offre au public de valeurs mobilières ou en vue de l'admission de valeurs mobilières à la négociation sur un marché réglementé.

Le présent Document d'Information a été établi sous la responsabilité de l'Emetteur. Il a fait l'objet d'une revue par le Listing Sponsor et d'un examen par Euronext de son caractère complet, cohérent et compréhensible.



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1. RESPONSIBLE PERSON FOR THE INFORMATION DOCUMENT

Wade ROSEN
Chief Executive Officer

1.1. Statement by the responsible person

I declare that, to the best of my knowledge, the information provided in this Information Document is accurate and that, to my knowledge, the Information Document is not subject to material omissions and includes all relevant information.

June 24, 2022
Wade J. ROSEN
Chief Executive Officer of Atari S.A.

2. ACTIVITIES OVERVIEW

Refer to chapter 3 “Business Overview” of the Universal Registration Document presented in Appendix 1.

3. RISK FACTORS

The following table recaps the risk factors presented in the 2021 Universal Registration Document as well as the Prospectus regarding the capital increase on March 2022 (approved by the French Autorité des Marchés Financiers on March 8th, 2022). Those risks factors reflect the situation of the company at the date of the Information Document.

Significant and specific risks to which the Group considers itself exposed	Probability of occurrence	Risk Impact	Degree of criticality of net risk	Mitigation points
Financial risks				
Risk associated with equity participations	High	Medium	High	No measure taken.
Risk associated with new business sectors	Medium	High	High	Analysis of revenue potential, commercial strategy and contractual engagement
Risk associated with liquidity and going concern	Medium	High	Medium	€12.5 million capital increase completed on April 1 st , 2022. IRATA irrevocable commitment to financially support the Company until the general meeting convened to approve results for fiscal year ending March 31, 2022.
Risk associated with fiscal regulations	Medium	Medium	Medium	No measure taken.
Risks associated with the business model and the group organization				
Credit or counterparty risk	High	High	High	All license agreements with ICIB Group terminated as communicated on April 18 th , 2022 press release
Risk associated with the freemium business model	Low	Medium	Medium	The Company is witnessing a shift in its gaming business model, initially mostly focused on freemium games and currently evolving towards premium gaming, leveraging on own IP portfolio of more than 200 titles.
Risk associated with the lifetime and success of games	Medium	High	High	Quality optimization for each game launched, with focus on technical and creative improvements. Balanced and diversified range of products combining Atari's original intellectual property catalogue with the Company's own franchises.
Risk associated with dependency on a limited number of games and delayed releases of key games	Medium	High	High	Additional new titles releases (Recharged Series for example) and active publishing plan. Strict criteria for external development studios selection process. Increase internal technical expertise in executive production by hiring key personnel
Risk associated with licensing	Medium	High	High	No measure taken. Although, the company is constantly on the watch for new licensing opportunities.
Risk associated with customer dependency and withdrawal from sale	Medium	Medium	Medium	Development of new revenue streams, active discussions on new licenses and research for additional customers.

Legal risks				
Risk associated with the Group's regulatory environment	Medium	Medium	Medium	Active monitoring of regulatory environment, notably in new businesses like blockchain.
Risk related to piracy	Medium	Low	Medium	Management through a pragmatic approach, based on the risks identified and the territories involved.
Risk related to litigation	Medium	Low	Medium	Active monitoring of protection of intellectual property and infringements
Risk related to data security	Medium	Low	Medium	Privacy policy and terms and conditions of service

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

For a further description of the risk factors previously presented, refer to chapter 5 "Risk Factors" of the Universal Registration Document presented in Appendix 1 as well as the chapter 4 "Risk Factors" of the Prospectus approved by the French Autorité des Marchés Financiers on March 8th, 2022.

4. DESCRIPTION OF THE TRANSACTION AND OF THE SECURITIES SUBJECT TO THE ADMISSION TO TRADING ON THE EURONEXT GROWTH PARIS MARKET

4.1. Reasons for the transfer request

Euronext Growth Paris is the favourite market for growth companies with a market capitalization of less than one billion euros. The Company wishes to transfer to the Euronext Growth Paris market to:

- **Further focus its resources on the core business of the Company while remaining compliant with a listing in a major market in France;**
- **Integrate a market dedicated to SMEs-ETIs that is simpler to operate and more appropriate to the size of the Company and its market capitalization;**
- **Benefit from the dynamics and visibility offered by Euronext Growth, to accompany its development;**
- **Promote a quality relationship with its shareholders and investors due to the Company's presence in a more suitable market.**

This transfer project was approved by the General Meeting of Shareholders held on April 20, 2022.

4.2. Characteristics of the Company's shares

Nature and number of securities for which admission to trading is requested: The shares of the Company whose admission to trading on Euronext Growth Paris is requested are the 382,534,286 existing shares making up the share capital of the Company with a nominal value of €0.01 each. No new shares will be issued as part of the admission. As announced in its press release dated February the 21st, 2022, in order to improve market profile and limit share price volatility, Atari is considering a reverse stock-split of its shares the modalities and timetable of which are to be further determined by the Company board of directors.

Name of shares: ATARI

ISIN code: FR0010478248

Mnemonic: ALATA

Activity sector: NAF Code: 5829C – Software application editor / ICB Classification: 40203040, *Electronic entertainment*

4.3. Timetable for the transfer on Euronext Growth

24-June-2022

Notification by Euronext of the decision to admit the securities on Euronext Growth.

Distribution of a press release by ATARI and posting of the information document online

27-June-2022

Publication by Euronext of the notice announcing the delisting of ATARI's ordinary shares from Euronext Paris

Publication by Euronext of the notice announcing the listing of ATARI's ordinary shares on Euronext Growth Paris

30-June-2022

Delisting of ATARI's ordinary shares from Euronext Paris (before market)

Admission of ATARI's ordinary shares on Euronext Growth Paris (at the opening)

Listing sponsor

Euroland Corporate will act as Listing Sponsor of the Company.

5. SHAREHOLDING STRUCTURE AS OF 15 JUNE 2022

Shareholder	Number of Shares		Theoretical number of voting rights	
	#	%	#	%
Irata LLC (1)	81 733 163	21,36%	81 733 163	21,18%
Public	297 401 123	77,72%	300 743 824	77,92%
Treasury shares	3 500 000	0,91%	3 500 000	0,91%
TOTAL	382 634 286	100,00%	385 976 987	100,00%

(1) Irata LLC is a holding company controlled by Wade J. Rosen, Chairman and Chief Executive Officer of the Company as of March 31st, 2022.

The public representing 77.72% of the total of 382,534,286 shares of the company, i.e. 77.72% of a total market capitalization of €50,12 million as of June 16th, 2022. This amount is to be compared with the minimum required threshold of €2.5 million on Euronext Growth Paris.

6. CASH POSITION AS OF MARCH 31, 2022

In K€ (unaudited consolidated IFRS data)	31/03/2022
1. Shareholders' equity and indebtedness	
Total current liabilities (including current portion of non-current liabilities)	498
Secured	-
Guaranteed	-
Unsecured / Unguaranteed ⁽¹⁾	498
Total non-current liabilities (excluding the current portion of non-current liabilities)	6 394
Secured	-
Guaranteed	-
Unsecured / Unguaranteed ⁽²⁾⁽³⁾	6 394
Total equity (including minority interests) ⁽⁴⁾	27 382
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 0.354 million

(2) Includes the non-current fraction of debt relating to leasing agreement (IFRS 16) for an amount of EUR 1.349 million

(3) Includes the entire amount of the shareholders loans of IRATA LLC that has been used by IRATA LLC for subscription by partial set-off to the March 2022 capital Increase, for an amount of ca EUR 2.90 million

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

(5) Including issuance premium

In K€ (unaudited consolidated IFRS data)	31/03/2022
2. Net financial debt	
A. Cash	537
B. Cash equivalents	0
C. Other current financial assets ⁽¹⁾	30
D. Liquidity (A + B + C)	567
E. Current financial liabilities (including bonds, but excluding the current portion of non-current financial liabilities)	0
F. Current portion of non-current financial debts ⁽²⁾	498
G. Current financial debt (E + F)	498
H. Net current financial debt (G - D)	-69
I. Non-current financial debt (excluding current portion and bonds) ⁽³⁾	6 394
J. Debt instruments	0
K. Non-current trade and other payables	0
L. Non-current financial debt (I + J + K)	6 394
M. Total financial debt (H + L)	6 325

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 0.354 million

(3) Includes (i) the non-current fraction of debt relating to leasing agreement (IFRS 16) for an amount of EUR 1.349 million and (ii) the entire amount of the shareholders loans of IRATA LLC that has been used by IRATA LLC for subscription by partial debt set-off to the March 2022 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.

On March 30th, 2022, Atari announced the success of a capital increase with preferential subscription rights for an amount of EUR 12.5M, launched on March 15th, 2022 (<https://atari-investisseurs.fr/download/47/2022/4914/success-of-atari-share-capital-increase-in-the-amount-of-eur-12-5-m.pdf>).

As of the date of this Information Document, the Company has sufficient consolidated net working capital to meet its current obligations for the next twelve (12) months.

7. ANNUAL CONSOLIDATED FINANCIAL STATEMENTS 2021

Refer to Appendix I of this document Universal Registration Document including the annual consolidated financial statements as of March 31, 2021.

8. HALF-YEAR 2022

Refer to Appendix II of this document including the semi-annual financial report as of September 30, 2021.

9. SHARE PRICE EVOLUTION

Share price evolution on 1 year:



Source: Euronext 17 June 2022

The averages hereunder are calculated using data from June 16th, 2021 to June 17th, 2022:

Volume-weighted average price: 0.31 euro;

Average capital traded daily: 795,633 euros;

Average volume traded daily: 2,307,601 ATARI shares;

ATARI was listed on the Paris Stock Exchange in 1993 under its former corporate name Infogrames.

10. STATUS OF COMMUNICATIONS DURING THE PAST 12 MONTHS

10.1. Press releases

2022	
24 May 2022	Atari announces New Web3 initiative and reaffirms commitment to Blockchain business
20 April 2022	Atari's Shareholders General Meeting approves the project to transfer the listing of Atari securities to Euronext Growth Paris market
18 April 2022	Planned creation of new token and joint venture termination
30 March 2022	Atari announces the termination of its relationships with Crypto Blockchain Industries
30 March 2022	Success of Atari's share capital increase in the amount of EUR 12.5 M
16 March 2022	Proposed transfer of listing of Atari securities on Euronext Growth Paris Market
9 March 2022	Atari launches a share capital increase of ca. EUR 12.5 M with the shareholders' preferential subscription rights maintained
21 February 2022	Atari to announce various steps to consolidate its balance sheet, implement a reverse split and propose a transfer to Euronext Growth
19 January 2022	Update on Atari listing on US OTC Markets
17 January 2022	Results of the first half of 2021-2022
2021	
2 December 2021	Results of the Ordinary & Extraordinary Shareholders' Meeting held on November 30, 2021
23 November 2021	Atari Announces Strategic Transactions
21 November 2021	Atari Changes Leadership of Atari Chain and Updates Organizational Structure
9 November 2021	Availability of the Universal Registration Document 2020/2021
18 October 2021	Revision of the Estimated 2020/2021 Annual Results
16 August 2021	Annual Results 2020/2021
2 August 2021	Fiscal year 2020/2021 earnings release schedule
22 July 2021	Auction process for 20 exclusive Atari NFTs for ZED RUN raises over \$410k in one week
5 July 2021	ATARI: Atari Gaming repositioning on premium games
7 June 2021	New stage in the strategic development of Atari's blockchain division
3 June 2021	ATARI VCS: Available at retail in the United States from June 15, 2021

10.2. Regulated informations

2022	
9 March 2022	Operation note on the capital increase
17 January 2022	Semi-Annual Financial Report 2021-2022
2021	
8 November 2021	Universal Registration Document / Annual Financial Report 2020-2021

All press releases and regulated information can be consulted on the ATARI's website: <https://atari-investisseurs.fr/>

**APPENDIX I – UNIVERSAL REGISTRATION DOCUMENT INCLUDING
ANNUAL FINANCIAL REPORT 2020-2021**



So much more than video games

UNIVERSAL

REGISTRATION
DOCUMENT

INCLUDING ANNUAL FINANCIAL REPORT 2020-2021



ATARI Games
ATARI Licensing
ATARI VCS



Atari NFT's
Atari Token

2020

2021





French limited company (société anonyme) with capital of Euro 3,060,274.29
Registered office: 25 rue Godot de Mauroy - 75009 Paris – France
RCS Paris 341 699 106

UNIVERSAL REGISTRATION DOCUMENT ANNUAL FINANCIAL REPORT 2020/2021



This Universal Registration Document was filed on November 8, 2021 with the Autorité des Marchés Financiers (AMF), the competent authority in this respect under Regulation (EU) 2017/1129, without any prior approval requirement, as set out in article 9 of said Regulation.

The Universal Registration Document may be used for the purpose of a public offering of securities or their admission to trading on a regulated market if it is supplemented with a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. This set of documents is then approved by the AMF in accordance with Regulation (EU) 2017/1129.

In accordance with Article 19 of Regulation (EU) 2017/1129, the following information is included by reference in this Universal Registration Document:

- The consolidated financial statements and the Statutory Auditors' report relating thereto for the year ended March 31, 2020, as presented on pages 49 to 94 of the Universal Registration Document filed with the AMF on October 28, 2020 under number D.20-0906 (<https://atari-investisseurs.fr/wp-content/uploads/2020/10/URD-2020-03-VEN-DEF.pdf>);
- The consolidated financial statements and the Statutory Auditors' report relating thereto for the year ended March 31, 2019, as presented on pages 45 to 89 of the Universal Registration Document filed with the AMF on November 8, 2019 under number D19-0931 (<https://www.atari-investisseurs.fr/wp-content/uploads/2019/11/URD-2019-03-VDEF.pdf>);

This document is available free of charge at the Company's registered office and on the website of the Autorité des Marchés Financiers (www.amf-france.org) and on the Company website (<https://www.atari-investisseurs.fr>).

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

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1. GENERAL PRESENTATION

1.1 DEFINITIONS

In this Universal Registration Document, and unless stated otherwise:

- The terms “Atari SA” or “Company” refer to the parent company Atari SA, whose registered office is located at 25 rue Godot de Mauroy, 75009 Paris, France, registered in the Paris Trade and Companies Register under number 341 699 106;
- The terms “Atari” or “Group” refer to the group of companies formed by the Company and its consolidated subsidiaries;
- The term “Document” refers to this Universal Registration Document filed with the AMF.

1.2 DISCLAIMER

The Universal Registration Document contains information concerning the Group’s activity and the market on which it operates. This information comes from research carried out by either internal sources or external sources (industry publications, specialized studies, information published by market research companies or analyst reports). The Group considers that this information gives a true and fair view to date of its reference market and its competitive positioning on this market. However, such information has not been verified by an independent expert and the Group cannot guarantee that a third party using different methods to collate, analyze or calculate market data would obtain the same results.

1.3 FORWARD-LOOKING STATEMENTS

This Universal Registration Document also includes information on the Group’s objectives and key areas for development. These indications are sometimes identified by the use of forward-looking words, such as “estimate”, “consider”, “have as objective”, “expect”, “intend”, “should”, “want”, “may” or other variations of such terms. These statements are based on data, assumptions and forecasts that the Group considers reasonable at the time of this Universal Registration Document. Readers’ attention is drawn to the fact that these development strategies and objectives are not historical data and must not be interpreted as a guarantee that the facts and data presented 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 contained in this Universal Registration Document could prove to be incorrect without the Group having any obligation to update, subject to applicable regulations, in particular the AMF General Regulations and the Regulation (EU) n°596/2014 dated April 16, 2014 on Market Abuse (“MAR Regulation”).

1.4 RISK FACTORS

Investors are also invited to take into consideration the risk factors described in section 3.1 “Risk Factors” of the Universal Registration Document before taking any investment decision. The realization of some or all of these risks could have a negative impact on the business activity, situation, financial results or objectives of the Group. Furthermore, other risks, that have not yet been identified or that are not considered material by the Company, could have the same negative impact and investors could lose part or all of their investment.

2. INFORMATION ABOUT THE ISSUER

2.1 PROFILE

Legal name of the Company: Atari SA.

The corporate purpose of the Company Atari SA, in accordance with article 2 of its by-laws, in France or abroad, directly or indirectly, is:

- the design, production, publishing and distribution of all multimedia and audiovisual products and works, including those in the nature of entertainment, in any form including software, data processing and content – either interactive or otherwise – for all media and by means of all present and future means of communication;
- the purchase, sale, supply and more generally distribution of all products and services related to the foregoing;
- the creation, acquisition, use and management of intellectual and industrial property rights or other in rem and in personam rights, including by means of assignment, licensing, patents, trademarks and other copyrights;
- the acquisition, the search for partnerships and the acquisition of interests in other firms, including the formation of new entities and the issuance, subscription or transfer of securities in any business directly or indirectly related to the foregoing or to the products and ideas developed by the company;
- and, more generally, any transactions with a purpose similar or related to the foregoing, or otherwise likely to benefit the company.

The Company is registered in the Paris Trade and Companies Register under number 341 699 106.

The Company's NAF code is 5829C.

The LEI code is 969500EY082T9MF5R336.

The Company was incorporated on July 15, 1987 for a duration of 99 years expiring on July 14, 2086, unless dissolved or extended.

The Company's registered office is located at: 25 rue Godot de Mauroy, 75009 Paris. This is also the registered office for Atari Partners, SAS. Tel: +33 (0)1 83 64 61 58

The US subsidiaries have their registered office at 286 Madison Avenue, New York, NY 10017 (United States).

The Company's website is "<http://www.atari.com>". Disclaimer: unless stated otherwise in this Document, the information displayed on this website is not part of the present Document.

The Company, a French-law limited company (*société anonyme*), is mainly subject to articles L.225-1 and following of the French Commercial Code, as well as to its by-laws.

The Company is listed:

- on Euronext, Paris, compartment C (ISIN: FR0010478248, Ticker: ATA);
- on the US OTC market: affiliated to the Nasdaq International Select program on the OTC market (Ticker: PONGF).

2.2 HISTORY

Atari Inc., a video games industry pioneer, was founded in 1972.

Infogrames Entertainment ("Infogrames"), a French video game development company, was founded in 1983 and first listed on the Paris Stock Exchange in 1993.

In 2000, Infogrames acquired the Atari brand from the Hasbro Group.

In May 2009, Infogrames changed its name to Atari.

In early 2013, the US subsidiaries (the "US subsidiaries") were placed in court-supervised receivership (the "Chapter 11 Proceedings"). In February 2013, the BlueBay funds sold their stakes to Ker Ventures, LLC (a holding company owned by Frédéric Chesnais) and Alden Capital Group. Frédéric Chesnais was appointed Chairman of the Board and Chief Executive Officer. Shareholders' equity was negative, with €34.9M, while net debt totaled €31.4M.

In September 2013, Atari SA filed a reorganization plan for the US subsidiaries. This plan was approved by the US court, and on December 24, 2013, the US subsidiaries exited the Chapter 11 Proceedings.

Following the reorganization, the Atari Group deleveraged the games division and concentrated its efforts on the mobile free-to-play market. It successfully published RollerCoaster Tycoon Touch, a title that reached the top of the strategy and simulation charts on Apple's App Store and on Google Play. Recently, a new strategy focused on premium games has been implemented. This will include bringing mobile titles (Citytopia, Days of Doom) to PC and consoles, as well as the new range of Atari Recharged classic games, underlining its commitment to the retro gaming market.

In 2020, Atari, with the first deliveries of the Atari VCS, marked a return to the living rooms with a modern gaming hardware system, combining the best of the console and PC world to delight a new generation of gamers and creators.

In March 2020, Wade J. Rosen acquired 10.46% of Atari's share capital from Ker Ventures, before being appointed Chairman of Atari's Board of Directors at the start of April 2020, with Frédéric Chesnais remaining as the Group's CEO.

At the start of April 2021, Wade J. Rosen replaced Frédéric Chesnais as Group Chief Executive Officer and currently holds 16.5% of Atari SA's capital through the company Irata LLC, which he owns.

Today, Atari is still an incredibly recognizable and vibrant brand: it appears in major films, such as Blade Runner 2049 and Ready Player One, as well as many TV shows, and operates an extensive licensing program for clothing, art collections, retro consoles, arcade machines, portable gaming systems, board games, cartoons, hotels and non-fungible tokens (NFTs).

2022 will mark Atari's 50th anniversary, and the Group intends to celebrate this event.

3 BUSINESS OVERVIEW

3.1 THE INTERACTIVE ENTERTAINMENT MARKET

The global games industry is one of the largest entertainment industries today. The global games market is estimated at US\$176 billion in 2021. It is larger than the sales of movie tickets, music downloads and music streaming combined.

The Asia Pacific (APAC) region is the largest at US\$88 billion, followed by North America at US\$43 billion and Europe, Middle East & Africa (EMEA) at US\$38 billion. Global annual revenue for the market is expected to grow 8.7% per year for 2019-24 to reach a total market size approaching US\$219 billion by 2024.

While historically console and PC games drove the majority of total revenue, 2021 marked the first year when games on smartphones and tablets accounted for more than 50% of the global market. This segment also has the most players, with 2.8 billion, the majority of whom are gaming on their smartphone.

THE MARKET FOR MOBILE GAMES, ON SMARTPHONES AND TABLETS

Mobile games are video games that are played on mobile phones, smartphones, tablets and portable multimedia devices, excluding any game played only on dedicated portable consoles.

The mobile market is benefiting from the fast penetration rate of smartphones (mainly devices running iOS and Android). The tablet market also benefits from a fast and high penetration rate.

The rapid expansion of these smartphones has generated and has benefited from the success of “apps”, small specialized programs that can be downloaded to mobile devices.

ONLINE GAMES AND CONSOLE GAMES

The Group favors the online games segment, and no longer distributes physical boxes, which are now distributed by partners.

The online games segment covers several types of games, from “casual” to “hardcore” games, and uses all types of platforms, from the Atari VCS to personal computers (PCs) and consoles (via Microsoft Xbox Live, Sony PlayStation Network). An Internet connection is required at the time of download, and sometimes also during the game phase.

These games can either be paid at the time of download, or free but then, in most cases, with options to make payments via microtransactions as and when the game progresses.

Revenue from online games is generated by the following sources:

- Game downloads
- Microtransactions, which consist of offering additional content or virtual goods to players who already have a free or paid game (most often, new features or access to additional zones or levels)
- Online advertising
- Subscriptions, usually monthly or quarterly
- Trial offers

CURRENT MARKET TRENDS AND DYNAMICS

Social trends:

- Global living standards are improving steadily. For the gaming industry, this translates into more free time and increased demand for entertainment products, as well as more money to spend on entertainment.
- Demographic shifts have increased the average age of gamers. Popularity for games grew during the 80s and 90s; this first generation of gamers is now in their mid-thirties, with often-considerable disposable income to spend on games. In the United States, there are around 160 million people aged 10 to 65 that play games at least once a month.
- The ubiquity of the Internet and social media has helped foster and develop highly engaged communities of enthusiastic gamers across the world. Game developers now have access to an extremely loyal core fan base for certain games or genres who are happy to support new projects both financially (i.e. crowdfunding) and through very powerful viral online marketing.

Gameplay trends (changes in game consumption):

The evolution of technology and social dynamics has completely changed the way games are consumed. The hardcore male teenage and twenty-something console or PC gamer has been overtaken by an entirely new population of casual gamers thanks to the adoption of smartphones and mobile games. The casual gamer is often older (35-45) and includes a large proportion of females. The end result is a much larger global audience of gamers.

Another powerful trend in the way the gaming experience is changing is the emergence of E-Sports and streaming extending the gaming universe from purely active gaming to the possibility to watch and support the most skilled gamers across the world in real time. The emergence of streaming and competitive tournaments has had a huge impact in turning certain games that are particularly well suited to the format into blockbuster commercial successes like Fortnite, which grossed over US\$5bn in 2020. The streaming platform Twitch has 140 million active users on average each month, with more than 18 billion hours of content watched in 2020.

Technological trends (digital is overtaking physical):

Digitalization has completely revolutionized the value chain in global gaming, and by lowering distribution costs and increasing availability, it has largely contributed to the explosive growth of the industry in recent years. While a game was historically limited to be a physical box with static content, now a game's life can be extended for years through new downloadable content. Game as a Service (GaaS) has become the new normal which is contributing to industry growth by extending the lifespan and revenue potential of games. Further growth is to be expected from the crossover of gaming experience into real life. Virtual Reality, Augmented Reality and Gamification are increasingly blurring the boundaries between gaming and reality.

INDUSTRY COMPETITION

While the competitive dynamics vary across different gaming products and platforms, the overall gaming market remains extremely competitive. The industry is growing at a strong pace and constantly evolving, creating threats and opportunities for established players, as well as new entrants. Atari competes with game developers and publishers from all over the world.

Changes in technology and evolving consumer habits and demographics require gaming companies to constantly reinvent themselves in order to remain relevant and secure their position in the market. Game quality and creativity are more important success factors than a company's prior achievements or long-term history.

Online and Console Games:

Continued industry growth coupled with vast improvements in gaming technology over the cycles has led to an escalation of video game development budgets for so called AAA, high-quality console and PC titles. The combination of a large necessary upfront investment coupled with the hit-driven nature of the industry has increased the risk to develop such games substantially. Competition in this segment is therefore somewhat limited to a smaller number of large players like Activision, Electronic Arts, Take Two, Ubisoft or Microsoft.

The move to digitalization and the appearance of digital storefronts like Steam for PC and Sony, Microsoft and Nintendo for their last-generation consoles has however opened up opportunities for smaller players to compete in the market for low to mid-range budget titles. Competition is still somewhat more restricted than in the mobile space as the barriers to entry are still higher. However, for most small developers the environment is still very difficult, as there are a large number of quality games competing for limited amounts of game time. This has led to numerous smaller and independent game developers going out of business. There are still numerous independent developers competing successfully in this space, including THQ Nordic, Paradox Entertainment or Frontier Developments.

Mobile and Tablet Games:

Mobile games are often “casual games” characterized by lower complexity and player involvement and shorter playing times. Mobile games are typically quicker and cheaper to develop and are easily distributed through Apple and Google online stores. Their lifecycle tends to be shorter, and due to low barriers to entry and limited upfront investments, the number of games available to play has skyrocketed. There are currently more than 1 million games available to download on Apple’s App Store (source: Statista, August 2021). Competition in the mobile games segment is very strong, making it difficult to achieve good levels of profitability for the average developer.

While the barriers to entry are lower for mobile games in terms of development costs compared with mid and high-quality PC and console games, the sheer number of games available on digital storefronts today makes differentiation and consumer awareness the most important elements for success. Reaching a substantial user base to ensure a game’s commercial success often requires a large marketing budget and continuous reinvestment in user acquisition, making it harder for small developers with limited financial resources to compete.

Competition in the mobile gaming industry is widespread and includes large players like Zynga, Electronic Arts, Activision or Tencent, as well as more focused mobile game developers like Rovio or Gameloft. Due to the lower barriers to entry, competition also includes a myriad of small developers.

3.2 STRATEGY

Atari is an interactive entertainment production group that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and intellectual property assets and licenses such as RollerCoaster Tycoon.

The Group is organized around two main divisions:

- (i) Atari Gaming**, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focusing on its three key pillars: games, VCS and licensing;
- (ii) Atari Blockchain**, which encompasses all of the Group’s blockchain-related activities, including the development and marketing of non-fungible tokens (NFTs) and the development of the ecosystem around the Atari Token.

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

The Atari brand is known worldwide and is associated with the entertainment sector and video games in particular.

Atari's strategy aims to develop, directly or through licensing, content, hardware and applications at the crossroads of interactive entertainment, the digital world and technological innovation through its two core divisions:

- **Atari Gaming:**

- **Atari Games:** this division covers video games, the Group's core business, which includes, by extension, the monetization of these games through multiple channels. The strategy aims to develop, capitalize on and monetize the portfolio of over 200 Atari games as effectively as possible.

Atari's business model is that of an executive producer. Atari owns the intellectual property rights directly or through an exclusive license and partners with third-party development studios for game production. Atari does not develop any games in-house and does not own any development studios itself. Atari then takes delivery of the finished games and publishes them itself.

For mobile games, Atari has a free-to-play or freemium strategy, where the games can be downloaded for free on Apple's App Store or Google Play for Android. Revenues are generated from micro-transactions and in-game advertising and the revenues are collected globally by Apple and Google and remitted to Atari after deducting a distribution fee.

For premium games, Atari is focused on monetizing its catalogue of over 200 retro games, which are re-imagined and published for all current console systems, the Atari VCS and PC. For console and PC games, Atari's strategy is focused primarily on digital distribution. Atari publishes its games directly on Steam (for PC), Nintendo's eShop (for Switch), Microsoft's Xbox Live Arcade (for Xbox) and Sony's PlayStation Store (for PlayStation). Revenues are again collected by these platforms globally and remitted to Atari after deducting a distribution fee. When Atari decides to release a game in physical format, the Group uses distribution partners who sell directly to retailers. Atari also has a selective physical distribution strategy working with distribution partners that are specialized in limited edition physical formats for retro games.

- **Atari VCS:** This division's primary objective today is to produce and distribute the new Atari multimedia home console (VCS – Video Computer System) and to integrate a large content offering available online to attract large numbers of users. The strategy to increase the Atari VCS' installed base is focused on promoting the multifunctionality of this open hybrid PC/console home console, which offers a range of emulation and creation tools, and direct access to all of the main game streaming services (Google Stadia, Xbox Game Pass, Amazon Luna, etc.), as well as extensive third-party content and exclusive Atari content.
- **Atari Licensing:** this division is focused on monetizing the Atari brand and the Group's intellectual property portfolio, including more than 200 classic games, through licensing agreements with third parties, which manufacture and distribute products or applications in exchange for paying royalties to Atari, under multi-year agreements. The licensing strategy also covers agreements with multimedia companies for producing audiovisual content based on Atari's intellectual property (films, TV series, etc.).

- **Atari Blockchain:** the blockchain division's mission is to develop the adoption of the blockchain technology within the video game industry. This includes the development of the Atari Token through new use cases and its integration within the Atari ecosystem.

The Atari Token is a cryptocurrency developed on the Ethereum blockchain (using the ERC-20 standard) that has been in free circulation since November 2020 and can currently be traded on various exchange platforms, both centralized (Bitcoin.com, HitBTC, BitBay) and decentralized (Uniswap). The Atari Token aims to become the leading cryptocurrency for blockchain video game applications, as a means of payment for digital assets with the Atari VCS, Atari blockchain games, and third-party blockchain applications and games, such as Decentraland, Sandbox or Alphaverse.

The blockchain division is also investing in the development and marketing of non-fungible tokens (NFTs) focused on video games. NFTs enable exclusive ownership of a digital asset (artwork, digital collection, object in a video game), opening up possibilities to develop innovative new business models, particularly in the video game industry. The blockchain technology's decentralized structure eliminates the need to pass through intermediaries to market these digital assets and contributes to higher margin rates for these activities.

After confirming this new activity's appeal through sales of NFTs based on brand license products, the Group now plans to launch its own NFT sales platform that it will operate directly in FY 2021-2022.

3.3 REGULATORY ENVIRONMENT

Atari Games

The specific regulations applicable to video games can be classified into two distinct categories depending on their ultimate objective:

- the first category targets consumer information on the risks inherent to the use of video games;
- the second category of rules regulates the content of video games with a view to protecting minors.

The Group ensures that it complies with the consumer protection regulations that apply to it, particularly with regard to informing consumers about the rules of use and the content of games, by referring to age ratings defined either by the Pan European Game Information (PEGI) classification in Europe or by the Entertainment Software Rating Board (ESRB) classification in the United States. Finally, as regards the insertion of advertising within games, the Group ensures compliance with the sector's regulations.

Atari VCS

In order to launch electronic products on international markets, companies need to demonstrate that the products that are being sold satisfy the technical requirements set by national legislation. In the United States, the Federal Communications Commission (FCC) approves the sale of electronic and telecommunications equipment only if it fulfils a set of established norms and criteria.

The Group ensures that it complies with these regulations.

Atari Blockchain

The regulatory environment concerned is mainly linked to the blockchain universe and, in particular, the regulation of tokens and the cryptocurrencies used in this space. The legislation and regulatory environment for cryptocurrencies are constantly evolving and the Atari Group closely monitors these changes in order to ensure its compliance with all of the regulations applicable.

3.4 KEY FIGURES

Sales totaled €18.9M for the year ended March 31, 2021, down 21.2% year-on-year at current exchange rates and 17.3% at constant exchange rates.

The following table shows the Group's key figures. The accounts are presented in accordance with IFRS.

(M€)	March 31, 2021	March 31, 2020	March 31, 2019
Revenue	18,9	24,0	20,6
Current operating income	(3,4)	2,9	3,1
Operating income (loss)	(11,6)	2,9	2,5
Net income (loss)	(11,9)	2,0	2,7
	-		
Total assets	40,4	43,8	33,3
Shareholders' equity	24,2	28,5	22,3
Net cash (net debt)	2,5	1,1	7,8
Cash and cash equivalents	2,5	1,8	8,5
Average number of employees	25	22	20

Note: the Atari Group defines net cash as all current and non-current financial debt and borrowings, excluding lease liabilities relating to the application of IFRS 16, less cash and cash equivalents.

3.5 HIGHLIGHTS OF THE PERIOD

KEY DEVELOPMENTS IN FY 2020-2021

- **April 2020:** Redemption of the OCEANE 2003-2020 bonds. The 82,906 OCEANE 2003-2020 bonds still in circulation as of March 31, 2020, representing €625,000, were fully redeemed on their maturity date of April 1, 2020.
- **April 2020:** Official launch of the Atari project on the blockchain and first private sales of Atari Tokens. Atari Chain Ltd, based in Gibraltar, was created in March 2020 as a 50/50 joint venture between Atari SA and ICICB Limited with a view to issuing Atari Tokens. 7,771,000,000 tokens were created in April 2020. The first sales of Atari Tokens were recorded during FY 2020-2021. The Atari Token is a cryptocurrency intended for extensive use in the entertainment sector. Atari aims to gradually develop the Atari Token's adoption and use cases through the ecosystem for interactive entertainment and blockchain initiatives.
- **July 2020:** Distribution agreements for the Atari VCS with Bluemouth, an Australian retailer.
- **August 2020:** Distribution agreements for the Atari VCS with Microcenter, an American retailer.
- **September 2020:** License agreement with ICICB Group for the construction of Atari Hotels in Dubai, Gibraltar and Spain. This agreement entitles Atari to USD0.5M of consulting fees and a non-repayable advance on future royalties.
- **November 2020:** agreement with Bitcoin.com Exchange for a public sale and listing of the Atari Token in November 2020.
- **December 2020:** First Atari VCS units delivered to the public.
- **December 2020:** €5.8M capital increase. The capital increase was carried out by issuing 18,163,337 new shares at a price per share of €0.32 including the share issue premium, with preferential subscription rights waived as part of a private placement.
- **March 2021:** Atari extended its hotel partnership with the ICICB Group to include new countries in Europe, Africa and Asia. This agreement entitles Atari to USD 3M of consulting fees and a non-repayable advance.

- **Impacts of the Covid-19 pandemic on the Group's business activities:**

In the context of the health and economic crisis linked to Covid-19, a significant adverse effect was recorded (i) for the "licensing" business due to deferrals affecting the renewal of licensing contracts and (ii) the delivery schedule for Atari VCS units. The Group is carefully monitoring changes in the health situation with a view to taking the actions required and ensuring the safety of its staff.

SUBSEQUENT EVENTS

The following events occurred after March 31, 2021:

- **April 2021: Appointment of Wade J. Rosen as Chief Executive Officer – Resignation of Frédéric Chesnais**

The Board of Directors on March 31, 2021, acknowledging the resignation of Mr Frédéric Chesnais from his position as Chief Executive Officer with effect from April 6, 2021, decided to replace him with Mr Wade J. Rosen, Chairman of the Board of Directors from this same date.

- **Divisibility of the Atari Token / Award brought forward**

During their meeting on April 1, 2021, the Directors of the company Atari Chain decided to replace the existing "ATRI" token with a new "ATARI" token, divisible to 18 decimals, through an exchange. The remaining ATRI tokens in the cash account were replaced with the new ATARI token.

The Directors also decided to award the new ATARI token to the Company and to ICICB Limited in accordance with the proportions set out in the licensing agreement entered into with Atari Chain on February 27, 2020. These new tokens were transferred on April 12, 2021.

- **Licensing agreement signed with Crypto Blockchain Industries SA (CBI) - Resignation of Frédéric Chesnais from his position as a director**

In connection with its developments through NFTs and virtual worlds, Atari Interactive Inc, the American subsidiary of Atari SA, granted a license on June 4, 2021 to CBI, the company founded and managed by Frédéric Chesnais, for the development of a virtual world incorporating blockchain technology. To avoid conflicts of interest, Frédéric Chesnais indicated that he intended to resign from his position as a director of Atari SA on this same date, effective June 6, 2021.

- **Strategic development**

During its meeting on July 1, 2021, the Board of Directors defined a new strategy for the Group aiming to position itself in the premium games category. The Group therefore carried out a full review of the Gaming division's assets and opportunities. To effectively allocate its resources to ensure the success of this new strategy, the Group decided to discontinue five free-to-play games (RCT Story, Crystal Castles, Castles & Catapults, Ninja Golf, Atari Combat: Tank Fury) and to withdraw from the directly-operated casino activities in Africa. With regard to the TV shows business, the Group decided to focus on a licensing strategy and therefore recorded an additional impairment on the assets corresponding to the TV shows previously produced by Atari.

- **Financing through current account contributions**

So as not to impact the Group's cash position in the context of its requirements to source components for the Atari VCS, the Company was granted two loans in July and August and October 2021, by two shareholders, for a total of USD 2.6M. Irata LLC, a company controlled by Wade Rosen, contributed USD 2.1M to this operation.

- **Delisting from the secondary listing on Nasdaq Stockholm**

The Board of Directors on September 17, 2021 officially requested the delisting of the company's Swedish certificates of deposit listed on the Nasdaq First North Growth Market.

This request was accepted by Nasdaq Stockholm, which set last day of trading as October 22, 2021.

3.6 FRANCHISING / LICENSING/ LICENSES

The Atari Group's activities have enabled it to acquire or manage a large portfolio of intellectual property assets. The Group also licenses some of its intellectual property assets.

The Atari Group may therefore find itself in one of two situations: (i) as a licensee and in the obligation to pay royalties to the licensor; (ii) as a licensor and being remunerated as such. In both cases, the structures of the licensing agreements are relatively similar.

The licensor's remuneration consists of a fixed fee and/or a proportional charge based generally on a percentage of the sales made. The licensor may negotiate advances on licensing fees payable in installments spread over the term of the contract, which is effectively a guaranteed minimum income. Advances are then deducted from the amount of the remuneration due, so that the licensee is able to recover the equivalent of the advances paid before being required to pay additional remuneration.

Content licenses and support licenses have a number of ethical, graphic, and technical requirements. The publishing and the commercial release of the product are in fact subject to the preliminary approval of the right-holder or the media manufacturer.

3.7 GROUP'S MATERIAL CONTRACTS

The Group's material contracts are as follows:

LICENSING AGREEMENTS

The Group holds the license for the RollerCoaster Tycoon franchise. This license has been granted until June 30, 2022 by Chris Sawyer, the owner of the rights to this franchise.

AGREEMENTS WITH CONSOLE MANUFACTURERS

Contracts between the Company and/or its subsidiaries and console manufacturers (Sony Computer Entertainment, Nintendo, and Microsoft) govern the relationship between the parties. These contracts allow the Company to use these console manufacturers' technology to develop and market products compatible with their respective consoles. These contracts cover in detail the use of development kits, the publishing authorization process, the publisher royalties to the manufacturer, the duration of the relationship, the territories concerned, the manufacturing costs and related logistics, and the payment terms and confidentiality obligations of the parties.

AGREEMENTS WITH MOBILE AND ONLINE PLATFORMS

The Atari Group uses mobile and online platforms such as iOS (Apple), Android (Google), Steam, EPIC, and Facebook to reach users via these platforms. The Atari Group must comply with the terms and conditions applicable to application developers, which define the promotion, distribution, and operation of these platforms. Such terms and conditions may be modified at the sole discretion of the platform owners. Furthermore, the Group is dependent on the functionalities of these platforms.

To the Group's knowledge, apart from the contracts entered into in the normal course of business, including those relating to long-term licensing in the gaming, casino, multimedia or blockchain sectors, there are no other material contracts entered into by any Group companies in the two years preceding the date of this Universal Registration Document that are still in force today, and that contain provisions creating an obligation or a commitment likely to have a material and negative impact on the Group's business or financial position.

3.8 INVESTMENT POLICY

The Group has a significant level of investments. The amounts for the last three financial years break down as follows:

R&D expenditures (in M€)	March 31, 2021		March 31, 2020		March 31, 2019	
	Amounts	% revenues	Amounts	% revenues	Amounts	% revenues
Capitalized R&D	4,6	24,1%	9,6	40,0%	6,5	31,5%
Other R&D expenditures*	8,0	42,0%	5,7	23,9%	4,5	21,7%
Total R&D expenditures	12,5	66,1%	15,3	63,9%	11,0	53,3%

(*) This item primarily includes the operating costs of the studios, pre-production on developments that have been started, the organizational costs of the publishing department, and the costs of any project whose technical feasibility could not be demonstrated.

The Group's research and development expenses for the year ended and prior years are detailed in Note 3 to the consolidated financial statements relating to intangible assets.

The video game business requires significant investments in development, covering average periods of 12 to 24 months, which must be funded from own funds. In addition, the success of new licenses launched is not always assured. For these reasons, positive shareholders' equity and positive net cash flows generated by the business are essential to guarantee funding for regular investments, as well as to cope with the risks linked to the success or failure of games upon release without jeopardizing the Group's future.

3.9 INFORMATION CONCERNING THE WORKFORCE

At March 31, 2021, the Group's workforce represented 26 people, with the following breakdown: 12 in the United States, six in France and eight in Kenya. At March 31, 2020, the Group's workforce totaled 29 people.

The following information is published pursuant to French Law No. 2001-420 of May 15, 2001 governing new economic regulations.

The scope of this report includes the entities of the Economic and Social Unit (Unité Economique et Sociale, UES) Atari, i.e. the holding company, Atari SA, and Atari Partners SAS.

ORGANIZATION, WORKING TIME, AND ABSENTEEISM

Working hours in the French entities of the UES are divided into fixed periods where the presence of employees is mandatory and variable ranges allowing great flexibility for personal organization, for people reporting their time. For the independent managers, the working time is based on a maximum number of working days in the year. The average weekly working time is 35 hours, according to the agreement in force within the UES. The figures on absenteeism are no longer relevant because of the small number of staff still employed in France.

COMPANY'S EXTERNAL WORKFORCE

The Company relies on outside labor only for the maintenance of its premises.

COMPENSATION

The annual gross payroll (excluding corporate officers and trainees) for all French subsidiaries comprising the UES was €0.5M for 2021, compared with €0.5M in 2020. The Company does not pay overtime to its employees. These are recovered and take the form of compensatory time off due to the 35-hour agreement.

HEALTH AND SAFETY

The number of workplace and commuting accidents affecting the Group's French entities is extremely low. No workplace accidents and no commuting accidents have been reported since January 1, 2011. No occupational diseases were reported during the same period.

TRAINING

The percentage spent on training was less than 1% of payroll in the 2020 calendar year.

4 ORGANIZATIONAL STRUCTURE

BASIS FOR CONSOLIDATION AT MARCH 31, 2021

At March 31, 2021, 32 entities were consolidated, compared with 28 at March 31, 2020. All of the Group entities are fully consolidated, with the exception of Atari Chain Ltd, which is consolidated on an equity basis. All of the consolidated companies are listed in the table below:

Company	Fiscal year end	Country	% control		% interest	
			31.03.2021	31.03.2020	31.03.2021	31.03.2020
Active subsidiaries						
Atari Partners S.A.S.	March 31	France	100,00	100,00	100,00	100,00
Alpha Chain SA	March 31	France	100,00			
Atari Chain Ltd	March 31	Gibraltar	50,00		50,00	
Atari US Holdings Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	United States	100,00	100,00	100,00	100,00
Atatri Studios Inc	March 31	United States	100,00	100,00	100,00	100,00
Atari Games Corp	March 31	United States	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	United States	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Connect LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari VCS LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Hotels Corp	March 31	United States	100,00	100,00	100,00	100,00
Atari Music LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00	100,00		100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00	100,00		100,00
Atari Entertainment Africa Ltd	Dec 31	Mauritius	100,00	100,00	100,00	100,00
Atari Gaming Ltd	March 31	Kenya	59,90	59,90	59,90	59,90
Atari Liberia Inc	March 31	Liberia	100,00	100,00	100,00	100,00
Atari RDC Eurl	March 31	RDC	100,00	100,00	100,00	100,00
Atari Lifestyle Ltd	March 31	Nigéria	99,00	99,00	99,00	99,00
Atari Entertainment Ghana Ltd	March 31	Ghana	90,00	90,00	90,00	90,00
Atari Entertainment Uganda Ltd	March 31	Uganda	100,00	100,00	100,00	100,00
Atari Entertainment Tanzania Ltd	March 31	Tanzania	100,00		100,00	
Atari Guinée SA	March 31	Guinea	100,00		100,00	
Inactive and undergoing liquidation						
Atari Productions LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Atari Burundi Su	March 31	Burundi	100,00	100,00	100,00	100,00
Atari Japan KK	March 31	Japon	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00
Infogrames Interactive GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00

During the financial year, four subsidiaries were created:

- One in France for the Blockchain activity: Alpha Chain SA
- One in Gibraltar, in March 2020, for the Atari Token activity: Atari Chain Ltd
- Two in Africa for the Atari Casino activity: Atari Entertainment Tanzania Ltd (Tanzania), Atari Guinée SA (Guinea)

5 RISK FACTORS

Investors are invited to take into consideration all the information presented in this Document, including the risk factors specific to the Company and its subsidiaries ("The Group") described in this current section, before deciding to acquire or subscribe for shares in the Company.

The Company has reviewed the risks that could have a material adverse effect on the Company and/or the Group, its business, financial situation, results, outlook or its capacity to achieve its objectives. As of the date of approval of this Document, the Company is not aware of any material risks other than those presented in the current section.

Investors' attention is however drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks or uncertainties, that are unknown or whose realization is not considered by the Company, as of the date of approval of this Document, to be likely to have a material adverse effect on the Group, its business, financial situation, results or outlook, may exist or could become important factors that could have a material adverse effect on the Group, its business, financial situation, results or outlook.

These risks are classified into three categories without any hierarchy between them:

- Financial risks,
- Risks related to the Group's business and organization,
- Legal risks.

Within each category, the most important risks according to the evaluation made by the Company are presented first, given their negative impact on the Company and the Group and the probability of their occurrence as of the date of filing of this Document.

The risk factors below are presented according to their materiality from highest to lowest as of the filing date of this Document.

Significant and specific risks to which the Group considers itself exposed		Niveau attribué
Financial risks	Risk associated with equity participations	High
	Risk associated with new business sectors	High
	Risk associated with liquidity and going concern	Moderate
	Risk associated with fiscal regulations	Moderate
Risks associated with the business model and the group organization	Risk associated with the freemium business model	High
	Risk associated with the lifetime and success of games	High
	Risk associated with dependency on a limited number of games and delayed releases of key games	High
	Risk associated with licensing	High
	Risk associated with customer dependency and withdrawal from sale	Moderate
Legal risks	Risk associated with the Group's regulatory environment	Moderate
	Risk related to piracy	Moderate
	risk related to data security	Moderate

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

5.1 FINANCIAL RISKS

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.

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 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.

Nevertheless, 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**.

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 LIQUIDITY AND GOING CONCERN

Since FY 2012-2013, when the Group's equity and net cash positions were extremely negative, the Group has implemented a program for massive deleveraging and to restore shareholders' equity. At March 31, 2021, net cash and shareholders' equity were positive.

The Company conducted a specific review of its liquidity risk and it considers that (i) the working capital requirements linked to the ramping up of VCS production and (ii) the implementation of the gaming division's new strategy will require additional financing, that could take the form of external financing or a capital markets transaction whose form is currently being examined. Benefiting from the support of its new principal shareholder and Chairman & CEO, the Atari Group considers that it is in a position to meet its future payments, irrespectively of the realization of any external financing or capital market transaction, thus confirming the application of the going concern principle in the preparation of the financial statements as at March 31, 2021.

Information on the going concern assumption and indebtedness is presented in Notes 2.1 and 12 to the consolidated financial statements included in this Document.

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

RISK ASSOCIATED WITH FISCAL REGULATIONS

The Group's tax loss carry-forwards 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**.

5.2 RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE GROUP ORGANIZATION

RISK ASSOCIATED WITH THE FREEMIUM BUSINESS MODEL

The Group is evolving towards a new business model centered on mobile and online games promoting the Atari brand and Atari's intellectual property, rather than games sold in boxes in large retail stores or specialized chains. Atari derives most 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 suffer.

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.

The Company has evaluated this risk as **high** given the importance of the freemium business model 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 intellectual property and innovation 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 canceled 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 intellectual property and innovation within the Group's value chain.

RISK ASSOCIATED WITH LICENSES

The RollerCoaster Tycoon license accounted for approximately 30% of revenue in 2020-2021 and expires in 2022, following the renewal obtained in May 2017. 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. In addition, 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.

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.

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.

5.3 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 (the regulatory environment is presented in §3.3 of the chapter relating to the business overview).

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

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 DATA SECURITY

Legislation and regulations relating to the confidentiality and security of personal data are constantly changing, and if the Group does not comply with them, or gives the impression that it does not, its business might suffer.

The Group is subject to legislation from France, the United States and other countries regarding the confidentiality and security of personal data that the Group collects from its users; these laws are constantly changing, and will continue to do so for some time.

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' behavior 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 <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 **moderate**, 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.

5.4 MEASURES IMPLEMENTED TO SECURE THE BUSINESS

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

In order to minimize the risks described above, the Group uses procedures to formalize and obtain legal and technical approval for all production and marketing stages for its products. Specialized lawyers manage, oversee, and acquire intellectual property rights for the Group. The Group also works with law firms recognized for their expertise in this area and uses intellectual property monitoring services. The Group registers the brands and copyrights of its products in the countries it deems necessary, mainly in Europe, the United States, and other major countries.

Piracy is fought with a pragmatic approach, based on the risks identified and the territories involved. For these purposes, the Group works with online monitoring companies to combat piracy and counterfeiting of its products. The Group uses specialized companies to combat the illegal downloading of its products and includes software in its products designed to prevent illegal copying.

The Group does not register patents for its games and is not dependent on any particular patent.

SUPPLIER DEFICIENCIES

The Group seeks to reduce the risk of supply shortages by diversifying its manufacturing sources. With respect to products published for PC, this risk is limited due to the large number of manufacturers available worldwide and their responsiveness. The Group does not control the risk of manufacturing products published on proprietary media (e.g. Sony, Microsoft) because console manufacturers maintain control over the manufacturing process and timeline. Furthermore, the Group's future strategy of expanding its online operations is likely to reduce this potential risk.

INSURANCE

The Group benefits from global coverage in the areas of property damage, business interruption and operating, professional, and intellectual property liability. The Group also takes out directors and officers liability insurance. In general, the Group's business does not present any extraordinary risks, except for a potential shortage from a supplier or the consequences of the massive withdrawal of a game. In order to take into account the specific features of different countries' markets, policies taken out at local level (and particularly in North America) are supplemented by a global program.

The table below summarizes the levels of protection put in place for the main policies.

Policy	Amounts
Business liability Property damage Business interruption	Per occurrence limit is \$US1 million Annual aggregate limit is \$US1 million
Error & omissions/Media Security & Privacy	\$US1 million
Directors and Officers Liability	Ceiling of \$US10 million
Key Personnel Insurance	\$US5 million

The total amount of insurance premiums recorded for Atari and its subsidiaries under the above policies for the year ended March 31, 2021 is €0.3M.

6 ANALYSIS OF THE FINANCIAL POSITION AND FINANCIAL RESULTS

For the analysis of its financial position and results, the Group has selected the last two financial years ended March 31, 2021 and March 31, 2020.

Readers are invited to examine the following information relative to the Group's financial position and results in conjunction with the entirety of the Universal Registration Document, including the Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the financial year ended March 31, 2021, as inserted in the section "Consolidated Financial Statements at March 31, 2021" of the Universal Registration Document.

6.1 ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

(M€)	March 31, 2021	March 31, 2020	Variance
Revenue	18,9 100,0%	24,0 100,0%	(5,1) -21,2%
Cost of goods sold	(5,5) -29,3%	(2,4) -10,0%	(3,1)
GROSS MARGIN	13,4 70,7%	21,6 90,0%	(8,2) -38,1%
Research and development expenses	(7,9) -41,8%	(9,8) -40,7%	1,9 -19,1%
Marketing and selling expenses	(2,6) -13,9%	(4,2) -17,6%	1,6 -37,9%
General and administrative expenses	(6,3) -33,3%	(4,7) -19,4%	(1,6) 35,3%
Other operating income (expenses)	0,0 0,1%	(0,1) -0,3%	0,1
CURRENT OPERATING INCOME (LOSS)	(3,4) -18,1%	2,9 12,0%	(6,3) -218,4%
Other income (expense)	(8,2) -43,3%	0,0 0,0%	(8,2)
OPERATING INCOME (LOSS)	(11,6) -61,4%	2,9 12,1%	(14,5) -501,3%

Revenues

At March 31, 2021, Atari recorded consolidated revenues of €18.9m, compared with €24.0m the previous year. The decrease, -21.2% at current exchange rates and -17.3% at constant exchange rates, is linked to the contraction in the licensing business, down by almost 37%, held back significantly by the effects of the health crisis, as well as the slowdown in revenues from the video game business, down 15%; faced with the increase in user acquisition costs, it was decided to optimize marketing spending, making the video game business more profitable.

Revenues relating to the new activities developed on the blockchain totaled €2.5M, from which only Atari's share in income from NFT sales under a licensing agreement was recorded under revenue, representing €0.1M. Revenues relating to the Atari Tokens were deferred and recognized in deferred revenue on the balance sheet at March 31, 2021.

Gross Margin

The change in the gross margin rate to 70.7% of revenues, compared with 90.0% for the previous financial year, factors in the first deliveries of the Atari VCS, this activity having a lower margin than the Group's other activities.

Research and Development Expenses

Research and development expenses totaled €7.9M, compared with €9.8m the previous year. This significant decrease is linked to a reduction in depreciation charges relating to development costs capitalized during previous years, as well as a lower level of investment in bringing new games into development.

Marketing and Selling Expenses

Marketing and selling expenses totaled €2.6M during FY 2020-2021, compared with €4.2M the previous year. This significant reduction reflects the optimization of the video game activity's target profitability, by restricting and targeting its new user acquisition campaigns more effectively.

General and Administrative Expenses

General and administrative expenses represent €6.3M, compared with €4.7M the previous year. €0.5M of the increase in general expenses is linked to legal costs for the trademark infringement lawsuits won by the Group, with €1.0M for the valuation of the Atari Tokens awarded to certain members of the Group.

Other Operating Income and Expenses

At March 31, 2021, the amount of other operating income and expenses was not significant.

Current Operating Income

In view of these elements, operating income shows a loss of €3.4M, with -€0.8M linked to the Casino activities in Africa, which are in the process of being discontinued, compared with a €2.9M profit for the previous year.

Other Income and Expenses

Other income and expenses came to -€8.2M.

€4.5M is related to the impact of the impairments recorded in connection with the Group's strategic change:

- With the video game business looking to realign itself around the market for higher value-added premium console and PC games, it was decided to discontinue the development of five free-to-play games (RCT Story, Crystal Castles, Castles & Catapults, Ninja Golf, Atari Combat: Tank Fury). As a result, €2.1M of additional depreciation was recorded to write down 100% of the amount of the gross values of the development costs for these games.
- With regard to the TV shows business, the Group decided to focus on a licensing strategy and therefore decided to record an additional €0.6M impairment on the assets corresponding to the TV shows previously produced by Atari. As the first installments relating to an agreement signed the previous year were not respected, it was also decided to record a provision for risk of non-payment for €1.5M.
- Lastly, to effectively allocate its resources to ensure the success of its new strategy, Atari decided to withdraw from the directly-operated Atari Casino activities in Africa, recording an additional €0.3M impairment on licenses and development costs in the African entities.

In addition, the Group reviewed its budget forecasts and the outlook for revenues from other free-to-play games, recording an additional €3.6M impairment on capitalized development costs.

For the previous year, the amount of other operating income and expenses was not significant.

Operating Income

Operating income for the year ended March 31, 2021 came to -€11.6M, compared with +€2.9M for the year ended March 31, 2020.

OTHER PROFIT AND LOSS ITEMS

(M€)	March 31, 2021	March 31, 2020
OPERATING INCOME (LOSS)	(11,6) -61,4%	2,9 12,1%
Cost of debt	(0,1) -0,3%	(0,0) 0,0%
Other financial income (expense)	(0,1) -0,5%	(0,8) -3,5%
Share of net operational profit of equity affiliates	(0,1) -0,7%	
Income tax	(0,0) -0,1%	(0,1) -0,3%
NET INCOME (LOSS)	(11,9) -63,0%	2,0 8,2%
Minority interests	(0,0) 0,0%	(0,3) -1,3%
NET INCOME GROUP SHARE	(11,9) -63,0%	2,3 9,5%

Cost of Financial Debt

At March 31, 2021, the cost of debt came to -€0.1M, primarily comprising calculated costs on lease liabilities resulting from the application of IFRS 16.

Other Financial Income and Expenses

Other financial income and expenses for the year primarily concern proceeds from the accretion of long-term receivables for +€0.4M, secondary listing costs on the Nasdaq Stockholm market for -€0.2M, and the loss on the partial divestment of Animoca shares for -€0.1M.

During the previous year, other financial income and expenses came to -€0.3M for the secondary listing costs on the Stockholm market and -€0.4M for an adjustment to the fair value of the Roam securities.

Share in net income from associates

For the period during which it was incorporated, Atari Chain recorded €5.9M of revenues and a €0.2M net loss at March 31, 2021. Atari's share of this loss represents €0.1M.

Income Tax

At March 31, 2021, the Group's tax loss carry-forwards were approximately €736M in France and close to \$274M in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years.

As a result of the significant tax savings of the US entities, during the previous financial year, the Group recognized a deferred tax asset as their recovery is likely over the validity period of the deferred tax assets. The forecast period chosen to determine the recovery window is a two-year horizon.

The Group's tax loss carry-forwards 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. Given these circumstances, to cover any uncertainty, a provision is recognized.

Minority Interests

In connection with the decision to discontinue casino operations in Africa, the Group reassessed the solvency of the corresponding minority interests in the African subsidiaries. It was therefore decided (i) to incorporate the share of minority interests into Group share net income for the year for -€0.2M, and (ii) to reclassify the opening minority reserves as liabilities on the balance sheet under Group reserves for -€0.3M.

Consolidated Net Income (Group Share)

Consolidated net income (Group share) for the year came to -€11.9M, compared with +€2.3M the previous year.

CONTRIBUTIONS BY SEGMENT

Atari now operates around two core divisions:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focused on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group's blockchain-related activities, including the development and marketing of non-fungible tokens (NFTs) and the development of the ecosystem around the Atari Token.

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

The Group's revenues can be broken down as follows for each division:

(M€)	March 31, 2021	March 31, 2020
Atari Games	8,1	9,6
Atari TV shows	-	2,0
Atari VCS	2,8	0,0
Atari Licensing	7,9	12,5
Atari Gaming	18,8	24,0
Atari Blockchain	0,1	-
Total Revenue	18,9	24,0

CONSOLIDATED BALANCE SHEET AT MARCH 31, 2021 AND MARCH 31, 2020

ASSETS (M€)	March 31, 2021	March 31, 2020
Intangible assets	11,6	17,8
Property, plant and equipment	0,0	0,0
Rights of use relating to leases	1,9	2,3
Equity affiliates	-	-
Non-current financial assets	15,8	15,7
Deferred tax assets	1,9	2,1
Non-current assets	31,3	38,0
Inventories	2,5	0,6
Trade receivables	3,3	2,8
Current tax assets	0,0	0,0
Other current assets	0,6	0,7
Cash and cash equivalents	2,5	1,8
Assets held for sale	0,3	-
Current assets	9,1	5,8
Total assets	40,4	43,8

EQUITY & LIABILITIES (M€)	March 31, 2021	March 31, 2020
Capital stock	3,0	2,7
Share premium	19,1	11,0
Consolidated reserves	14,0	12,5
Net income (loss) Group share	(11,9)	2,3
Shareholders' equity	24,2	28,5
Minority interests	(0,0)	(0,4)
Total equity	24,1	28,1
Provisions for non-current contingencies and losses	0,0	0,0
Non-current financial liabilities	-	0,9
Long term lease liabilities	1,6	2,1
Other non-current liabilities	0,7	0,8
Non-current liabilities	2,3	3,7
Provisions for current contingencies and losses	-	0,1
Current financial liabilities	-	0,6
Short term lease liabilities	0,3	0,3
Trade payables	7,3	5,7
Current tax liabilities	-	0,0
Other current liabilities	6,3	5,2
Current liabilities	13,9	11,9
Total equity and liabilities	40,4	43,8

Shareholders' Equity

Consolidated shareholders' equity totaled +€24.1M at March 31, 2021, compared with +€28.1M at March 31, 2020, primarily impacted by the €9.4M net loss for the year and the €8.4M capital increase carried out in December 2020.

The following table shows the change in shareholders' equity during the financial year (in millions of euros):

Equity as at March 31, 2020 (M€)	28,1
Net income	(11,9)
Capital increase	8,4
Financial assets valued at fair value through other comprehensive income	(0,2)
Stock option expenses	0,8
Movement in treasury shares	0,1
Currency fluctuations	(1,1)
Other variations	(0,0)
Equity as at March 31, 2021 (M€)	24,1

Net Cash

At March 31, 2021, the Group had a positive net cash position of €2.5M, versus a net amount of €1.1M at March 31, 2020. Cash and cash equivalents totaled €2.5M, versus €1.8M at March 31, 2020.

Net cash is not defined in IFRS and may not be comparable with the indicators reported by other companies. Due to the application of IFRS 16, the Group has elected to exclude lease liabilities from net cash/(debt); the Atari Group defines net cash as all current and non-current financial debt and borrowings, less cash and cash equivalents.

(M€)	March 31, 2021	March 31, 2020
Cash and cash equivalents	2,5	1,8
Non-current financial liabilities (1)	-	-
Current financial liabilities	-	(0,6)
Net cash (net debt)	2,5	1,1

(1) Gross financial debt at March 31, 2020 is restated for the Legalist amount of €0.9M, which was recorded as a non-current financial liability under IFRS 9, but definitively retained by the Group. This liability was extinguished at March 31, 2021.

The current financial debt reported at March 31, 2020 comprised the 2003-2020 OCEANE bonds, which were redeemed in full on April 1, 2020.

Intangible Assets

Intangible assets are broken down as follows:

Gross value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	23,6	2,0	0,7	5,3		31,6
Acquisitions	3,1	-	0,2	1,3	2,2	6,8
Disposals / Retirements	-	-	(0,1)	-	(0,5)	(0,6)
Translation adjustments	(1,6)	(0,1)	(0,1)	(0,3)	-	(2,1)
March 31, 2021	25,2	1,9	0,8	6,2	1,7	35,7

Amortization & provisions (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	(12,5)	(1,1)	(0,2)	-		(13,8)
Amortization / Provisions	(9,6)	(0,9)	(0,3)	(0,4)	-	(11,2)
Disposals / Retirements	-	-	-	-	-	-
Translation adjustments	0,8	0,1	0,0	-	-	0,9
March 31, 2021	(21,3)	(1,9)	(0,5)	(0,4)	-	(24,1)

Net value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	11,1	0,9	0,5	5,3	-	17,8
March 31, 2021	3,8	0,0	0,3	5,8	1,7	11,6

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

On July 1, 2021, the Board of Directors confirmed the new strategy decided on by the Atari Group to realign itself around the market for higher value-added premium console and PC games. It was therefore decided to discontinue the development of five free-to-play games (RCT Story, Crystal Castles, Castles & Catapults, Ninja Golf, Atari Combat: Tank Fury). As a result, €2.1M of additional depreciation was recorded to write down 100% of the amount of the gross values of the capitalized development costs for these games.

In addition, the Group reviewed its budget forecasts and the outlook for revenues from other free-to-play games, recording an additional €3.6M impairment.

With regard to the TV shows business, the Group decided to focus on a licensing strategy and therefore recorded an additional €0.6M impairment on the assets corresponding to the TV shows previously produced by Atari.

Lastly, to effectively allocate its resources to ensure the success of its new strategy, Atari decided to withdraw from the directly-operated Atari Casino activities in Africa, recording an additional €0.3M impairment on licenses and development costs in the African entities.

On the date when this document was published, IFRS do not include any specific accounting guidelines for cryptocurrencies. Atari followed the IFRIC's recommendations concerning the application of IFRS for holdings of cryptocurrencies, recognizing the tokens held under intangible assets.

As part of the commitments for Atari Tokens to be issued by Atari Chain, the Atari Group received 683.7 million Atari Tokens. As there is no active market as defined by IFRS 13, these Atari Tokens are only valued when they give rise to a sale or an award.

At March 31, 2021, Atari SA held 682.0 million Atari Tokens, with 244.9 million of them, allocated to a future service, valued at €1,309K.

The other tokens held, received as consideration for sales of Atari Tokens, represent €0.5M.

Non-current Financial Assets

Non-current financial assets are broken down as follows:

(M€)	March 31, 2021	March 31, 2020
Financial assets measured at fair value through OCI	0,2	0,3
Financial assets measured at fair value through profit & loss	1,2	3,1
Financial assets measured at amortized cost	14,5	12,3
Non-current financial assets	15,9	15,7

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

Non-current financial assets measured at amortized cost are mainly made up of client receivables with a maturity of over one year, recognized according to the effective interest rate method. At March 31, 2021, they represented €14.3M, including €7.0M for receivables with a bank guarantee related to the ICICB agreement, €3.6M for receivables on the Wish Holding agreements, and €2.0M for receivables relating to the hotel agreement with ICICB.

CONSOLIDATED CASH FLOW

Cash and cash equivalents totaled €2.5M at March 31, 2021, versus €1.8M at the end of the previous financial year.

The cash-flow statements for the financial years ended March 31, 2021 and March 31, 2020 are summarized as follows:

(M€)	March 31, 2021	March 31, 2019
Net cash (used)/generated in operating activities	(4,6)	1,1
of which continuing operations	(4,6)	1,1
Net cash (used)/generated in investing activities	(3,1)	(9,6)
of which continuing operations	(3,1)	(9,6)
of which intangible assets and fixed assets	(4,8)	(9,6)
Net cash provided (used in) by financing activities	7,8	1,5
of which continuing operations	7,8	1,5
of which interest paid	-	-
Other cash flows	0,6	0,2
Net change in cash and cash equivalent	0,7	(6,7)

Net cash from operating activities came to €1.0M, impacted by a €5.7M increase in working capital requirements, with €4.6M of cash required. Financing activities generated €7.8M. Funds were primarily used during the period for investments in games, Atari VCS production and financial assets. The change in net cash for the period represents +€0.7M.

6.2 PARENT COMPANY BUSINESS AND FINANCIAL RESULTS: ATARI S.A.

ACTIVITY OF ATARI SA

The French company Atari S.A. (the "Company") is the parent company and the active Group holding company. It usually derives most of its revenue (excluding financial income) from services rendered to its subsidiaries (general management, financial and legal management, cash management, information systems, general resources, etc.), and this revenue is eliminated in the consolidated financial statements. It also recognizes some licensing revenue, but its level of activity is in no way representative of the Group's activity.

During FY 2020-21, the new business activity relating to the Atari Token generated €2.3M for Atari SA, the amounts corresponding to these transactions were recognized in deferred revenue until the Atari Token use cases are developed.

The highlights of the year are described in paragraph 1 of the notes to the parent company financial statements at March 31, 2021.

COMMENTS ON THE FINANCIAL STATEMENTS OF ATARI SA

The annual financial statements have been prepared in accordance with the requirements of French Accounting Standards Authority (ANC) Regulation 2014-03 of June 5, 2014 relating to the French chart of accounts, updated in accordance with all subsequent regulatory changes.

The accounting rules and methods applied are identical to those of the previous year. The notes recall the accounting principles applied by the Company and give details on the main balance sheet and income statement items, and their changes.

At March 31, 2021, the balance sheet totaled €76.1M, with positive shareholders' equity of €70.4M. Net fixed assets represent €71.0M, essentially corresponding to the value of financial fixed assets. The Company's net cash position, taking into account debt with a Group subsidiary, amounted to €0.9M, compared with €0.1M at March 31, 2020. A breakdown of borrowings and financial debt as well as net financial debt can be found in the notes to the individual financial statements. No debt is collateralized.

In February 2021, Atari SA established a wholly-owned subsidiary in France, Alpha Chain SA. This subsidiary was created in the context of a contemplated consolidation of the Group's Blockchain activities within this entity and a possible spin-off to Atari's shareholders through the listing of this new entity.

In accordance with article L. 441-14 of the French Commercial Code, the information relating to the payment terms of suppliers and customers is as follows:

A. Unpaid invoices overdue at the financial year-end:

- Invoices received and not yet paid: 0
- invoices issued and not yet paid: 0

B. Invoices excluded from A. relating to debts and disputed claims:

- Number of invoices issued and excluded: 1
- Total amount: €72K

C. Reference payment terms used:

- Suppliers:
Contractual payment terms - France: net 15 days to net 60 days / International: variable
Statutory payment terms - France: net 60 days / International: variable
- Customers:
Contractual payment terms - France: net 0 days to net 90 days / International: variable
Statutory payment terms - France: net 60 days / International: variable

Operating income at March 31, 2021 shows a €1,984K loss, compared with a €957K loss at March 31, 2020.

As indicated in the notes to the parent company financial statements, due to a reversal of financial provisions, net financial income came to +€30,862K, compared with +€20,552K for the previous financial year.

The current profit before tax came to +€28,878K, compared with -€19,594K for the previous financial year.

Non-recurring items totaled -€80K, compared with -€117K for the previous financial year.

Net income before tax came to +€28,798K, compared with -€19,478K for the previous financial year.

Due to the use of its tax loss carry-forwards, corporate income tax is zero, as in the previous financial year.

As a result, net income after tax represents +€28,798K, compared with +€19,478K for the previous financial year.

6.3 RESULTS OF ATARI SA IN THE LAST FIVE FINANCIAL YEARS

Nature of information		FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
I	Share capital at end of period (en €)					
a)	Share capital at end of period (en €)	2 304 088	2 414 691	2 561 093	2 677 821	2 986 802
b)	Number of shares outstanding	230 408 755	241 469 096	256 109 260	267 782 050	298 680 249
c)	Cumulative number of preferred shares (without voting rights) outstanding	-	-	-	-	-
d)	Maximum number of shares to be issued	16 623 190	18 985 342	24 086 286	24 219 036	14 304 451
	on conversion of bonds	3 353 771	-	-	-	-
	on exercise of stock options	8 076 036	16 186 228	21 287 169	21 400 598	13 253 422
	on exercise of warrants	5 193 383	2 799 114	2 799 117	2 818 438	1 051 029
	on grants of free shares	-	-	-	-	-
	Other	-	-	-	-	-
II	Operations, income for the period (in €)					
a)	Net revenue before tax	2 009 304	2 649 046	65 172	1 005 876	560 765
b)	Net income before tax, depreciation, amortization and provisions	825 083	(20 338 126)	(880 435)	(755 747)	(1 579 061)
c)	Income tax	14 262	-	-	-	-
d)	Employees' share of profit for the period (charge for the period)	-	-	-	-	-
e)	Net income after tax, depreciation, amortization and provisions	1 717 313	1 436 842	(36 424)	19 477 861	28 798 295
f)	Dividend paid	-	-	-	-	-
III	Income (Loss) per share (in €)					
a)	Net income after tax, but before depreciation, amortization and provisions	0,00	(0,08)	(0,00)	(0,00)	(0,01)
b)	Net income after tax, depreciation, amortization and provisions	0,01	0,01	(0,00)	0,07	0,10
c)	Dividend per share	-	-	-	-	-
IV	Workforce					
a)	Average number of employee during the period	3	3	3	5	5
b)	Salary expense for the period	336 767	271 731	343 634	502 420	670 841
c)	Amounts paid for social benefits (social security, social welfare, etc.)	170 013	172 512	133 425	325 636	432 939

6.4 ACTIVITIES AND INCOME OF SUBSIDIARIES

The table below shows the activity of the Group's main subsidiaries:

(M€)	Revenue	Net Income
ATARI INTERACTIVE	6,3	(2,9)
ATARI US HOLDINGS (including subs.)	14,4	(4,5)
ATARI PARTNERS	0,0	(0,3)
ATARI ENTERTAINMENT AFRICA (including subs.)	-	(0,2)
ATARI GAMING	0,0	(0,9)

6.5 INTERNAL CONTROL

Internal control is a process implemented by the Chief Executive Officer and the officers, under the control of the Board of Directors, to provide reasonable assurance as to the achievement of the following objectives:

- The proper functioning of the Company's internal processes
- The performance and optimization of operations
- The reliability of financial transactions
- Compliance with applicable laws and regulations

One of the objectives of the internal control system is to prevent and control the risks arising from the Company's business and the risks of errors or fraud, particularly in accounting and financial matters. Like any control system, however, it cannot provide an absolute guarantee that these risks are completely eliminated.

All the teams are limited in size, which may represent a risk of segregation of duties.

6.6 GROUP PROSPECTS

For the 2021-2022 financial year, the Atari Group set itself four short-term operational goals:

- Expanding the games portfolio, transitioning to a premium model;
- Continuing to develop the licensing program, which is critical to maintaining and increasing growth and profitability;
- Ramping up the Atari VCS business;
- Developing the blockchain division and the use cases of the Atari Token.

For FY 2021-2022, a transition year with the change of strategy, the financial objective is to put in place the profitability drivers for future years, focused in priority on developing the value of the intellectual property portfolio. The first-half business and profitability levels will be negative, linked primarily to development being stopped for certain free-to-play games and the decision taken in July 2021 to shut down casino operations in Africa.

6.7 SHAREHOLDER OVERVIEW

SHARE OWNERSHIP AND VOTING RIGHTS

At March 31, 2021, the Company's subscribed and fully paid-up capital totaled €2,986,802.49 divided into 298,680,249 shares with a par value of €0.01. At March 31, 2021, the number of voting rights assigned to the Company's shares was 298,749,204.

To the best of the Company's knowledge, at March 31, 2021, the breakdown of shareholders with more than 2% of the capital and voting rights was as follows:

Ownership	March 31, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,91%	50 509 252	16,90%	50 509 252	16,91%
Ker Ventures, LLC (2)	24 757 755	8,29%	24 757 755	8,29%	24 757 755	8,29%
Mr Alexandre Zyngier	3 531 982	1,18%	3 531 982	1,18%	3 531 982	1,18%
Actions auto-détenues	49 835	0,02%	49 835	0,02%	0	0,00%
Public (3)	219 831 425	73,60%	219 950 215	73,61%	219 950 215	73,62%
Total	298 680 249	100,00%	298 799 039	100,00%	298 749 204	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, Chairman of the Company's Board of Directors at March 31, 2021.

(2) Ker Ventures LLC is the holding company owned by Frédéric Chesnais, the Company's CEO at March 31, 2021.

(3) 118,790 shares have double voting rights.

To the best of the Company's knowledge, at March 31, 2020, the breakdown of shareholders with more than 2% of the capital and voting rights was as follows:

Ownership	March 31, 2020					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Wade J Rosen Revocable Trust	28 000 000	10,46%	28 000 000	10,45%	28 000 000	10,46%
Ker Ventures, LLC (1)	20 065 781	7,49%	20 065 781	7,49%	20 065 781	7,50%
Mr Alexandre Zyngier	9 951 540	3,72%	9 951 540	3,71%	9 951 540	3,72%
Actions auto-détenues	279 589	0,10%	279 589	0,10%	0	0,00%
Public (2)	209 485 140	78,23%	209 603 930	78,24%	209 603 930	78,32%
Total	267 782 050	100,00%	267 900 840	100,00%	267 621 251	100,00%

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company's CEO, at March 31, 2020.

(2) 118,790 shares have double voting rights.

Registered shares may benefit from a double voting right if held for at least two years. At March 31, 2021, to the best of the Company's knowledge, 118,790 shares were entitled to double voting rights.

To the best of the Company's knowledge, there are no other shareholders who directly, indirectly or jointly own 2% or more of the Company's issued capital or voting rights.

At March 31, 2021, Irata held 16.91% of the capital and voting rights, while Ker Ventures and Frédéric Chesnais held 8.29% of the capital and the exercisable voting rights. The existence of independent directors and the regular operation of the corporate governance bodies protect the Company against any improper exercising of company control.

CHANGES IN THE SHAREHOLDING STRUCTURE DURING THE PERIOD

In April 2020, the Company was notified of the following transactions:

- Wade J. Rosen Revocable Trust acquired 8,603,002 shares on the market;
- Ker Ventures LLC acquired 2,140,755 shares from Mr Alexandre Zyngier.

During the year, the Company issued:

- 18,163,337 shares in connection with the capital increase carried out as part of a private placement in December 2020;
- 1,767,409 shares following the exercising of the warrants held by Ker Ventures LLC;
- 8,908,810 shares following the exercising of stock options by Frédéric Chesnais;
- 2,058,643 shares following the exercising of stock options by Atari Group employees.

Under the terms of its Articles of Incorporation, any party, whether acting alone or in concert, who begins to own or ceases to own, directly or indirectly, at least 2% of the Company's capital or voting rights, or any multiple of this percentage, is required to inform the Company.

On April 7, 2020, the Company was notified that Wade J Rosen Revocable Trust had exceeded the threshold of 16%.

On September 30, 2020, the Company was notified of the transfer of the shares held by Wade J Rosen Revocable Trust to the company LR Interactive Holdings LLC, owned by Wade Rosen.

On February 3, 2021, the Company was notified of the transfer of the shares held by the company LR Interactive Holdings LLC to the company Irata LLC, owned by Wade Rosen.

On August 4, 2021, the Company was notified that Frédéric Chesnais had dropped below the 4% threshold directly in his own name and indirectly through Ker Ventures LLC, a company that he owns.

TRADING BY THE COMPANY IN ITS OWN SHARES

Treasury Shares

In November 2020, Atari SA sold part of the treasury shares that it held. Between November 5, 2020 and November 18, 2020, 229,754 Atari shares were sold on the market, at an average price of €0.4018 per share, for a total of €92,307. At March 31, 2021, Atari SA held 49,835 shares, representing 0.02% of the capital.

Liquidity Contract

No liquidity contract is in place to date.

SHARE BUYBACK PROGRAM

The General Meeting on February 15, 2021 authorized, in its thirteenth resolution, for a period of 18 months, the Board to purchase Company shares for up to 10% of the shares comprising the Company's capital. The Company did not use this authorization during the year.

STATEMENT OF EMPLOYEE SHARE OWNERSHIP

At March 31, 2021, employees did not own any shares in the Company's capital through a Company Savings Plan.

6.8 APPROPRIATION OF THE NET RESULT

At the next General Shareholders' Meeting, it will be proposed to allocate Atari S.A.'s profit for the financial year, equal to €28,798,295.19, to retained earnings, which will therefore increase from +€18,582,513.43 to +€47,380,808.62.

DIVIDENDS FOR THE LAST THREE FINANCIAL YEARS

The Company has not distributed dividends in the last three years and does not contemplate proposing any dividend payments for the 2020-2021 financial year.

NON-DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 quarter of the French General Tax Code, the financial statements for the past financial year do not include non-tax-deductible expenses.

6.9 STOCK OPTION PLANS / STOCK OPTIONS

For each plan, the exercise price is set by the Board of Directors on the day the options are awarded. It corresponds to an average of the stock market prices preceding the date of the Board of Directors' meeting, with or without a discount. The options expire after a period of eight years from the date of their definitive free award.

RETENTION OBLIGATIONS FOR CORPORATE OFFICERS

In accordance with the regulations in force, the Board of Directors has adopted retention rules applicable to the Chief Executive Officer and the Chairman of the Board since the 2007-2008 financial year. The Board decided that the Chief Executive Officer and the Chairman of the Board should retain, for the duration of their appointment, at least 15% of the shares acquired following the exercising of these stock options.

SUMMARY OF THE MAIN FEATURES OF THE OPTION PLANS

The Company may award stock options to its executives and senior management, as well as to other employees, for their contribution to the Group's performance. On the award date, the exercise price set for the option will be close to the price at which the Company's shares are trading. The options awarded have a life of eight years and a vesting period of three years for Plans no. 23, 24 and 25 and four years for Plan no.26.

At March 31, 2021, as at September 30, 2021, four stock option plans were in effect:

- Plan No. 23 approved by the General Meeting on September 30, 2014, with 321,746 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 328,503 shares at September 30, 2021;
- Plan No. 24 approved by the General Meeting on September 30, 2016, with 205,239 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 207,702 shares at September 30, 2021;
- Plan No. 25 approved by the General Meeting on September 29, 2017, with 1,875,933 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 1,889,065 shares at September 30, 2021;
- Plan No. 26 approved by the General Meeting on September 30, 2019, with 1,625,000 options outstanding, entitling beneficiaries to subscribe for 1,625,000 shares at September 30, 2021;

At September 30, 2021, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 1.36% of the Company's share capital at that date.

The main characteristics of all outstanding Atari stock options are summarized in the four tables below:

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
<i>Of which to the Board of Directors</i>	<i>4 000 000</i>			<i>1 650 000</i>
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options granted during FY 2017/2018	-	-	-	-
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Stock options exercised during FY 2019/2020	-	-	-	-
Stock options cancelled during FY 2019/2020	(1 657)	(939)	(144 000)	(461)
Stock options exercised during FY 2020/2021	(4 097 728)	(31 000)	-	(1 926 666)
Stock options cancelled during FY 2020/2021	-	(15 000)	-	(5 000)
Total number of stock options outstanding on March 21, 2021	82 272	174 000	0	340 500
Stock options exercised during HY1 2021/2022	(82 272)	(137 753)	-	(55 000)
Stock options cancelled during HY1 2021/2022	-	-	-	-
Total number of stock options outstanding on September 30, 2021	0	36 247	0	285 500

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
<i>Of which to the Board of Directors</i>	<i>3 680 000</i>		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	(459)	-	-
Stock options exercised during FY 2020/2021	(4 031 588)	-	-
Stock options cancelled during FY 2020/2021	(95 000)	-	-
Total number of stock options outstanding on March 21, 2021	1 243 579	0	200 000
Stock options exercised during HY1 2021/2022	(1 038 340)	-	(200 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2021	205 239	0	-0

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	September 29, 2017		
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
<i>Of which to the Board of Directors</i>	3 680 000		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2018/2019	-	-	-
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Stock options exercised during FY 2020/2021	(494 444)	-	(59 583)
Stock options cancelled during FY 2020/2021	(95 000)	(1 500 000)	-
Total number of stock options outstanding on March 21, 2021	5 815 556	500 000	290 417
Stock options exercised during HY1 2021/2022	(4 480 040)	-	(250 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2021	1 335 516	500 000	40 417

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount, except for Plan #25-2 whose exercise price is €1

Option plan in effect	Plan N°26-1		
Date of Shareholders' Meeting	Sept. 30, 19		
Date of Board of Directors Meeting	July 14, 20		
Number of Stock Options granted	3 725 000		
<i>Of which to the Board of Directors</i>	2 000 000		
Expiration date of stock option	July 13, 28		
Exercise price of stock options (in euros) (1)	0,228 €		
Vesting of stock options granted	1/4 per year		
	-		
Stock options granted during FY 2018/2019	3 750 000		
Stock options cancelled during FY 2018/2019	(25 000)		
Total number of stock options outstanding on March 31, 2020	3 725 000		
Stock options exercised during HY1 2021/2022	-		
Stock options cancelled during HY1 2021/2022	(2 100 000)		
Total number of stock options outstanding on September 30, 2020	1 625 000		

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

STOCK OPTIONS GRANTED TO AND EXERCISED BY ATARI'S CORPORATE OFFICERS DURING THE 2020-2021 FINANCIAL YEAR

Stock Options Granted to Each Executive Corporate Officer by the Issuer or by Any Other Group Company:

The Board of Directors on July 14, 2020, under the delegation granted by the General Meeting on September 30, 2019, awarded stock options to its Chief Executive Officer, Frédéric Chesnais, for a total of 2,000,000 options. The exercise price for these options was set at 80% of the average price of the Company's common shares for the 20 trading sessions immediately prior to the date when the options were awarded.

The options based on this option plan no.26, unlike the other plans which had a three-year vesting period, are vested based on one quarter annually, following one year's presence, subject to certain conditions, and may be exercised during a maximum period of eight years.

The condition of one year's presence from the awarding of this plan led to the cancellation of this award on June 6, 2021.

Stock Options Exercised During the Financial Year by Each Executive Corporate Officer:

In FY 2020-2021, Frédéric Chesnais exercised 8,753,657 stock options by paying the sum of €1,956,106 in exchange for the creation of 8,908,810 new Atari SA shares.

In FY 2020-2021, Ker Ventures exercised 1,731,057 stock warrants by paying the sum of €0.17 per warrant exercised, in exchange for the creation of 1,767,409 new Atari SA shares.

STOCK OPTIONS AWARDED BY THE COMPANY AND ITS SUBSIDIARIES TO EMPLOYEES, AND OPTIONS EXERCISED BY THE LATTER**Stock Options Awarded to Employees by the Issuer or by Any Other Group Company:**

The Board of Directors on July 14, 2020, under the delegation granted by the General Meeting on September 30, 2019, awarded stock options to its employees for a total of 1,725,000 options. The exercise price for these options was set at 80% of the average price of the Company's common shares for the 20 trading sessions immediately prior to the date when the options were awarded.

The options based on this option plan no.26, unlike the other plans which had a three-year vesting period, are vested based on one quarter annually, following one year's presence, subject to certain conditions, and may be exercised during a maximum period of eight years.

Based on the condition one year's presence from the awarding of this plan, 125.000 of these options were canceled, with 1,625,000 options still outstanding under this plan at September 30, 2021.

Stock Options Exercised During the Financial Year by Employees:

In FY 2020-2021, the employees exercised 1,508,333 stock options by paying the sum of €375,960 in exchange for the creation of 1,531,123 new Atari SA shares.

7 BOARD OF DIRECTOR'S SPECIAL REPORT ON SHARE SUBSCRIPTION AND PURCHASE OPTIONS TO THE GENERAL SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS AT MARCH 31, 2021

(Drawn up in accordance with Article L. 225-184 of the French Commercial Code)

Dear Shareholders,

In the context of our General Meeting, and in accordance with Article L. 225-184 of the French Commercial Code, we inform you in this report of the transactions covered by Articles L. 225-177 to L. 225-186 of the French Commercial Code relating to stock options.

Pursuant to Article L. 225-184 of the French Commercial Code, we also detail in this special report personal information on the definitive bonus shares awarded and the exercising of stock options by corporate officers and those who have received the most significant definitive free awards.

1. Stock Options Granted by the Company to Each of its Corporate Officers

During the financial year, 2,000,000 stock options were awarded to the Chief Executive Officer, Mr Frédéric Chesnais.

As these options were subject to the condition of one year's presence, they were cancelled on June 6, 2021 following Mr. Frédéric Chesnais' resignation.

2. Stock Options Granted by the Company's Subsidiaries to the Company's Corporate Officers

During the financial year, no stock options were granted to corporate officers or directors of the Company by any of its subsidiaries.

3. Shares Subscribed for or Purchased by Corporate Officers through the Exercising of Stock Options Granted by the Company or its Subsidiaries

In FY 2020-2021, Frédéric Chesnais exercised 8,753,657 stock options by paying the sum of €1,956,106 in exchange for the creation of 8,908,810 new Atari SA shares.

In FY 2020-2021, Ker Ventures exercised 1,731,057 stock warrants by paying the sum of €0.17 per warrant exercised, in exchange for the creation of 1,767,409 new Atari SA shares.

4. Stock Options Granted by the Company and its Subsidiaries to Employees

During the financial year, 1,725,000 stock options were granted to employees.

As these options were subject to the condition of one year's presence, 125,000 of them were cancelled, with 1,625,000 stock options remaining under this plan at September 30, 2021.

5. Shares acquired by Company employees through the exercising of stock options granted by the Company or its subsidiaries to the ten Company employees, other than corporate officers, who subscribed for the largest number of options

In FY 2020-2021, the employees exercised 1,508,333 stock options by paying the sum of €375,960 in exchange for the creation of 1,531,123 new Atari SA shares.

Paris, November 5, 2021



French limited company (société anonyme) with capital of Euro 3,060,274.29
Registered office: 25 rue Godot de Mauroy - 75009 Paris – France
RCS Paris 341 699 106

8 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2021

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CONSOLIDATED INCOME STATEMENT

(M€)		March 31, 2020	March 31, 2019
Revenue	Note 16	18,9	24,0
Cost of goods sold		(5,5)	(2,4)
GROSS MARGIN		13,4	21,6
Research and development expenses	Note 17	(7,9)	(9,8)
Marketing and selling expenses	Note 17	(2,6)	(4,2)
General and administrative expenses	Note 17	(6,3)	(4,7)
Other operating income (expense)	Note 18	0,0	(0,1)
CURRENT OPERATING INCOME (LOSS)		(3,4)	2,9
Restructuring costs			
Other income (expense)	Note 19	(8,2)	0,0
OPERATING INCOME (LOSS)		(11,6)	2,9
Cost of debt	Note 21	(0,1)	(0,0)
Other financial income (expense)	Note 21	(0,1)	(0,8)
Share of net operational profit of equity affiliates	Note 5	(0,1)	-
Income tax	Note 22	(0,0)	(0,1)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(11,9)	2,0
Net income (loss) from discontinued operations	Note 23	-	-
NET INCOME (LOSS) FOR THE YEAR		(11,9)	2,0
Group share		(11,9)	2,3
Minority interests	Note 11.5	(0,0)	(0,3)
Basic earnings per share (in euro)	Note 2.28	(0,043)	0,009

(M€)		March 31, 2021	March 31, 2020
CONSOLIDATED NET INCOME		(11,9)	2,0
Elements directly incurred in net equity:			
Translation adjustments		(1,1)	0,6
Financial assets valued at fair value through the other comprehensive income		(0,2)	(0,6)
Other transactions		-	-
Total result directly recognised in equity		(1,2)	0,0
COMPREHENSIVE INCOME		(13,2)	2,0
Of which: Group		(13,2)	2,3
Of which: Minority interests		(0,0)	(0,3)

CONSOLIDATED BALANCE SHEET

ASSETS (M€)		March 31, 2021	March 31, 2020
Intangible assets	<i>Note 3</i>	11,6	17,8
Property, plant and equipment		0,0	0,0
Rights of use relating to leases	<i>Note 4</i>	1,9	2,3
Equity affiliates	<i>Note 5</i>	-	-
Non-current financial assets	<i>Note 6</i>	15,8	15,7
Deferred tax assets	<i>Note 22</i>	1,9	2,1
Non-current assets		31,3	38,0
Inventories	<i>Note 7</i>	2,5	0,6
Trade receivables	<i>Note 8</i>	3,3	2,8
Current tax assets		0,0	0,0
Other current assets	<i>Note 9</i>	0,6	0,7
Cash and cash equivalents	<i>Note 10</i>	2,5	1,8
Assets held for sale	<i>Note 23</i>	0,3	-
Current assets		9,1	5,8
Total assets		40,4	43,8

EQUITY & LIABILITIES (M€)		March 31, 2021	March 31, 2020
Capital stock		3,0	2,7
Share premium		19,1	11,0
Consolidated reserves		14,0	12,5
Net income (loss) Group share		(11,9)	2,3
Shareholders' equity	<i>Note 11</i>	24,2	28,5
Minority interests	<i>Note 11.5</i>	(0,0)	(0,4)
Total equity		24,1	28,1
Provisions for non-current contingencies and losses	<i>Note 12</i>	0,0	0,0
Non-current financial liabilities	<i>Note 13</i>	-	0,9
Long term lease liabilities	<i>Note 14</i>	1,6	2,1
Other non-current liabilities	<i>Note 15</i>	0,7	0,8
Non-current liabilities		2,3	3,7
Provisions for current contingencies and losses	<i>Note 12</i>	-	0,1
Current financial liabilities	<i>Note 13</i>	-	0,6
Short term lease liabilities	<i>Note 14</i>	0,3	0,3
Trade payables	<i>Note 15</i>	7,3	5,7
Current tax liabilities		-	0,0
Other current liabilities	<i>Note 15</i>	6,3	5,2
Current liabilities		13,9	11,9
Total equity and liabilities		40,4	43,8

The following notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW

(M€)	March 31, 2021	March 31, 2020
Net income (loss) for the year	(11,9)	2,0
Non cash expenses and revenue	-	-
Charges to (reversals of) depreciation, amortization and provisions for non current assets	12,6	6,2
Cost of (revenue from) stock options and related benefits	0,8	1,0
Losses (gains) on disposals	0,1	-
Other non cash items	(2,6)	(2,2)
Cost of debt	-	-
Income taxes (deferred and current)	-	(0,0)
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	(1,0)	7,0
Income taxes paid	-	(0,0)
Changes in working capital	-	-
Inventories	(1,9)	(0,5)
Trade receivables	(1,3)	0,5
Trade payables	1,2	2,7
Other current & non current assets and liabilities	(1,5)	(8,5)
NET CASH USED IN OPERATING ACTIVITIES	(4,6)	1,1
Purchases of / additions to :		
Intangible assets	(4,6)	(9,6)
Property, Plant & equipment	(0,0)	(0,0)
Non current financials assets	(0,1)	(0,1)
Disposals / repayments of :		
Intangible assets	-	-
Property, Plant & equipment	-	-
Non current financials assets	1,7	0,2
NET CASH USED IN INVESTING ACTIVITIES	(3,1)	(9,6)
Net funds raised from :		
Share issues	8,4	0,9
Issue of Oceane bonds	-	0,9
Changes in treasury shares	-	-
Net funds disbursed for :		
Interest and other financial charges	-	-
Debt repayment	(0,6)	(0,1)
Changes in treasury shares	-	(0,1)
Changes in loans or other financial items	-	-
Other cash flows from financing activities	-	-
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	7,8	1,5
Impact of changes in exchange rates	0,6	0,1
NET CHANGE IN CASH AND CASH EQUIVALENTS	0,7	(6,7)
(M€)	March 31, 2021	March 31, 2020
Net opening cash balance	1,8	8,5
Net closing cash balance	2,5	1,8
NET CHANGE IN CASH AND CASH EQUIVALENTS	0,7	(6,7)
Net closing cash balance		
Cash and cash equivalents	2,5	1,8
Bank overdrafts (including current financial debts)	-	-

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(M€)	Capital	Share premium	Treasury shares	Consolidated reserves	Cumulative translation adjustments	Shareholders equity	Minority interests	Total equity
At March 31, 2019	2,6	8,0	(0,1)	15,2	(3,4)	22,2	0,0	22,2
IFRS 16 restatement				(0,1)		(0,1)		(0,1)
At March 31, 2019 restated IFRS16	2,6	8,0	(0,1)	15,1	(3,4)	22,2	0,0	22,2
Net income (loss) for the period				2,3		2,3	(0,3)	2,0
Translation adjustments					0,6	0,6	-	0,6
Other comprehensive income				(0,6)		(0,6)		(0,6)
Comprehensive income				1,7	0,6	2,3	(0,3)	2,0
Share issues	0,1	3,0	-	-	-	3,2		3,2
Treasury shares transactions	-	-	(0,1)	(0,1)	-	(0,2)		(0,2)
Others changes	-	-	1,0	-	-	1,0		1,0
At March 31, 2020	2,7	11,0	0,8	16,7	(2,8)	28,4	(0,3)	28,1
Net income (loss) for the period				(11,9)		(11,9)	(0,0)	(11,9)
Translation adjustments					(1,1)	(1,1)	-	(1,1)
Other comprehensive income				(0,2)		(0,2)		(0,2)
Comprehensive income				(12,1)	(1,1)	(13,2)	(0,0)	(13,2)
Share issues	0,3	8,1		(0,0)		8,4		8,4
Treasury shares transactions	-	-	0,1	-	-	0,1		0,1
Others changes	-	-	0,7	-		0,7		0,7
At March 31, 2021	3,0	19,1	1,6	4,6	(3,9)	24,5	(0,3)	24,1

GROUP PRESENTATION

Atari (the "Company") is a French-law company (*société anonyme*) whose shares are traded on Euronext Paris, Compartment C (ISIN: FR0010478248, ticker: ATA).

Atari Group (www.atari.com) is an interactive entertainment production group that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and intellectual property assets and licenses such as RollerCoaster Tycoon. In April 2021, the Group announced its new organization, with two main divisions:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focused on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group's blockchain-related activities, including the development and marketing of non-fungible tokens (NFTs) and the development of the ecosystem around the Atari Token.

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

NOTE 1 – HIGHLIGHTS OF THE PERIOD

The highlights of the period are:

- **April 2020:** Redemption of the OCEANE 2003-2020 bonds. The 82,906 OCEANE 2003-2020 bonds still in circulation as of March 31, 2020, representing €625,000, were fully redeemed on their maturity date of April 1, 2020.
- **April 2020:** Official launch of the Atari project on the blockchain and first private sales of Atari Tokens. Atari Chain Ltd, based in Gibraltar, was created in March 2020 as a 50/50 joint venture between Atari SA and ICICB Limited with a view to issuing the Atari Token. 7,771,000,000 Atari Tokens were created in April 2020. The first sales of Atari Tokens took place during FY 2020-2021. The Atari Token is a cryptocurrency intended for the widest possible use in the entertainment sector. Atari's objective is to gradually develop the adoption and use cases for the Atari Token throughout the interactive entertainment ecosystem and blockchain initiatives.
- **July 2020:** Distribution agreements for the Atari VCS with Bluemouth, an Australian retailer.
- **August 2020:** Distribution agreements for the Atari VCS with Microcenter, an American retailer.
- **September 2020:** Atari granted ICICB Group a license right to build Atari hotels, particularly in Dubai, Gibraltar and Spain, with Atari receiving US\$0.5M of consulting fees and a non-refundable advance on future royalties under this contract;
- **November 2020:** agreement with Bitcoin.com Exchange for a public sale and listing of the Atari Token from November 2020.
- **December 2020:** Deliveries of the first Atari VCS units that had been pre-ordered on the Indiegogo platform.
- **December 2020:** €5.8M capital increase. The capital increase was carried out as part of a private placement, issuing 18,163,337 new shares at a price per share of €0.32 including the share issue premium, with preferential subscription rights waived.
- **March 2021:** Atari extends its hotel partnership with the ICICB Group to new territories in Europe, Africa and Asia, and is entitled to \$3M of consulting fees and a non-refundable advance.
- **Impacts of the Covid-19 pandemic on the Group's business activities:**
In the context of the health and economic crisis linked to Covid-19, a significant adverse effect was recorded (i) for the "licensing" business due to deferrals affecting the renewal of licensing contracts and (ii) the delivery schedule for Atari VCS units. The Group is carefully monitoring changes in the health situation with a view to taking the actions required and ensuring the safety of its staff.

NOTE 2 – ACCOUNTING RULES AND METHODS**2.1. GENERAL PRINCIPLES**

Atari's consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted in the European Union and mandatory from April 1, 2019, with the exception of the new rules and interpretations, whose application is not mandatory for the 2020-2021 financial year.

The Group's financial statements are presented in millions of euros with one decimal, unless otherwise indicated. Figures rounded to the nearest thousand euros may in some situations lead to minor discrepancies in the totals and subtotals of the tables.

The consolidated accounts were approved by the Board of Directors on November 5, 2021. They will be submitted to the Annual General Shareholders' Meeting for approval.

Application of the Going Concern Principle

Since the 2012-2013 financial year, when the Group's equity and net cash positions were very negative (shareholders' equity was -34.9M€ and net debt 31.4M€), the Group has implemented a program for massive deleveraging and replenishment of equity. Shareholders' equity turned positive in the 2016-2017 financial year. At March 31, 2021, net cash and shareholders' equity were positive.

Thus:

- At March 31, 2020, shareholders' equity (Group share) represented +€28.5M. At the same date, the net cash position totalled €1.1M.
- At March 31, 2021, shareholders' equity (Group share) represented +€24M. At the same date, the net cash position totalled €2.5M.

Taking into account the investments for the Atari VCS and the decrease in licensing revenue, the resulting change in working capital requirements, the Group cash position changed during the financial year, from €1.8M on March 31, 2020 to €2.5M on March 31, 2021, following a €5.8M capital increase in December 2020.

For the financial year 2021-2022, a transition year with the change of strategy, the financial objective is to put in place the profitability drivers for the coming years, focused on developing the value of the intellectual property portfolio. The first-half business and profitability levels will be negative, linked primarily to development being stopped for certain games and the decision taken in July 2021 to shut down casino operations in Africa.

The Company conducted a specific review of its liquidity risk and it considers that (i) the working capital requirements linked to the ramping up of VCS production and (ii) the implementation of the gaming division's new strategy will require additional financing, that could take the form of external financing or a capital markets transaction whose form is currently being examined. Benefiting from the support of its new principal shareholder and Chairman & CEO, the Atari Group considers that it is in a position to meet its future payments, irrespectively of the realization of any external financing or capital market transaction, thus confirming the application of the going concern principle in the preparation of the financial statements as at March 31, 2021.

The cash-flow projections prepared by the Group are based on:

- forecasts for the business activities (games, licensing, multimedia production, Atari VCS and Atari Blockchain) generating positive cash-flows,
- the exercising of stock options from April to July 2021 for a total of €2.4M.
- shareholder loans for \$2.6M in July, August and September 2021;
- external financing based on market conditions.

By their nature, these forecasts rely on assumptions whose timing is uncertain as to their realization, it being specified that the Group is developing new activities, for which no historical comparison base exists (Atari VCS, Atari Blockchain), that could guarantee the assumptions retained.

Preparation of the Financial Statements

The Group's condensed consolidated financial statements at March 31, 2021 have been prepared:

- in accordance with IAS/IFRS and their interpretations as adopted by the European Union. These standards are available on the European Commission website : http://ec.europa.eu/finance/company-reporting/index_fr.htm ;
- in accordance with IFRS as published by the IASB;
- applying the same accounting principles and methods as at March 31, 2020

The Group opted against the early application of the standards, amendments and interpretations adopted or not yet adopted by the European Union, but eligible for early adoption and scheduled to come into force after March 31, 2021. This primarily concerns the following standards and amendments:

- Amendments to IAS 1 and IAS 8 – Amendment of the definition of “material”;
- Amendments to IFRS 3 – Definition of a Business;
- Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform;
- Amendments to IFRS 16 concerning rent concessions in the context of the Covid-19 pandemic.

These amendments and interpretations did not have any significant impact on the consolidated accounts at March 31, 2021.

2.2. USE OF ESTIMATES AND MATERIAL ACCOUNTING JUDGEMENTS

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

Estimates may be revised if the circumstances on which they were based evolve or if new information appears; the exceptional health emergency linked to Covid-19 makes it more difficult to provide estimates. Actual results may differ from these estimates and these assumptions.

The estimates and assumptions prepared on the basis of the information available as of the balance sheet date relate in particular to:

- Note 3 - intangible assets, assumptions updated each year for development costs based on projected net resources; valuation of cryptocurrencies held when sales or awards take place.
- Notes 4 and 14 - rights of use relating to leases, assumptions retained for recognizing the right of use on leased assets, valuation of lease liabilities, determination of the discount rate, term retained for a contract and depreciation schedule.
- Note 6 - certain financial instruments: valuation method at fair value.
- Note 11 - shareholders' equity, share-based payments: valuation of the stock option plans awarded to employees at their fair value on the date when rights are awarded using the “Black & Scholes” mathematical model.
- Notes 15 and 22 - deferred tax: estimates for the recognition of deferred tax assets updated each year and assessment of uncertain tax positions in connection with the application of IFRIC interpretation 23.
- Note 15 - deferred revenue: assessment of revenue related to transactions undertaken in Atari Tokens.

There is still inherent uncertainty in the realization of the objectives, the operating budget and the financing plan, and the failure of these assumptions to materialize may affect the value of the Group's assets and liabilities.

2.3. METHODS AND BASIS FOR CONSOLIDATION

Full Consolidation

All companies in which the Group exercises control, i.e. the companies where it has the power to influence their financial and operating policies in order to obtain benefits from their activities, are fully consolidated.

Consolidation on an equity basis

Atari Chain Ltd, which is jointly owned and controlled with ICICB Limited based on a 50% stake, is consolidated on an equity basis.

Basis for Consolidation

During the financial year, four subsidiaries were created:

- One in France for the Atari Blockchain activity: Alpha Chain SA;
- Two in Africa for the Atari Casino activity: Atari Entertainment Tanzania Ltd (Tanzania), Atari Guinée SA (Guinea)
- One in Gibraltar, (in March 2020) for the Atari Token activity: Atari Chain Ltd.

All of the consolidated companies are listed in the table below:

Company	Fiscal year end	Country	% control		% interest	
			31.03.2021	31.03.2020	31.03.2021	31.03.2020
Active subsidiaries						
Atari Partners S.A.S.	March 31	France	100,00	100,00	100,00	100,00
Alpha Chain SA	March 31	France	100,00			
Atari Chain Ltd	March 31	Gibraltar	50,00		50,00	
Atari US Holdings Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	United States	100,00	100,00	100,00	100,00
Atatri Studios Inc	March 31	United States	100,00	100,00	100,00	100,00
Atari Games Corp	March 31	United States	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	United States	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Connect LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari VCS LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Hotels Corp	March 31	United States	100,00	100,00	100,00	100,00
Atari Music LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00	100,00	100,00	100,00
Atari Entertainment Africa Ltd	Dec 31	Mauritius	100,00	100,00	100,00	100,00
Atari Gaming Ltd	March 31	Kenya	59,90	59,90	59,90	59,90
Atari Liberia Inc	March 31	Liberia	100,00	100,00	100,00	100,00
Atari RDC Eurl	March 31	RDC	100,00	100,00	100,00	100,00
Atari Lifestyle Ltd	March 31	Nigéria	99,00	99,00	99,00	99,00
Atari Entertainment Ghana Ltd	March 31	Ghana	90,00	90,00	90,00	90,00
Atari Entertainment Uganda Ltd	March 31	Uganda	100,00	100,00	100,00	100,00
Atari Entertainment Tanzania Ltd	March 31	Tanzania	100,00		100,00	
Atari Guinée SA	March 31	Guinea	100,00		100,00	
Inactive and undergoing liquidation						
Atari Productions LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Atari Burundi Su	March 31	Burundi	100,00	100,00	100,00	100,00
Atari Japan KK	March 31	Japon	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00
Infogrames Interactive GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00

2.4. INTERNAL TRANSACTIONS

All transactions between the consolidated companies and the internal results of the consolidated entity are eliminated.

2.5. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing on the transaction date. On the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates prevailing at the balance sheet date. All differences are recorded in profit or loss for the period, except for differences on foreign currency borrowings that constitute a hedge of the net investment in a foreign entity. These are directly charged to equity until the outflow of the net investment.

Foreign exchange differences resulting from the translation of net investments in foreign subsidiaries are recognized directly in equity.

2.6. CONVERSION OF THE INDIVIDUAL FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The operating currency of foreign affiliates is the local currency in effect.

Assets and liabilities of foreign subsidiaries are translated at the exchange rate recorded at the balance sheet date. The items in their income statement are translated at the average rate for the period. The resulting translation difference is recognized directly in shareholders' equity under "Translation differences," for the Group's share and under "Minority Interests" for the portion attributable to third parties. This difference impacts the result only when the company is sold or removed from the basis for consolidation.

The exchange rates of the main currencies used by the Group are as follows:

In euros	March 31, 2021		March 31, 2020	
	Closing rate	Average rate	Closing rate	Average rate
USD	1,1725	1,1675	1,0956	1,1113
MUR	46,0000	46,0000	40,0000	40,0000
KES	128,0000	128,0000	114,0000	114,0000

2.7. NON-CURRENT ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS

A fixed asset, or a group of assets and liabilities, is held for sale when its book value will be recovered mainly through a sale and not through continued use. For this to be the case, the asset must be available for immediate sale and its sale must be highly likely. These assets or groups of assets are presented separately from other assets or groups of assets, under "Assets Held for Sale" on the balance sheet if they are significant. These assets or groups of assets are measured at the lower of either the book value or the estimated sale price, net of costs related to the disposal.

A discontinued operation is defined as a component of the undertaking that is either disposed of or classified as assets held for sale, which:

- Represents an activity or a geographical area that is significant for the Group
- Is part of an overall plan for the sale of a business or geographical area that is significant for the Group
- Or is a significant subsidiary acquired solely for the purpose of resale

The income and cash flow statement items relating to these discontinued operations are included in the consolidated financial statements for all periods presented.

As the decisions to discontinue the casino activities carried out by the African subsidiaries and shut down these entities were taken after the financial year-end, the corresponding asset and liability elements are not presented in the accounts at March 31, 2021, in accordance with IFRS 5.

2.8. OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets mainly include items such as (i) development costs for video games, the Atari VCS, and audiovisual productions, (ii) acquired enterprise software and license rights, as well as brands, and (iii) cryptographic assets acquired.

Licenses

Licenses for the right to use intellectual property are recognized as intangible fixed assets from the date of signature of the contract when no significant obligation is expected from the lessor; the capitalized amount corresponds to the discounted sum of the annual minimum fees stipulated in the contract. Amounts paid above guaranteed minimums are expensed.

These licenses are amortized from their execution date using the highest rate of either the contractual rate applied to the units sold or the linear rate based on the life of the license. The amortization expense is recorded in "Cost of Sales."

The Group regularly checks the recoverable amount of the amounts capitalized and conducts an impairment test, as described in paragraph 2.12, as soon as indicators of impairment appear. An impairment is, if necessary, recorded under "Cost of Sales" if the game to which this license is attached has been marketed, and under "Research and Development Expenses" if not.

Development Costs of Video Games, the Atari VCS and Audiovisual Production

In accordance with IAS 38, an intangible fixed asset resulting from development (or the development phase of an internal project) must be recognized if, and only if, an entity can demonstrate all of the following:

- (a) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.
- (b) That it intends to complete the intangible fixed asset and commission or sell it.
- (c) That it is able to commission the intangible fixed asset or sell it.
- (d) The way in which the intangible fixed asset will generate probable future economic benefits. The entity will demonstrate, among other things, that there is a market for the production resulting from the intangible fixed asset, or for the intangible fixed asset itself or, if it is to be used internally, that it is useful.
- (e) That there are adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.
- (f) That it is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

The Group recognizes depreciation for development costs (internal or external studio development expenses) if it considers that the project does not meet all of the above criteria.

At March 31, 2021, there were various projects that met these criteria. At each financial year-end, the Group assesses the future economic benefits it will receive from that asset by using the principles set out in IAS 36 — Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is identified, and depending on how significant this deviation is, the amortization plan is accelerated, or the asset is impaired in full.

Video game development costs are, in principle, amortized over three years on a straight-line basis from the product's launch.

For certain products that encounter difficulties at launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows.

At the end of the financial year, the residual net book value is compared to the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

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

For the Atari VCS, development costs are amortized, from the release date, in December 2020, over five years on a straight-line basis.

Other Intangible Fixed Assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g. brands, game catalogs) and software acquired for internal use (e.g. accounting software). With the exception of brands, these fixed assets are amortized under "General and Administrative Expenses" or "Research and Development Expenses" on a straight-line basis over a period that cannot exceed their estimated useful lives (between one and four years).

Cryptographic Assets

As part of the commitments for Atari Tokens to be issued by Atari Chain, the Atari Group received 683.7 million Atari Tokens. As there is no active market as defined by IFRS 13, these Atari Tokens are only valued when they give rise to a sale or an award.

IFRS do not currently include any specific accounting guidelines for cryptocurrencies. For the moment, there is no legal commonly accepted definition of cryptographic assets. In general, cryptographic assets are transferable digital representations, based on blockchain technology, designed to ensure that they cannot be copied or duplicated. There are various types of cryptographic assets and the most widely known are cryptocurrencies. These are primarily used as a means of exchange and may share some characteristics with traditional currencies.

Nevertheless, the IFRS Interpretations Committee (IFRIC) has provided an initial series of answers, clarifying the application of IFRS for holdings of cryptocurrencies.

Taking into consideration the broad diversity of existing crypto-assets, the IFRIC decided to limit its response to cryptocurrencies, i.e. crypto-assets that meet the following three criteria:

- a digital or virtual currency recorded on a distributed ledger that uses cryptography for security,
- not issued by a jurisdictional authority or other party,
- does not give rise to a contract between the holder and another party.

As these characteristics correspond to those of the tokens held by the Group, Atari has followed the IFRIC's recommendations.

The IFRIC indicated that paragraph 8 of IAS 38 Intangible Assets defines an intangible asset as "*an identifiable non-monetary asset without physical substance*". The IFRIC observed that a holding of cryptocurrency meets this definition on the grounds that (a) it is capable of being separated from the holder and sold or transferred individually; and (b) it does not give the holder a right to receive a fixed or determinable number of units of currency.

2.10. TANGIBLE FIXED ASSETS

Tangible fixed assets are accounted for under the cost method at their acquisition value less depreciation and impairment. Depreciation is calculated using the straight-line method over the estimated useful life of the assets concerned. Improvements on rented property are depreciated over their estimated useful life or over the term of the lease if the latter is shorter. The term of the lease takes into account the possible renewal periods. Land is not depreciated.

The estimated useful lives of fixed assets are as follows:

- Computer equipment: 1 to 3 years
- Furniture and fixtures and other equipment: 3 to 10 years

2.11. RIGHTS OF USE RELATING TO LEASES

When the Group is the lessee, leases (with the exception of short-term leases and leases of low value assets) are accounted for by recognizing a right-of-use asset in tangible fixed assets at the date when the leased asset is available for use.

The corresponding liability towards the lessor is recognized on the balance sheet as a financial obligation. Payments under the lease are split between financial costs and the repayment of the lease obligation, so that a constant interest rate is obtained for the remaining amount due on the liability side of the balance sheet.

The rights of use are amortized over the contractual period which was determined to calculate the corresponding lease liability.

2.12. IMPAIRMENT TEST

The Group regularly performs impairment tests on its assets: goodwill, intangible fixed assets, and tangible fixed assets. For tangible fixed assets and intangible fixed assets with a fixed useful life, this impairment test is performed as soon as indicators of impairment are observable.

These tests consist of comparing the net book value of the assets with their recoverable value, which corresponds to the higher of either their fair value less sale costs or their value in use, estimated by the net present value of the future cash flows generated by their use.

When the fair value of an intangible fixed asset or a tangible fixed asset is assessed during a financial year and the recoverable amount exceeds the book value of the asset, any impairment losses recorded in prior years are recognized in profit or loss.

For other intangible fixed assets with an undetermined useful life and intangible fixed assets in progress, an impairment test is systematically performed each year on the basis of the highest of the following values and each time an indicator of impairment is observed:

- Updated projection of future operating cash flows over three years and of a residual value
- Net selling price if there is an active market.

When the selling price net of disposal costs cannot be determined reliably, the book value of the fixed assets is compared to the net present value of future cash flows excluding financial expenses but after tax.

The residual value results from the discounting to infinity of a normative cash flow determined based on the cash flow from the last year of the business plan to which a long-term growth rate has been applied. The rate used to discount cash flows corresponds to the Group's average cost of capital.

If the annual impairment test reveals a recoverable value that is lower than the net book value, an impairment is recognized to reduce the book value of the fixed assets or goodwill to their fair value.

Impairment losses recorded on goodwill are never recognized in profit or loss.

2.13. NON-CURRENT FINANCIAL ASSETS

Financial assets consist of securities of non-consolidated companies, investments in related companies, derivative instruments not designated as hedges, deposits, cash and cash equivalents, and trade receivables.

Financial assets are classified as “non-current”, except for those due less than 12 months after the reporting date, which are classified as “current assets” or “cash & cash equivalents”, as appropriate.

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

In accordance with IFRS 9 – *Financial Instruments*, the Group classifies its financial assets in the following three categories:

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

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

Treasury shares held by the parent company or one of its consolidated subsidiaries are presented as a deduction from consolidated shareholders’ equity at their acquisition value or their entry value in the consolidated balance sheet. Gains or losses realized on the sale of these shares are eliminated from the consolidated income statement and recognized in consolidated shareholders’ equity.

2.14. INVENTORIES

When inventories are recognized, they are valued using the FIFO (first in, first out) method. Their gross value includes the purchase price plus incidental purchase costs. Financial expenses are excluded from the value of inventories. A provision for depreciation/amortization is recognized in order to reduce the value of inventories to their net realizable value when their probable market value is lower than their cost price. This depreciation/amortization is recorded under “Cost of Sales” in the consolidated income statement.

2.15. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are recorded at their fair value, which generally corresponds to their nominal value. Receivables considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery.

In accordance with IFRS 9, the Group uses the simplified impairment model for trade receivables based on the analysis of expected losses over the term of the receivable. Following an analysis of the probability of default for the creditors, certain trade receivables may be subject to an impairment.

Under IFRS 9, the value corrections concerning expected credit losses correspond to either the expected credit losses for the 12 months following the year-end date, or the expected credit losses for the financial asset’s total lifespan.

The assessment of the expected credit losses for the financial asset’s total lifespan is applied if a financial asset’s credit risk on the reporting date has increased significantly since its initial recognition. Otherwise, the assessment is based on the expected credit losses for the next 12 months. The spread between the book value and the recoverable value is recognized in current operating income. Impairments in value may be written back if the asset returns to its initial value in the future. Impairments are considered to be definitive when the receivable is itself considered to be definitively unrecoverable and recorded as a loss.

2.16. CASH AND CASH EQUIVALENTS

In accordance with IAS 7 — Statement of Cash Flows, the cash and cash equivalents shown in the consolidated cash flow statement include cash (cash on hand and demand deposits) and cash equivalents (highly liquid, short-term investments which are easy to mobilize and can be disposed of within a very short timeframe, can be converted into an amount of cash, and are subject to a negligible risk of change in value).

Investments with an original maturity of more than three months are excluded from cash and cash equivalents.

2.17. SHARE-BASED PAYMENTS

The Group makes share-based payments, paid in equity instruments in the form of stock options or free share awards.

Share-based payments, paid in equity instruments, are measured at fair value at the award date (excluding non-market conditions). The recognized cumulative expense is based on the fair value at the award date and the estimated number of shares that will ultimately be vested (taking into account the effect of non-market vesting conditions). It is recorded, throughout the vesting period, in current operating profit with a direct contra entry in equity.

The fair value of stock options is determined using the Black-Scholes model. This model makes it possible to take into account the characteristics of the plan (exercise price, exercise period), market data at the time of allocation (risk-free rate, stock price, volatility, expected dividends) and a behavioral assumption for the beneficiaries.

2.18. MINORITY INTERESTS

In the consolidated financial statements, under equity, non-controlling shareholdings must be presented separately from the interest of the parent company's owners. Comprehensive net income must be attributed to the owners of the parent company and to non-controlling interests, even if this results in a negative balance for non-controlling interests.

2.19. PROVISIONS

A provision is recorded when there is an obligation (legal or implicit) towards a third party, resulting from past events, the measurement of which can be reliably estimated and which will probably result in an outflow of resources in favor of this third party without at least equivalent compensation expected from it. If the amount or timing cannot be reliably estimated, then it is a contingent liability that is an off-balance sheet commitment.

2.20. PROVISIONS FOR RETIREMENT AND SIMILAR BENEFITS

Defined Contribution Plans

In accordance with the laws and practices in force in each country, the Group's subsidiaries take on commitments related to pension plans, life and disability insurance plans, the coverage of active employees' medical expenses and other plans concerning social benefits. In the case of commitments taken on exclusively under a defined contribution plan, the Group recognizes the related expenses as and when the contributions are due.

The Group recognizes the contributions to be paid as an expense under operating costs, when they are incurred, depending on the beneficiaries of the plan.

Defined Benefit Plans

Estimates of the Group's defined retirement benefit obligations are calculated annually, in accordance with IAS 19R, using the projected unit credit method. This method takes into account, based on actuarial assumptions, the probable duration of the employee's future service, future compensation level, life expectancy, discount rate, and the personnel turnover rate.

The amount provisioned for retirement and similar obligations corresponds to the present value of the defined benefit obligation. The actuarial gains and losses resulting from the change in the value of the discounted defined benefit obligation include, on the one hand, the effects of the differences between the previous actuarial assumptions and the realized actuarial assumptions, and, on the other hand, the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognized in equity.

2.21. FINANCIAL LIABILITIES AND INSTRUMENTS

Financial liabilities include bonds and other borrowings, finance lease debts, and trade accounts payable.

Financial liabilities are included in "non-current", except for those due less than 12 months after the closing date, which are classified as "current liabilities".

Bond Debt and Other Borrowings

Bond and other interest-bearing borrowings are initially recognized at fair value of the consideration received, which is the cost, net of expenses directly attributable to the issuance of the debt. These financial liabilities are then measured at amortized cost using the effective interest method. This interest rate corresponds to the internal rate of return that makes it possible to discount the series of expected cash flows over the life of the loan.

Trade Accounts Payable

Trade accounts payable are initially recognized at fair value, which in most cases corresponds to their nominal value, and subsequently measured at amortized cost.

2.22. REVENUE RECOGNITION – REVENUE FROM ORDINARY ACTIVITIES

Revenue from Physical Games Software

Revenue is recognized at the date of delivery of the products to customers, with a provision recorded as a reduction in sales for estimated returns for the net amount of the sale.

Revenue from Online, Mobile and Social Games

Atari derives its revenue from the sale of online games, and games on smartphones and tablets using Apple's iOS App Store, Google's Android and Facebook. The Group records its revenue by reporting to the relevant month the revenue reported by distributors or agents for the same period.

For each contract entered into, Atari examines the characteristics in order to determine whether it is appropriate to recognize the gross or net revenue of the services rendered by platforms such as Steam or Apple:

- Liability in the transaction
- Storage risk
- Freedom to determine the price
- Determination of the product's specifications
- Credit risk

On the basis of these criteria, and in accordance with IFRS 15, all revenue is measured at the fair value of the consideration received or receivable, net of VAT and other taxes and net of distribution costs.

Revenue from Licenses

Under certain licensing agreements, licensees are allowed to use the games' intellectual property in exchange for a guaranteed minimum fee. This fee is recognized under revenue when the Atari Group has fulfilled all its material obligations under the said contract, and no later than the date of delivery of the original or first copy of the software if such an obligation exists, which may occur when the contract is signed or at a later date (for example when Atari delivers certain source codes). Supplemental income from sales exceeding the number of copies covered by the guaranteed minimum royalty is recognized under revenue and when sales are made and reported to the licensor.

In general, and except for brand licensing contracts where the revenue is recognized over the duration of the license, the non-refundable amounts received, or whose payment is guaranteed, in connection with a license agreement without a major obligation incumbent on the Group are included in the revenue.

Revenue from Cryptocurrencies

IFRS do not currently include any specific accounting guidelines for revenue recognition from cryptocurrencies.

During FY 2020-2021, the Group invoiced (i) €0.8M under the brand licensing and services agreement with Atari Chain on Atari Token sales, (ii) €0.5M in connection with direct sales of Atari Tokens, and (iii) €1.1M corresponding to the valuation of the Atari Tokens awarded to certain members of the Group and to third parties.

Although there are no explicit or implicit obligations relating to the purchasers and holders of the tokens, the amounts collected in connection with these services are recognized in deferred revenue until the use cases for the Atari Token, that would allow the fulfilment of the performance obligation under IFRS 15 of their sale and allocation, are developed.

The Atari Blockchain division is developing the ecosystem relating to Atari Tokens, by notably expanding the adoption and use cases for the token, which has launched on the opensea.io and Decentraland platforms, which will be followed shortly by the platforms linked to Atari's virtual world within the Alphaverse project.

2.23. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are capitalized in the balance sheet when the criteria provided for in IAS 38 are met:

- 1) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.
- 2) That the company intends to complete the intangible fixed asset and commission or sell it.
- 3) That the company is able to commission the intangible fixed asset or sell it.
- 4) That this intangible fixed asset can generate future economic benefits.
- 5) That the company has adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.
- 6) That the company is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

Research and development expenses that do not meet these criteria are recognized as expenses in the year in which they are incurred.

The Group does not directly receive research tax credits.

2.24. MARKETING AND SALES EXPENSES

Advertising and user acquisition costs for mobile and online games are expensed as and when they are incurred and included in the "Marketing and Sales Expenses" item of the consolidated income statement.

2.25. CURRENT OPERATING INCOME AND OPERATING INCOME

Current operating income is comprised of gross margin less current operating expenses. Current operating expenses include research and development costs, marketing and sales expenses, general and administrative expenses, and share-based payment costs.

Operating income corresponds to current operating income after taking into account:

- Gains and losses on disposals of non-financial assets other than intellectual property rights
- Restructuring costs
- Impairment on goodwill or negative goodwill
- Impact of litigation and other non-recurring items

2.26. FINANCIAL INCOME AND EXPENSES

Cost of Debt

Net financial debt is not defined by IFRS and may not be comparable with the indicators reported by other companies. The Atari Group defines it as all current and non-current financial borrowings and debts, less cash and cash equivalents.

The cost of net financial debt is comprised of expenses and income generated by the components of net financial debt during the period, including related net income from the interest rate and currency hedging. The net cost of debt notably includes interest expense and income on consolidated net debt, consisting of bonds, the debt portion of hybrid instruments, other financial liabilities (including debt on finance leases) and cash and cash equivalents.

Other Financial Income and Expenses

"Other Financial Income and Expenses" include fees paid to financial establishments on financial transactions, the impact of the accretion of long-term receivables, capital gains and losses from the sale of financial assets, and foreign exchange net income.

2.27. TAXES

At March 31, 2021, the Group's tax loss carry-forwards were approximately €736M in France and close to \$274M in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years.

In France, deferred tax assets on unrealized tax losses came to €206M at March 31, 2021, subject to the usual restrictions on their use, representing approximately €0.69 per existing share as of March 31, 2021.

In the United States, deferred tax assets on unrealized tax losses stand at \$68M as of March 31, 2021, subject to the usual restrictions on their use, representing approximately \$0.22 per existing share as of March 31, 2021.

As a result of the significant tax savings of the US entities, during the previous financial year, the Group recognized a deferred tax asset as their recovery is likely over the validity period of the deferred tax assets. The forecast period chosen to determine the recovery window is a two-year horizon.

2.28. EARNINGS PER SHARE

The Group presents basic earnings per share. Earnings per share correspond to the Group's net income compared to the weighted average number of shares outstanding during the financial year, less treasury shares, if any.

Number of shares used to calculate earnings per share: 256,281,948

- Number of shares at April 1, 2020: 267,782,050
 - Number of new shares on a prorata temporis basis: 10,434,687
 - Minus treasury shares: -49,835
- Weighted average number of shares outstanding: 278,166,902**

NOTE 3 – INTANGIBLE FIXED ASSETS

Over the past three financial years, movements in intangible fixed assets break down as follows:

Gross value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2019	17,2	2,0	0,5	1,8		21,5
Acquisitions	5,9	-	0,2	3,5		9,6
Disposals / Retirements	-					-
Translation adjustments	0,4	0,1	0,0	0,0		0,5
March 31, 2020	23,6	2,0	0,7	5,3		31,6
Acquisitions	3,1	-	0,2	1,3	2,2	6,8
Disposals / Retirements	-	-	(0,1)	-	(0,5)	(0,6)
Translation adjustments	(1,6)	(0,1)	(0,1)	(0,3)	-	(2,1)
March 31, 2021	25,2	1,9	0,8	6,2	1,7	35,7

Amortization & provisions (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2019	(7,5)	(0,4)	(0,1)	-		(8,0)
Amortization / Provisions	(4,9)	(0,7)	(0,1)			(5,6)
Disposals / Retirements	-					-
Translation adjustments	(0,2)		(0,0)			(0,2)
March 31, 2020	(12,5)	(1,1)	(0,2)	-		(13,8)
Amortization / Provisions	(9,6)	(0,9)	(0,3)	(0,4)	-	(11,2)
Disposals / Retirements	-		-		-	-
Translation adjustments	0,8	0,1	0,0	-	-	0,9
March 31, 2021	(21,3)	(1,9)	(0,5)	(0,4)	-	(24,1)

Net value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2019	9,8	1,6	0,4	1,8		13,5
March 31, 2020	11,1	0,9	0,5	5,3	-	17,8
March 31, 2021	3,8	0,0	0,3	5,8	1,7	11,6

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

Video Games

Video game development costs are, in principle, amortized over three years on a straight-line basis from the product's launch. For certain products that encounter difficulties at launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows. At the end of the financial year, the residual net book value is compared to the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

Audiovisual Production

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

Licenses

Licenses are rights acquired from third-party publishers.

At the end of the financial year, the residual net book value is compared to the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

Impact of the new strategy adopted by the Group

On July 1, 2021, the Board of Directors confirmed the new strategy decided on by the Atari Group to realign itself around the market for stronger value-added premium console and PC games. It was therefore decided to discontinue five free-to-play games (RCT Story, Crystal Castles, Castles & Catapults, Ninja Golf, Atari Combat: Tank Fury). As a result, €2.1M of additional depreciation was recorded to write down 100% of the amount of the gross values of the capitalized development costs for these games.

In addition, the Group reviewed its budget forecasts and the outlook for revenues from other free-to-play games, recording an additional €3.6M impairment.

With regard to the TV shows business, the Group decided to focus on licensing-based operations and therefore recorded an additional €0.6M impairment on the assets corresponding to the TV shows previously produced by Atari and which will no longer be developed.

Lastly, to effectively allocate its resources to ensure the success of its new strategy, Atari decided to withdraw from the directly-operated Atari Casino activities in Africa, recording an additional €0.3M impairment on licenses and development costs in the African entities.

Atari VCS

The Atari VCS development costs are amortized, from its release date, in December 2020, over five years on a straight-line basis.

Tokens

On the date when this document was published, IFRS did not include any specific accounting guidelines for cryptocurrencies. Atari followed the IFRIC's recommendations concerning the application of IFRS for holdings of cryptocurrencies, recognizing the tokens held under intangible assets.

As part of the commitments for Atari Tokens to be issued by Atari Chain, the Atari Group received 683.7 million Atari Tokens. As there is no active market as defined by IFRS 13, these Atari Tokens are only valued when they give rise to a sale or an award.

At March 31, 2021, Atari SA held 682.0 million Atari Tokens, with 244.9 million of them, allocated to a future service, valued at €1,309K.

The other tokens held, in exchange for sales of Atari Tokens, represent €0.5M and are based on the following cryptocurrencies: 1.0 million Chain Games tokens (CHAIN), 2.5 million Tower tokens (TOWER) and 4.7 million Lympo tokens (LYM).

NOTE 4 – RIGHTS OF USE RELATING TO LEASES

The application of IFRS 16 for leases is reflected in the recognition of a right-of-use asset on the office leases in New York and Paris. At March 31, 2021, rights of use relating to leases break down as follows:

(M€)	March 31, 2021	March 31, 2020
Rights of use relating to leases gross value	3,0	3,2
Rights of use relating to leases amortization	(1,1)	(0,9)
Rights of use relating to leases	1,9	2,3

The rights of use are amortized over the contractual period which was determined to calculate the corresponding lease liability.

NOTE 5 – INVESTMENTS IN EQUITY AFFILIATES

The accounts of Atari Chain Ltd (Gibraltar) are consolidated on an equity basis in the Group's accounts. This company, created in March 2020, is jointly owned and controlled by Atari SA and ICICB Limited with a 50% stake each. The objective of Atari Chain, Ltd is to issue the Atari Tokens (ATRI), collect revenues and allocate the corresponding revenues.

A maximum of 7,771,000,000 Atari Tokens has been created. These tokens can be sold, with the Atari Group receiving 35% of the income from sales (10% for the brand license and 25% for compensation for services) and 65% is allocated to ICICB. Atari Token (ATRI) prices are available on various sites, including coingecko.com and coinmarketcap.com.

For the period during which it was incorporated, Atari Chain recorded €5.9M of revenues and a €0.2M net loss at March 31, 2021. Atari's share of this loss represents €0.1M.

The share of the loss attributed to Atari (€0.1M) was deducted from the current account advances granted by the Group to Atari Chain.

NOTE 6 – FINANCIAL INSTRUMENTS

6.1 NON-CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows at March 31, 2021:

(M€)	March 31, 2021	March 31, 2020
Financial assets measured at fair value through OCI	0,2	0,3
Financial assets measured at fair value through profit & loss	1,2	3,1
Financial assets measured at amortized cost	14,5	12,3
Non-current financial assets	15,9	15,7

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

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

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they are not designated as FVTPL, when they are held in order to collect the contractual cash flows, and their cash flows are solely payments of principal and interest ("SPPI" criterion). The amortized cost can only be applied to debt instruments: loans, receivables, deposits, etc. In most cases, it corresponds to the nominal value less potential impairments.

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

This category comprises debt and equity instruments.

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

Financial assets at fair value through profit and loss

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

They mainly consist of:

- Kizzang securities; a company that offers an online casino gaming model with real money jackpots and no initial outlay. The fair value of these securities has been 0 since FY 2018-2019.
- LGBT Media securities: in April 2017 the Group sold the Pridefest game to LGBT Media in exchange for a 22% stake in LGBT Media, a US company developing an application for the LGBTQ community. During FY 2018-2019, the Group entered into an agreement allowing it to ultimately own 42% of the company for an additional investment of \$165,000. The company is still controlled by its two founders; the Atari Group is not on the board of directors and has no notable influence on this company. The fair value of these securities was 0 at March 31, 2021; the fair value adjustment for the year represents €0.2M.
- Infinity Network Limited ("INL") securities: in February 2018, Atari granted a license to INL for the development of a blockchain platform and an Atari Token. As this project with INL was not progressing at the pace expected by Atari, the Group canceled this license during FY 2019-2020. Atari retains its participation in INL, with a fair value of 0.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

They mainly consist of:

- Stock warrants from Roam, an innovative company specializing in audio accessories. The fair value is 0.
- Shares from convertible promissory notes for \$1.4M, issued by Bayside Games, Inc., a company that develops tournament games, giving access to approximately 15% of the capital of this company. These convertible bonds had been received in FY 2017-2018 in exchange for a licensing agreement granted by the Group.

- A "Simple Agreement For Future Equity" giving access to securities in Portal One, for €0.2M. Portal One is a US company that produces TV shows mixing games and virtual reality, including with licenses for Atari games. Portal One securities are unlisted. Atari holds a participation that is not material of less than 5% of the share capital.

Securities of Animoca, a Hong Kong-based company developing blockchain games, particularly with licenses for Atari games, valued at \$2.01M in this section at the previous year-end, were reclassified, in accordance with IFRS 5, as assets held for sale.

FINANCIAL ASSETS MEASURED AT AMORTIZED COST

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

- security deposits relating to the leases for the various offices;
- trade receivables, with a maturity over one year, recognized using the effective interest rate method. At March 31, 2021, they represented €14.3M, including €7.0M for receivables with a bank guarantee related to the ICICB agreement, €3.6M for receivables on the Wish Holding agreements, and €2.0M for receivables relating to the hotel agreement with ICICB.

6.2 BALANCE SHEET INFORMATION

Financial instruments consist of financial assets, financial liabilities, and derivatives.

Financial instruments are presented under different headings on the balance sheet (non-current financial assets, trade accounts receivable, trade accounts payable, financial debts, etc.).

The following table presents the breakdown for current financial assets and financial liabilities according to the different balance sheet headings and their breakdown by maturity.

Aa at March 31, 2021 (M€)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
Inventories	2,5	2,5	-	-
Trade accounts receivables	3,3	3,3	-	-
Current tax assets	0,0	0,0	-	-
Other current assets	0,6	0,6	-	-
Cash and cash equivalent	2,5	2,5	-	-
FINANCIAL ASSETS	8,9	8,9	-	-
Lease liabilities	2,0	0,3	1,4	0,2
Provisions for current contingencies & losses	0,0	0,0	-	-
Current tax liabilities	-	-	-	-
Trade payables	7,3	7,3	-	-
Other current liabilities	3,9	3,9	-	-
FINANCIAL LIABILITIES	13,2	11,5	1,4	0,2

NOTE 7 – INVENTORIES

At March 31, 2021, inventory was valued at close to €2.5M, corresponding to the Atari VCS units produced and Atari VCS components. At March 31, 2020, inventory was valued at €0.6M, corresponding to components for the Atari VCS (micro-processors) in stock on that date.

NOTE 8 – TRADE ACCOUNTS RECEIVABLE

At March 31, 2021, and March 31, 2020, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days, in addition to receivables from online casino licenses. The Group does not use factoring.

The item "Trade accounts receivable", after deducting sales returns and other future trade discounts, is analysed as follows:

(M€)	March 31, 2021	March 31, 2020
Trade receivables	4,8	3,4
Provisions for impairment in value	(1,6)	(0,6)
Receivables invoices to be established	0,0	
Trade receivables net value	3,2	2,8

Trade and other receivables relating to operating activities are recognized at their amortized cost, which corresponds in most cases to their nominal value, less potential impairments recorded in a specific impairment account. As receivables have a maturity of less than one year, they are not discounted. In accordance with IFRS 9, the Group uses the simplified impairment model for trade receivables based on the analysis of expected losses over the receivable's lifespan.

The limited number of customers enables the Company to regularly review trade receivables. When a payment delay is noted, an analysis is carried out, notably concerning the age of the receivable, the customer's financial position, the possibility of negotiating a payment plan, guarantees received and possibly credit insurance to determine the recoverable amount. Any difference between the book value and the recoverable value is recognized under current operating income via an allowance for provisions. Impairment is considered final when the receivable itself is considered to be permanently irrecoverable and is then recognized as a loss.

The \$1.8M Film On receivable, linked to a TV show distribution agreement signed in FY 2019-2020, which became payable during FY 2021-2022, was reclassified from long-term financial assets to trade accounts receivable. As the first instalments relating to this receivable were not respected, a provision for risk of non-payment was recorded for the full amount of the receivable. Other trade receivables were not subject to impairments during the year.

NOTE 9 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(M€)	March 31, 2021	March 31, 2020
Receivables from employees	0,0	0,0
Prepaid and recoverable taxes	0,2	0,1
Current financial assets	-	0,0
Prepaid expenses	0,3	0,3
Other	0,2	0,2
Other current assets	0,6	0,7

Prepaid and recoverable taxes essentially correspond to VAT receivables.

Prepaid expenses correspond to operating expenses related to the following year.

NOTE 10 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the consolidated cash flow statement include (i) cash (cash on hand and demand deposits) of €1.8M and (ii) cash equivalents (highly liquid, short-term investments which are easy to mobilize and can be disposed of within a very short timeframe, can be converted into an amount of cash, and are subject to a negligible risk of change in value) measured at the market value on the balance sheet date.

(M€)	March 31, 2021	March 31, 2020
Cash (Cash on hand and demand deposits)	2,5	1,8
Cash equivalents (Highly liquid, short-term investments)	-	-
Cash and cash equivalents	2,5	1,8

NOTE 11 – SHAREHOLDERS' EQUITY

11.1 CAPITAL

Common shares

At March 31, 2021, shareholders' equity was made up of 298,680,249 fully paid-up common shares, with a par value of €0.01 each.

At March 31, 2020, shareholders' equity was made up of 267,782,050 fully paid-up common shares, with a par value of €0.01 each.

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

Changes over the current and prior financial year are as follows:

(M€)	March 31, 2021	March 31, 2020
Shares outstanding at the beginning of the period	267 782 050	256 109 260
Capital increase	18 163 337	11 665 590
Exercise of Stock Options	10 967 453	7 200
Exercise of stock warrants	1 767 409	-
Shares outstanding at the the end of the period	298 680 249	267 782 050

Dividends

The Board of Directors may propose the distribution of dividends to the Company's shareholders up to the full amount of the Company's profit and distributable reserves. These distributions are made as decided by the Company's shareholders during a General Meeting. The Group has not made dividend payments for the past three years.

11.2 TREASURY SHARES

At March 31, 2021, the Company held a total of 49,835 treasury shares (0.02% of the share capital); these shares were sold on the market in April 2021.

At March 31, 2020, the Company held a total of 279,589 treasury shares (0.1% of the share capital).

11.3. ATARI SA STOCK OPTION PLAN

The Board of Directors on July 14, 2020, under the delegation granted by the General Meeting on September 30, 2019, awarded stock options or warrants based on the Company's common shares to its Chief Executive Officer and certain Group employees for a total of 3,750,000 options. The exercise price for these options was set at 80% of the Company's average share price for the 20 trading sessions immediately prior to the date when the options were awarded.

Unlike the other plans for which the vesting period was spread over three years, the options based on this option plan no.26 are vested based on one quarter annually, following one year's presence, and may be exercised during a maximum period of eight years. Based on the criterion for one year's presence from the awarding of this plan, 2,125,000 of these options were canceled by the Company, with 1,625,000 options still outstanding under this plan at September 30, 2021.

At March 31, 2021, as at September 30, 2021, four stock option plans were in effect:

- Plan No. 23 approved by the General Meeting on September 30, 2014, with 321,746 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 328,503 shares at September 30, 2021;
- Plan No. 24 approved by the General Meeting on September 30, 2016, with 205,239 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 207,702 shares at September 30, 2021;
- Plan No. 25 approved by the General Meeting on September 29, 2017, with 1,875,933 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 1,889,065 shares at September 30, 2021;
- Plan No. 26 approved by the General Meeting on September 30, 2019, with 1,625,000 options outstanding, entitling beneficiaries to subscribe for 1,625,000 shares at September 30, 2021;

At September 30, 2021, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 1.36% of the Company's share capital at that date.

The main characteristics of all outstanding Atari stock options are summarized in the four tables below:

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
<i>Of which to the Board of Directors</i>	<i>4 000 000</i>			<i>1 650 000</i>
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options granted during FY 2017/2018	-	-	-	-
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Stock options exercised during FY 2019/2020	-	-	-	-
Stock options cancelled during FY 2019/2020	(1 657)	(939)	(144 000)	(461)
Stock options exercised during FY 2020/2021	(4 097 728)	(31 000)	-	(1 926 666)
Stock options cancelled during FY 2020/2021	-	(15 000)	-	(5 000)
Total number of stock options outstanding on March 21, 2021	82 272	174 000	0	340 500
Stock options exercised during HY1 2021/2022	(82 272)	(137 753)	-	(55 000)
Stock options cancelled during HY1 2021/2022	-	-	-	-
Total number of stock options outstanding on September 30, 2021	0	36 247	0	285 500

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
<i>Of which to the Board of Directors</i>	<i>3 680 000</i>		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	(459)	-	-
Stock options exercised during FY 2020/2021	(4 031 588)	-	-
Stock options cancelled during FY 2020/2021	(95 000)	-	-
Total number of stock options outstanding on March 21, 2021	1 243 579	0	200 000
Stock options exercised during HY1 2021/2022	(1 038 340)	-	(200 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2021	205 239	0	-0

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	September 29, 2017		
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
<i>Of which to the Board of Directors</i>	3 680 000		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2018/2019	-	-	-
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Stock options exercised during FY 2020/2021	(494 444)	-	(59 583)
Stock options cancelled during FY 2020/2021	(95 000)	(1 500 000)	-
Total number of stock options outstanding on March 21, 2021	5 815 556	500 000	290 417
Stock options exercised during HY1 2021/2022	(4 480 040)	-	(250 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2021	1 335 516	500 000	40 417

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount, except for Plan #25-2 whose exercise price is €1

Option plan in effect	Plan N°26-1		
Date of Shareholders' Meeting	Sept. 30, 19		
Date of Board of Directors Meeting	July 14, 20		
Number of Stock Options granted	3 725 000		
<i>Of which to the Board of Directors</i>	2 000 000		
Expiration date of stock option	July 13, 28		
Exercise price of stock options (in euros) (1)	0,228 €		
Vesting of stock options granted	1/4 per year		
	-		
Stock options granted during FY 2018/2019	3 750 000		
Stock options cancelled during FY 2018/2019	(25 000)		
Total number of stock options outstanding on March 31, 2020	3 725 000		
Stock options exercised during HY1 2021/2022	-		
Stock options cancelled during HY1 2021/2022	(2 100 000)		
Total number of stock options outstanding on September 30, 2020	1 625 000		

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with a 20% discount.

11.4. STOCK WARRANTS

As part of the agreement reached with Alden on July 12, 2016, Atari had set up a loan with €2.0M underwritten by Ker Ventures (holding company controlled by Frédéric Chesnais) and €0.5M underwritten by HZ Investments (Alexandre Zyngier and HZ Investments, hereinafter collectively referred to as "Alexandre Zyngier"). On July 7, 2016, the Board of Directors granted, as compensation in addition to the loaned sums, 4,117,647 stock warrants (also known by their French acronym BSA, from *bon de souscription d'actions*) to Ker Ventures and 1,029,412 stock warrants to Alexandre Zyngier. These stock warrants were exercisable at any time for five years with a non-discounted subscription price of €0.17.

At March 31, 2020, Ker Ventures LLC still held 1,731,057 warrants, all of which were exercised in July 2020.

At March 31, 2021, the only stock warrants left were those awarded to Alexandre Zyngier, which,

taking into account the change in the conversion coefficient, would entitle him to subscribe for 1,051,029 shares. All of these warrants were exercised in April 2021.

11.5. MINORITY INTERESTS

In connection with the decision to discontinue casino operations in Africa, the Group reassessed the solvency of the corresponding minority interests in the African subsidiaries. It was therefore decided (i) to incorporate the share of minority interests in this for -€0.2M into Group share income for the year, and (ii) to reclassify the opening minority reserves as liabilities on the balance sheet under Group reserves for -€0.3M.

NOTE 12 – PROVISIONS FOR CONTINGENCIES AND LOSSES – CURRENT / NON-CURRENT

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

Changes in provisions for contingencies and losses are presented below.

Provisions for contingencies and losses (M€)	April 1, 2020	Charges	Reversals	March 31, 2021
Pension liabilities	0,0	-	-	0,0
Provision for contingencies US	-	-	-	-
Provision for contingencies Europe	-	-	-	-
Non-current	0,0	-	-	0,0
Litigations	0,1	-	(0,1)	-
Other	-	-	-	-
Current	0,1	-	(0,1)	-
Total provisions	0,1	-	(0,1)	0,0

During the year, a €50K reversal of unused provisions was recorded following the settlement of a dispute in the Company's favour.

NOTE 13 – DEBT

13.1 DEBT ANALYSIS BY TYPE

The Group's financial debt breaks down as follows:

(M€)	March 31, 2021	March 31, 2020
IFRS 9 : Legalist	-	0,9
Non current	-	0,9
OCEANES 2003-2020	-	0,6
Commitments on financial instruments	-	-
Current	-	0,6
Financial liabilities	-	1,5

IFRS 9 Legalist

Atari Interactive had signed an agreement during FY 2019-2020 with the company Legalist, which paid \$1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in six ongoing copyright infringement lawsuits. This amount was not recoverable from Atari even in the event of an unfavourable outcome with these lawsuits.

Under this agreement, Legalist has a priority entitlement to 100% of the first million USD of proceeds

related to these lawsuits; above this amount, Legalist is entitled to a part of the proceeds from these lawsuits, which is variable depending on the timing of the receipt of these proceeds.

At March 31, 2021, four of these lawsuits had been settled in the Group's favour, leading to a payment of 1.0M\$ to Legalist in accordance with the agreement. Legalist will be entitled to a variable percentage of the proceeds from the two outstanding lawsuits in the event of a favourable outcome for the Atari Group of these ongoing proceedings.

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

On December 23, 2003, the Company issued 16,487,489 bonds convertible into or exchangeable for new or existing shares (hereinafter, the "2003-2020 OCEANE Bonds"). Since April 1, 2009, the holders of 2003-2020 OCEANE Bonds may no longer subscribe for, exchange, or buy Atari shares.

The OCEANE 2003-2020 bonds were redeemed in full at maturity on April 1, 2020.

13.2 DEBT ANALYSIS BY INTEREST RATE (FIXED – FLOATING)

At March 31, 2021, there was no longer any financial debt.

NOTE 14 – LEASE LIABILITIES - CURRENT AND NON-CURRENT

The Group has applied IFRS 16 - Leases. This standard introduces a single lessee accounting model and requires lessees to account for all leases on their balance sheet by recognizing a liability corresponding to the present value of future payments using a discount rate of 3%.

The maturities of the lease liabilities break down as follows:

(M€)	March 31, 2021	March 31, 2020
Lease liabilities less than 1 year	0,3	0,3
Lease liabilities between 1 and 5 years	1,4	1,5
Lease liabilities after 5 years	0,2	0,6
Lease liabilities	2,0	2,4

NOTE 15 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(M€)	March 31, 2021	March 31, 2020
Other non-current liabilities	0,7	0,8
Other non-current liabilities	0,7	0,8
Trade payables	7,3	5,7
Tax liabilities	-	-
Other current liabilities	6,2	5,2
Other current liabilities	13,5	10,9

Other non-current liabilities include a provision, recorded in FY 2018-2019, intended to cover potential uncertainty over the use of tax-loss carryforwards in the United States. These tax loss carry-forwards 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 decrease in the amount in euros of this provision, which is determined in US dollars, is linked exclusively to the change in the exchange rate between the US dollar and the euro.

- At March 31, 2021, trade accounts payable show an increase of €1.6M, primarily due to the supplier invoices received at the end of the period and relating to the Atari VCS.
- At March 31, 2021, “other current liabilities” mainly include:
 - ✓ Liabilities and costs payable to staff (paid leave, bonuses, etc.) for €0.7M
 - ✓ The valuation of the Atari Tokens, for €1.0M, which the Board of Directors on July 14, 2020 decided to award to the directors and certain employees in connection with the Atari Token project’s development and which were transferred to their beneficiaries in July 2021.
 - ✓ Payroll tax liabilities for €0.4M;
 - ✓ A provision for directors’ fees for €0.2M gross;
 - Deferred revenue for €3.9M, notably based on:
 - Deferred revenue on sales and awards relating to the Atari Token, with the corresponding revenue recognition deferred for an amount of €2.4M;
 - Advances received on pre-orders for the Atari VCS and not yet delivered on this date for €0.6M. Delivery has occurred since March 31, 2021.
 - Deferred revenue on hotel licensing for €0.9M.
- At March 31, 2020, “other current liabilities” primarily included:
 - ✓ Liabilities and costs payable to staff (paid leave, bonuses, etc.) for €1.4M;
 - ✓ Payroll tax liabilities for €0.2M;
 - ✓ A provision for directors’ fees for €0.3M gross;
 - Deferred revenue for €3.2M, notably based on:
 - Advances received on pre-orders for the Atari VCS and not yet delivered on this date for €2.5M;
 - Deferred revenue on hotel licensing for €0.5M.

NOTE 16 – SEGMENT INFORMATION – REVENUES

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

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

In April 2021, the Group announced its new organization around two main divisions:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focused on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group’s blockchain-related activities, including the development of the ecosystem around the Atari Token, as well as the development and marketing of non-fungible tokens (NFTs).

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

At March 31, 2021, Atari recorded consolidated revenues of €18.9M, compared with €24.0M the previous year. The Group's revenues can be broken down as follows for each division:

(M€)	March 31, 2021	March 31, 2020
Atari Games	8,1	9,6
Atari TV shows	-	2,0
Atari VCS	2,8	0,0
Atari Licensing	7,9	12,5
Atari Gaming	18,8	24,0
Atari Blockchain	0,1	-
Total Revenue	18,9	24,0

The decrease, -21.2% at current exchange rates and -17.3% at constant exchange rates, is linked to the contraction in the licensing business, down by almost 37%, held back significantly by the effects of the health crisis, as well as the slowdown in revenues from the video game business, down 15%; faced with the increase in acquisition costs, it was decided to optimize marketing spending, making the video game business more profitable.

Revenues relating to the new activities developed on the blockchain totaled €2.5M, from which only Atari's share in income from NFT sales under a licensing agreement was recorded under revenue, representing €0.1M. Revenues relating to the Atari Tokens were deferred and recognized in deferred revenue on the balance sheet at March 31, 2021.

NOTE 17 – CURRENT OPERATING EXPENSES

For the purposes of comparison with other companies in the sector, Atari presents its consolidated income statement by function.

Research and development expenses

Research and development expenses totaled €7.9M, compared with €9.8M the previous year. This significant decrease is linked to a reduction in depreciation charges relating to development costs capitalized during previous years, as well as a lower level of investment in bringing new games into production.

Research and development expenses are analyzed as follows:

(M€)	March 31, 2021	March 31, 2020
R&D expenditures	6,9	13,5
R&D capitalized	(3,6)	(9,3)
Amortization	4,6	5,6
Research and development expenses	7,9	9,8

Marketing and sales expenses

Marketing and sales expenses totaled €2.6M during FY 2020-2021, compared with €4.2M the previous year. This significant reduction reflects the optimization of the video game activity's target profitability, by restricting and targeting its new audience acquisition campaigns more effectively.

General and administrative expenses

General and administrative expenses represent €6.3M, compared with €4.7M the previous year. €0.5M of the increase in general expenses is linked to legal advisor fees for the trademark infringement lawsuits won by the Group, with €1.0M for the valuation of the Atari Tokens awarded to certain members of the Group.

NOTE 18 – OTHER OPERATING INCOME AND EXPENSES

At March 31, 2021, the amount of other operating income and expenses was not significant.

NOTE 19 – OTHER INCOME AND EXPENSES

For FY 2020-2021, other income and expenses came to -€8.2M, with the following breakdown:

€4.5M for the impact of the impairments recorded in connection with the Group's strategic change:

- With the video game business looking to realign itself around the market for stronger value-added premium console and PC games, it was decided to discontinue five free-to-play games (RCT Story, Crystal Castles, Castles & Catapults, Ninja Golf, Atari Combat: Tank Fury). As a result, €2.1M of additional depreciation was recorded to write down 100% of the amount of the gross values of the development costs for these games.
- With regard to the TV shows business, the Group decided to focus on licensing-based operations and therefore decided to record an additional €0.6M impairment on the assets corresponding to the TV shows previously produced by Atari. As the first instalments relating to an agreement signed the previous year were not respected, it was also decided to record a provision for risk of non-payment for €1.5M.
- Lastly, to effectively allocate its resources to ensure the success of its new strategy, Atari decided to withdraw from the directly-operated Atari Casino activities in Africa, recording an additional €0.3M impairment on licenses and development costs in the African entities.

In addition, the Group reviewed its budget forecasts and the outlook for revenues from other free-to-play games, recording an additional €3.6M impairment on capitalized development costs.

For the previous year, the amount of other operating income and expenses was not significant.

NOTE 20 – OPERATING EXPENSES BY NATURE

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

(M€)	March 31, 2021	March 31, 2020
Personnel costs (1)	(1,7)	(2,9)
Depreciation, amortization and provisions	(4,6)	(5,6)
Other income and expenses	(1,6)	(1,3)
Research and development expenses	(7,9)	(9,8)
Personnel costs (2)	(0,2)	(0,2)
Depreciation, amortization and provisions	-	-
Other income and expenses	(2,5)	(4,0)
Marketing and selling expenses	(2,6)	(4,2)
Personnel costs & Director fees (3)	(3,7)	(3,1)
Depreciation, amortization and provisions	(0,0)	(0,0)
Other income and expenses	(2,6)	(1,6)
General and administrative expenses	(6,3)	(4,7)
Personnel costs	-	-
Depreciation, amortization and provisions	(0,5)	(0,1)
Other income and expenses	0,5	-
Other operating income (expenses)	(0,0)	(0,1)
(1) of which for the valuation of stock options	(0,5)	(0,6)
(2) of which for the valuation of stock options	(0,0)	(0,0)
(3) of which for the valuation of stock options	(0,3)	(0,4)

NOTE 21 – NET FINANCIAL INCOME (EXPENSE)

Net financial income and expenses can be broken down as follows:

(M€)	March 31, 2021	March 31, 2020
Interests IFRS 9 Legalist	0,0	(0,1)
Calculated expenses IFRS 16 Lease liabilities	(0,1)	(0,1)
Financial income : interests on receivables	0,0	0,1
Cost of debt	(0,1)	(0,0)
Foreign exchange result	(0,1)	(0,0)
Securities fees	(0,1)	(0,1)
Nasdaq Stockholm listing fees	(0,2)	(0,3)
Impairment on non consolidated investments	-	(0,4)
Impairment on long term receivables	0,4	-
Sales on non consolidated investments	(0,1)	-
Other	(0,0)	0,0
Other financial income (expense)	(0,1)	(0,8)
Net financial income (expense)	(0,2)	(0,9)

At March 31, 2021, the cost of debt came to -€0.1M, primarily comprising costs calculated on lease liabilities resulting from the application of IFRS 16.

Other financial income and expenses for the year primarily concern proceeds from the accretion of long-term receivables for +€0.4M, secondary listing costs on the Nasdaq Stockholm market for -

€0.2M, and the loss on the partial divestment of Animoca securities for -€0.1M.

During the previous year, other financial income and expenses came to -€0.3M for the secondary listing costs on the Stockholm market and -€0.4M for an additional provision for depreciation of the Roam securities.

NOTE 22 – INCOME TAX

22.1. ANALYSIS OF THE TAX CHARGE

Given its results and tax loss carry-forwards, the Group did not have any significant tax expense for the year ended March 31, 2021.

22.2. ANALYSIS OF DEFERRED TAXES

As a result of the significant tax savings of the US entities, during the previous financial year, the Group recognized a deferred tax asset as their recovery is likely over the validity period of the deferred tax assets. The forecast period chosen to determine the recovery window is a two-year horizon.

The Group's tax loss carry-forwards 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. Given these circumstances, to cover any uncertainty, a provision is recognized.

NOTE 23 – DISCONTINUED OPERATIONS

23.1. NET INCOME FROM DISCONTINUED OPERATIONS

For FY 2020-2021, there were no discontinued activities.

As the decision to discontinue the casino activities of the African subsidiaries and to close them down was taken after the end of the financial year, the related assets and liabilities have not been presented in accordance with the IFRS 5 requirements in the financial statements for the year ended March 31, 2021.

For FY 2019-2020, there were no discontinued activities.

23.2. ASSETS AND LIABILITIES HELD FOR SALE

During the year, in accordance with IFRS 5, the Animoca shares were reclassified from "other non-current financial assets" to "assets held for sale". Animoca is a Hong Kong-based company developing blockchain games, particularly with licenses for Atari games. Atari previously held 23,925,000 shares. In February 2021, Atari sold 21,825,000 shares, while the final tranche of 2,100,000 shares, recorded as an asset on the balance sheet for €0.3M, was sold subsequently to March 31, 2021.

At March 31, 2020, there were no assets or liabilities held for sale.

NOTE 24 – OFF-BALANCE SHEET COMMITMENTS**24.1. COMMITMENTS GIVEN**

Atari Interactive has entered into an agreement with Legalist, which paid \$1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in six copyright infringement lawsuits. Legalist has a priority entitlement to 100% of the first million USD of proceeds related to these lawsuits. During FY 2020-2021, four of these lawsuits had been settled in the Group's favor, making it possible to reimburse all of the advance granted by Legalist.

Above this million dollars, Legalist is entitled to a variable percentage of the proceeds from the two outstanding lawsuits at year-end depending on the period when the cases are settled.

24.2. COMMITMENTS RECEIVED

Under the €7.5M agreement set up with ICICB in FY 2019-2020, Atari received a bank guarantee for 100% of the amount, covering the ICICB receivable due March 31, 2023.

NOTE 25 – MARKET RISK MANAGEMENT

The holding company is responsible for risk management according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out according to local laws and access to the financial markets. Subsidiaries may enter into contracts directly with local banks under the supervision of the holding company Atari SA and in accordance with the Group's procedures and policies.

25.1. FOREIGN EXCHANGE RISKS

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at parent company level and, where appropriate, specific hedges may be put in place according to the financing strategies envisaged.

Each of the main currency zones (euro, US dollar) is overall balanced between cash inflows and disbursements. For this reason, the Group has not implemented a currency hedging policy on its commercial operations.

Nevertheless, since the Group's consolidated financial statements are presented in euros, the assets, liabilities, income, and expenses that are initially recorded in currencies other than the euro must be translated into euros at the applicable exchange rate before they are included in the Group's consolidated financial statements. If the euro appreciates against any other currency, the value in euros of the Group's assets, liabilities, income and expenses initially denominated in another currency will decrease. The opposite is true if the euro depreciates. As a result, changes in the euro's exchange rate may have an effect on the value in euros of the Group's assets, liabilities, income and expenses outside the eurozone, even if their value remains unchanged in their original currency. The most significant foreign exchange risk relates to the revenue and profit of US subsidiaries that initially record their transactions in USD and to the Group's intangible assets denominated in USD.

An unfavourable change in the euro/dollar exchange rate would not have a significant impact on the overall currency position. As an indication, a 1% unfavourable variation in the USD against the euro would result, on the basis of the accounts dated March 31, 2021, in:

- A -€0.2M variation in consolidated sales
- Virtually no variation in the Group's consolidated net income

25.2. INTEREST RATE RISKS

At March 31, 2021, the Group did not have any financial debt.

25.3. CREDIT RISKS

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 limited. Moreover, the business risk management procedures have ensured there is no excessive concentration of credit risk.

Accounts receivable at March 31, 2021 are mainly located in the United States, except the receivables from ICICB Investments Ltd, located in Gibraltar, totalling €10.1M, with one of these receivables covered by a bank guarantee for €7.5M.

25.4. LIQUIDITY RISKS

Readers are invited to refer to Note 2.1 of this annual financial report relating to the application of the going concern principle.

NOTE 26 – PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group has a present (legal or constructive) obligation to a third party that is likely to cause an outflow of resources in favour of such third party, without at least equivalent compensation expected from it and when a reliable estimate of the amount can be made. The share of a provision for less than one year is recorded as current, with the balance classed as non-current.

Apart from the contingencies referred to in this document, and for which provisions have been recorded, to the Company’s best knowledge no proceedings have been brought by a government, and there are no judicial or arbitral proceedings, including any ongoing proceedings or threat of action that could have a significant impact on the Group’s financial position and profitability or that have had such an impact in the last 12 months.

NOTE 27 – RELATED-PARTY TRANSACTIONS

The Group’s related parties are the companies over which the Group has exclusive control, joint control or a significant influence, the shareholders who have joint control over the Group’s joint ventures, the Group’s corporate officers, executives and directors, as well as the companies over which the latter have control, joint control or a significant influence. Transactions with the subsidiaries over which the Group has control are eliminated in the consolidated accounts.

The parent company Atari SA invoices the Group for holding services, administrative services, and interest on cash advances. Atari Inc. also charges fees for administrative services in the United States.

27.1 REGULATED AGREEMENTS

The regulated agreements that were entered into or continued to apply during the year are presented in the statutory auditors’ special report, drawn up in accordance with Article L.225-40 of the French commercial code. Between April 1, 2020 and the date of this Annual Financial Report, the following agreements were entered into:

- Service and brand licensing agreement between Atari SA and Atari Chain Ltd, under which Atari Chain pays Atari SA 35% of the income from Atari Token sales, with 25% for the provision of services and 10% for brand licensing. Agreement dated February 27, 2020, supplemented by an agreement dated March 1, 2020.
- Agreement for a USD 2.1M loan granted by Irata LLC, a company controlled by Wade Rosen, to Atari SA, with 8% interest, so as not to impact the Group’s cash position in connection with its requirements to source components for the Atari VCS. This loan was granted in three tranches: an initial USD 600,000 tranche on June 25, 2021, a second tranche for USD 100,000 on July 14, 2021 and a third tranche for USD 1,400,000 on October 4, 2021.

27.2 EXECUTIVE COMPENSATION AND BENEFITS

The General Shareholders' Meeting on February 15, 2021 approved the compensation policy for the Company's executive officers in accordance with Article L.22-10-8 of the French commercial code.

Atari's corporate officers are its directors, and the Chief Executive Officer is the only director to have an executive position. Mr Wade Rosen, Chairman of Atari SA's Board of Directors, did not receive any compensation for this position in FY 2020-2021.

COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER FOR FY 2020-2021

On February 1, 2013, Frédéric Chesnais took on the role of Group Chief Executive Officer and also served as Chairman of the Board of Directors until April 3, 2020.

Annual fixed compensation

- Compensation for his position as Chief Executive Officer

In 2013, for the positions of Chairman of the Board of Directors and/or Chief Executive Officer, the Board approved a sum of €1,000 gross per month for Atari SA and \$1,000 per month for the American company Atari Inc.

This compensation remained unchanged since 2013.

- Compensation for his position as a producer

On May 13, 2014, the Board of Directors, as recommended by the Appointments and Compensation Committee, decided to award US\$ 46,500 of monthly compensation for the operational games producer role performed by Frédéric Chesnais in the Group's American subsidiaries. This amount is paid in the United States in US dollars.

This compensation remained unchanged since 2014.

Frédéric Chesnais was not entitled to any severance benefits in the event of termination of his duties as Chief Executive Officer or game producer.

Variable compensation / Options

The Board of Directors decided, as recommended by the Appointments and Compensation Committee, to set up an annual discretionary bonus, as of April 1, 2017, which could represent (except in exceptional circumstances) between 0% and 125% of the annual fixed compensation paid, incorporating the following elements: level of revenue, EBITDA margin, cash generation, share price performance, growth in recurring net earnings per share, which makes it possible to take into account all the elements on the income statement, as well as various objective criteria related to the activity.

In addition, under the delegation of authority granted by the General Meeting, the Board of Directors reserves the right to award stock options as part of an option plan.

This compensation policy was approved at the General Shareholders' Meeting on February 15, 2021.

- Variable compensation for FY 2020-2021

The Board of Directors, as recommended by the Appointments and Compensation Committee, and after the Audit Committee ascertained the compliance of the financial elements and the measurement of the performance criteria, decided not to pay any variable compensation to Mr Frédéric Chesnais for FY 2020-2021.

- Incentive plan paid in Atari Tokens

To incentivize Frédéric Chesnais and the teams working on it to ensure the success of the Atari Token project, the Board of Directors on July 14, 2020 decided to award him 68 million Atari Tokens. Taking into account the vesting conditions for these tokens from April 1, 2020 to March 31, 2022, and the award being subject to continued employment throughout the period, 49 million Atari Tokens were transferred to Frédéric Chesnais in June 2021 following his departure. These Atari Tokens, valued at the start of the project at US\$ 0.005, representing a total of US\$ 246K.

- Stock options awarded during FY 2020-2021 then cancelled

The Board of Directors on July 14, 2020, under the delegation granted by the General Meeting on

September 30, 2019, awarded, as long-term incentives, two million stock options based on the Company's shares to Frédéric Chesnais.

As these options were subject to the criterion for one year's presence, they were cancelled on June 6, 2021 with Mr Frédéric Chesnais' resignation from his positions with the Atari Group.

Compensation due for directorships

The directors receive compensation for their office (previously "directors' fees"). The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Appointments and Compensation Committee, taking into account the Company's interests.

For FY 2019-2020, the Board of Directors set the compensation for Mr Frédéric Chesnais' position as a director at €19K, subject to approval by the General Meeting convened to deliberate on the financial statements for the year ended March 31, 2020. This amount was paid to him during FY 2020-2021.

During FY 2020-2021, Mr Frédéric Chesnais resigned from his position as a director on April 3, 2020 with a view to being appointed as a director again by the General Meeting on February 15, 2021. For FY 2020-2021, the Board of Directors set the compensation for Mr Frédéric Chesnais' position as a director at €2.5K, subject to approval by the General Meeting convened to deliberate on the financial statements for the year ended March 31, 2021.

Insurance benefits: health cover, life insurance, disability insurance

The Board of Directors on May 13, 2014 also decided to award benefits to cover health, death and disability risks for Mr Frédéric Chesnais.

€30K net was therefore allocated to Atari SA, with €36K for the American business units.

The following table, in accordance with the MiddleNext recommendation, includes, with the exception of the incentive plan for the Atari Token project paid in Atari Tokens, the compensation and benefits of any kind due and paid to Mr Frédéric Chesnais in connection with his appointment by the Company and by the controlled companies in the United States, within the meaning of Article L233-16 of the French Commercial Code.

Table 1 – Compensation for the Chief Executive Officer, Mr Frédéric Chesnais:

Frédéric Chesnais - CEO (Amounts in K€)	FY 2020-2021				FY 2019-2020			
	Amount due		Amount paid		Amount due		Amount paid	
	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.
Fixed compensation	12	488	12	483	12	513	12	502
Insurances (1)	30	50	65	122	30	52		
Annual variable compensation			21	278	21	292	19	384
Director's fees (1)	3		19		19		20	
Stock-Options								
Free share allocation								
Benefit in kind								
TOTAL	45	538	117	884	82	858	51	886

(1) The amounts indicated are net of social security contributions and withholding taxes

Frédéric Chesnais himself pays all of his social security and pension costs and other employee or employer contributions in the United States, based on the amounts paid to him by the US companies.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2021-2022

On April 6, 2021, Mr Wade Rosen took on the role of Group Chief Executive Officer, alongside his position as Chairman of the Board of Directors, which he has held since April 3, 2020.

Annual fixed compensation

▪ Compensation for his position as Chief Executive Officer

The Board of Directors on October 15, 2021, as recommended by the Appointments and Compensation Committee, decided to award, for the position of Chairman of the Board of Directors, €5,000 of gross monthly compensation for Atari SA.

▪ Compensation for his position as a producer

During this same meeting, the Board also decided to award US\$ 46,500 of monthly compensation for Mr. Wade Rosen in assuming the operational games producer role performed in the American subsidiaries, previously performed by Mr. Frédéric Chesnais. This amount is paid in the United States in US dollars.

Wade Rosen is not entitled to any severance benefits in the event of termination of his duties as Chief Executive Officer or game producer.

Variable compensation / Free shares allocation

The Board of Directors, as recommended by the Appointments and Compensation Committee, decided, subject to approval by the General Meeting convened to approve the financial statements for the year ended March 31, 2021, to award up to one million bonus shares as long-term incentives.

600,000 bonus shares will be vested one year after being awarded, with a holding commitment for a further year, and up to 400,000 bonus shares may vest depending on the following objectives being achieved: positive current operating profit for the American entities, elimination of trade accounts payable due more 90 days, successful raising of at least US\$ 3M from a video game production fund, and renewal of the RollerCoaster Tycoon licensing agreement.

COMPENSATION FOR DIRECTORS FOR FY 2020-2021

Compensation due for employment contracts

Mr. Alexandre Zyngier has had an employment contract in the United States with Atari Inc since September 1, 2014 for the position of "Project Manager". As such, he receives annual compensation of \$30K.

Compensation due for directorships

The directors receive compensation for their office (previously "directors' fees"). The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Nomination and Compensation Committee, taking into account the Company's interests.

For FY 2020-2021, the Board of Directors set, subject to the approval by the General Meeting deliberating on the financial statements for the year ended March 31, 2021, the net amount of this compensation budget at €120K, with the following breakdown: €20K for the Director mandate and €10K for committee membership (audit committee and/or compensation committee).

The following table, in accordance with the MiddleNext recommendation, presents, with the exception of the incentive plan for the Atari Token project paid in Atari Tokens, the compensation for directors awarded and paid per person during the last two years:

Table 2.1 - Net compensation awarded to non-executive corporate officers:

Net amounts awarded in K€	FY 2020-2021		FY 2019-2020	
	Director's fees	Other compensation	Director's fees	Other compensation
Wade Rosen	30	-	-	-
Kelly Bianucci	30	-	-	-
Alyssa Padia Walles	30	-	30	-
Alexandre Zyngier	30	26	30	27
Isabelle Andres	NA	NA	27	-
Erick Euvrard	NA	NA	38	-
TOTAL	120	26	125	27

Table 2.2 - Net compensation paid to non-executive corporate offices:

Net amounts paid in K€	FY 2020-2021		FY 2019-2020	
	Director's fees	Other compensation	Director's fees	Other compensation
Wade Rosen	-	-	-	-
Kelly Bianucci	-	-	-	-
Alyssa Padia Walles	30	-	20	-
Alexandre Zyngier	30	26	21	27
Isabelle Andres	27	-	22	-
Erick Euvrard	38	-	23	-
TOTAL	125	26	86	27

Incentive plan paid in Atari Tokens

To incentivize the directors and the teams working on it to ensure the success of the Atari Token project, the Board of Directors on July 14, 2020 awarded 9.5 million Atari Tokens to each of the four Board members: Wade Rosen, Alyssa Padia Walles, Kelly Bianucci and Alexandre Zyngier. These Atari Tokens, valued at the start of the project at US\$ 0.005, represent a total of US\$47.6K per director. The vesting period for the Atari Tokens runs from April 1, 2020 to March 31, 2022 and the vesting is conditioned on continued presence throughout the vesting period.

COMPENSATION FOR DIRECTORS FOR FY 2021-2022

Compensation due for employment contracts

Mr. Alexandre Zyngier has had an employment contract in the United States with Atari Inc since September 1, 2014 for the position of "Project Manager". As such, he receives annual compensation of \$30K.

Compensation due for directorships

The directors receive compensation for their office. The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Nomination and Compensation Committee, taking into account the Company's interests.

For FY 2021-2022, the Board of Directors set, subject to the approval by the General Meeting, the net amount of this compensation budget at €120K, with the following breakdown: €20K for the Director mandate and €10K for committee membership (audit committee and/or compensation committee).

NOTE 28 – SUBSEQUENT EVENTS

- **April 2021: Appointment of Wade J. Rosen as Chief Executive Officer – Resignation of Frédéric Chesnais**

The Board of Directors on March 31, 2021, acknowledging the resignation of Mr Frédéric Chesnais from his position as Chief Executive Officer with effect from April 6, 2021, decided to replace him with Mr Wade J. Rosen, who had served as Chairman of the Board of Directors since April 2020.

- **June 2021: Licensing agreement signed with Crypto Blockchain Industries SA (CBI) - Resignation of Frédéric Chesnais from his position as a director**

In connection with its developments through NFTs and virtual worlds, Atari Interactive Inc granted a license on June 4, 2021 to CBI, the company founded and managed by Frédéric Chesnais, for the development of a virtual world incorporating blockchain technology. To avoid conflicts of interest, Frédéric Chesnais indicated that he intended to resign from his position as a director of Atari SA on this same date, effective June 6, 2021, while continuing to act as a consultant for the licensing activities (Atari Gaming division) until March 31, 2022. In addition, Frédéric Chesnais will continue to be involved with Atari Chain Ltd, the Atari SA subsidiary, which is in charge of the Atari Token's development.

- **Withdrawal from casino operations in Africa**

During its meeting on July 1, 2021, the Board of Directors defined a new strategy for the Group and conducted a general review of its assets. To effectively allocate its resources to ensure the success of this new strategy, it was decided to withdraw from directly-operated casino activities in Africa.

- **Atari Token's divisibility / Award brought forward**

During their meeting on April 1, 2021, the managers of the company Atari Chain decided to replace the existing ATRI token with a new ATARI token, divisible to 18 decimals, through an exchange. The remaining ATRI tokens in the cash account were replaced with the new ATARI token.

The managers also decided to award the new ATARI token to the Company and ICICB Limited in accordance with the proportions set in the licensing agreement entered into with Atari Chain on February 27, 2020. These new tokens were transferred on April 12, 2021.

- **Financing through current account contributions**

So as not to impact the Group's cash position in the context of its requirements to source components for the Atari VCS, the Company was granted two loans in July, August and October 2021, by two shareholders, for a total of USD 2.6M. Irata LLC, a company controlled by Wade Rosen, contributed USD 2.1M to this operation.

NOTE 29 – STATUTORY AUDITORS' FEES

The fees for the financial years ended March 31, 2021 and March 31, 2020 in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements are listed below.

Amounts in K€	FY 2020 / 2021					
	Deloitte	%	Exponens	%	Patrick Soussana Audit	%
Statutory audit (certification, review of statutory and consolidated accounts)						
- ATARI SA	56	29,5%	38	54,7%	-	0,0%
- Fully-consolidated subsidiaries	103	53,9%	21	30,7%	5	100,0%
Other services (1)						
- ATARI SA	-	0,0%	-	0,0%	-	0,0%
- Fully-consolidated subsidiaries	32	16,6%	10	14,6%	-	0,0%
TOTAL	190	100,0%	69	100,0%	5	100,0%

(1) Services other than the certification of the accounts entrusted to the Statutory Auditors this year mainly consisted of additional audit procedures in the context of reviewing standards.

Amounts in K€	FY 2019 / 2020					
	Deloitte	%	Exponens	%	Patrick Soussana Audit	%
Statutory audit (certification, review of statutory and consolidated accounts)						
- ATARI SA	47	32,5%	34	63,6%	-	0,0%
- Fully-consolidated subsidiaries	88	61,5%	18	32,7%	5	100,0%
Other services (1)						
- ATARI SA	2	1,4%	2	3,7%	-	0,0%
- Fully-consolidated subsidiaries	7	4,5%	-	-	-	0,0%
TOTAL	143	100,0%	54	100,0%	5	100,0%

(1) Services other than the certification of the accounts entrusted to the Statutory Auditors this year mainly consisted of additional audit procedures in the context of reviewing standards.

9 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Financial year ended March 31, 2021

To the General Shareholders' Meeting of Atari

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of ATARI for the year ended 31 March 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion**Audit Framework**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 April 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of Revenue from the sale of licenses

(Notes 2.22 and 16 to the consolidated financial statements)

Risk identified

Atari recognized revenue of €18.9 million in the year ended 31 March 2021, including €7.9 million on the sale of licenses, granting, according to the case, a right of use or right of access to intellectual property to third parties who are responsible for the manufacture and distribution of products or applications, in exchange for payment of royalties to ATARI.

The revenue corresponding to the guaranteed minimum (minimum amount earned by ATARI) under games license contracts (for the right to use intellectual property) is recognized at a point in time, i.e. at the time when the license is granted and when the client can use and obtain the benefits of the license.

The revenue linked to brand licenses (relating to a right to access intellectual property) is spread over the term of the contract ("over time" accounting).

Revenue is an important performance indicator and verification of the correct recognition of license revenue under the applicable accounting standards and under the contract terms, which are sometimes complex, requires close attention.

For these reasons, we considered the recognition of revenue on license sales to be a key audit matter.

Our response

Our work on the recognition of revenue from licenses notably involved:

- familiarizing ourselves with internal controls put in place by Atari management regarding the recognition of revenue from license contracts;
- sample selecting contracts contributing to revenue for the financial year;
- analysing the terms of these contracts and, on this basis, assessing whether the corresponding revenue was recognized in accordance with IFRS 15 "Revenue from contracts with customers";
- assessing the recoverability of receivables based on the client's intention and ability to pay, which is a necessary condition under IFRS 15 for the recognition of amounts in revenue.

Finally, we verified that the paragraph "License sales" of Note 2.22 "Revenue Recognition" to the consolidated financial statements provides appropriate disclosures on the recognition of revenue from license sales.

Recognition of transactions performed using Atari Tokens

(Notes 2.8, 2.22, 3 and 15)

Risk identified

Atari launched an Atari Blockchain activity grouping together all Group transactions relating to blockchain and particularly the sale and allocation of Atari Tokens and cryptocurrencies. As of 31 March 2021, Atari had performed transactions in Atari Tokens valued at €2.4 million and recognized in deferred income. These services comprise (i) services under the license contract with Atari Chain on the sale of Atari Tokens for €0.8 million, (ii) direct sales of Atari Tokens for €0.5 million, and (iii) allocations of Atari Tokens granted to certain Group members and third parties valued at €1.1 million.

We considered transactions performed in Atari Tokens to be a key audit matter for the following reasons:

- the complex nature of these transactions from a legal and economic standpoint;
- the lack of specific standards covering the recognition of transactions conducted using tokens;
- a new activity for the Group which is intended to grow.

Our response

Our work on the recognition of transactions performed using Atari Tokens consisted in:

- review the nature of transactions performed using tokens and the underlying legal documentation;
- analysing the terms of this documentation and, on this basis, assessing whether the corresponding revenue was recognized in accordance with IFRS 15 "Revenue from contracts with customers";
- assessing the performance by the Group as of 31 March 2021 of all the planned services in favour of holders of Atari Tokens.

Lastly, we examined the appropriateness of the disclosures in Notes 2.8 and 2.22 to the consolidated financial statements.

Measurement of the recoverable value of intangible assets resulting from the development of video games and audio-visual production

(Notes 2.12 and 3 to the consolidated financial statements)

Risk identified

As of 31 March 2021, the net carrying amount of video game and audio-visual production developments recorded as assets was €3.8 million, after recognition of impairment of €6.3 million during the period, compared to total assets of €40.4 million.

The Group conducts impairment tests as soon as there is any indication of impairment, and ensures that the net carrying amount of these assets does not exceed their recoverable amount. The methods used to perform these tests are presented in Note 3 to the consolidated financial statements.

We considered the impairment testing of intangible assets resulting from the development of video games and TV shows to be a key audit matter due to:

- their materiality in the Group financial statements,
- the new strategy to focus on premium games and cease the production of TV shows that led to the recognition of impairment of €6.3 million during the period, and
- the judgment required by Management to determine their recoverable amount, which is based on estimating the discounted cash flows expected from selling games, and the difficulty in predicting sales in the video games sector.

These estimates require the use of assumptions, primarily concerning sales volumes and costs related to distribution and marketing, whose outcome is inherently uncertain.

Our response

We analysed the methods for implementing these impairment tests. Our work mainly consisted in:

- understanding of internal controls put in place by Atari management regarding the performance of impairment tests;
- assessing the reasonableness of the data and assumptions used by Management to carry out impairment tests, including projected video game and tv show revenue and allocated direct costs, through interviews with the Management;
- comparing the 2-year forecasts used to perform impairment tests with the Group business plan presented to the Board of Directors

Lastly, we examined the appropriateness of the disclosures in Note 3 to the consolidated financial statements.

Specific vérifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

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

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222- 3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single Electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after 1 April 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451- 1- 2, I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ATARI by the Shareholders' Meeting of October 1993 for Deloitte & Associés and 30 September 2019 Exponens Conseil & Expertise.

As of 31 March 2021, Deloitte & Associés and Exponens Conseil & Expertise were in the 29th year and 2nd year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a

basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La-Défense, November 8, 2021

The Statutory Auditors

DELOITTE & ASSOCIES
EXPONENS CONSEIL & EXPERTISE

BENOIT PIMONT

ANNE MOUHSSINE



Société anonyme au capital de 3.060.274,29 euros
Siège social : 25 rue Godot de Mauroy 75009 Paris – France
RCS Paris 341 699 106

10 ATARI SA ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2021

ANNUAL FINANCIAL STATEMENTS

1. BALANCE SHEET

ASSETS (K€)		31.03.2021	31.03.2020
Intangible assets	Note 3	-	-
Property, plant and equipment	Note 3	1	2
Financial assets	Note 4	71 039	34 351
Total fixed assets		71 040	34 353
Down payments and advances made		-	-
Trade receivables	Note 5	1 230	823
Other receivables	Note 6	284	67
Financial futures instruments & Tokens	Note 7	1 698	-
Cash and cash equivalents		1 355	1 183
Total current assets		4 567	2 073
Accruals	Note 8	542	166
Total assets		76 148	36 591

EQUITY & LIABILITIES (K€)		31.03.2021	31.03.2020
Capital stock		2 987	2 678
Share premium		19 093	11 012
Legal reserve		946	946
Retained earnings		18 583	(895)
Net income (loss) for the year		28 798	19 478
Equity	Note 9	70 407	33 219
Provisions for contingencies and losses	Note 10	611	201
Bond debt		-	625
Bank debt		-	-
Other financial liabilities	Note 11	481	481
Trade payables	Note 12	699	195
Operating liabilities	Note 13	1 510	736
Liabilities		2 690	2 037
Accruals	Note 8	2 441	1 134
Total shareholders' equity and liabilities		76 148	36 591

2. INCOME STATEMENT

(K€)		March 31, 2021	March 31, 2020
Revenue	Note 14	561	1 006
Other income	Note 14	262	188
Reversals of provisions and depreciation, transfers of expenses	Note 18	50	334
Operating revenue		873	1 528
Purchase of goods		-	-
Other purchases and expenses	Note 15	(1 029)	(915)
Taxes		(14)	(10)
Payroll expenses	Note 16	(1 699)	(976)
Other expenses	Note 17	(113)	(511)
Depreciation, amortization and provisions	Note 18	(1)	(73)
Operating expenses		(2 857)	(2 485)
Operating income		(1 984)	(957)
Financial income	Note 19	34 181	21 513
Financial expense	Note 19	(3 318)	(961)
Net Financial income and expense		30 862	20 552
Current income before taxes		28 878	19 594
Non-recurring income	Note 20	-	-
Non-recurring expenses	Note 20	(80)	(117)
Non-recurring income and expense		(80)	(117)
Income Tax	Note 21	-	-
Net income (loss) for the Year		28 798	19 478

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of Atari's (the "Company") financial statements for the year ended March 31, 2021 with a balance sheet total of €76,148K and the income statement, presented in list form, showing a profit of €28,798K.

The individual financial statements for the financial years ended March 31, 2021 and March 31, 2020 each cover a 12-month period.

1. HIGHLIGHTS

Highlights of FY 2020-2021:

- **Redemption of the OCEANE 2003-2020 bonds:**

The 82,906 OCEANE 2003-2020 bonds still in circulation as of March 31, 2020, representing €625,000, were fully redeemed on their maturity date of April 1, 2020.

- **€5.8M capital increase:**

The capital increase was carried out on December 28, 2020 by issuing 18,163,337 new shares at a price per share of €0.32 including the share issue premium, with preferential subscription rights waived as part of a private placement.

- **Launch of the Atari Token on the blockchain**

Atari Chain Ltd, based in Gibraltar, was created in March 2020 as a 50/50 joint venture between Atari SA and ICICB Limited with a view to issuing Atari Tokens. 7,771,000,000 tokens were created in April 2020. The first sales of Atari Tokens were recorded during FY 2020-2021.

The Atari Token is a cryptocurrency intended for extensive use in the entertainment sector. Atari aims to gradually develop the Atari Token's adoption and use cases through the ecosystem for interactive entertainment and blockchain initiatives.

▪ **Impact of the Covid-19 pandemic on business activities**

Faced with this health crisis, the Group has taken the necessary measures to ensure the safety of its employees and the continuity of operations. The Group has deployed its digital and organizational solutions and has favoured systematic remote working arrangements by giving all its employees access to the necessary collaboration tools allowing remote work in the best possible conditions while maintaining the cohesion of the teams.

2. ACCOUNTING RULES AND METHODS

2.1. Principles Used in Preparing the Financial Statements

Atari's financial statements have been prepared in accordance with French legal and regulatory provisions. Specifically, they comply with the terms of Regulations 2016-07 and 2020-05 of the French Accounting Standards Authority, and particularly the principles of prudence, lawfulness, true and fair view, permanence of the methods from one period to another, and independence of reporting periods.

Assessment of the Going Concern Principle

At March 31, 2021, the Company had a positive net cash position of €1.4M (excluding an intra-group liability of €0.5M).

Taking into account the investments required by the Group for the Atari VCS and the Group change in working capital requirements, the Group cash position changed during the financial year, from €1.8M on March 31, 2020 to €2.5M on March 31, 2021, following a €5.8M capital increase in December 2020.

The Company conducted a specific review of its liquidity risk and it considers that (i) the working capital requirements linked to the ramping up of VCS production and (ii) the implementation of the gaming division's new strategy will require additional financing, that could take the form of external financing or a capital markets transaction whose form is currently being examined. Benefiting from the support of its new principal shareholder and Chairman & CEO, the Atari Group considers that it is in a position to meet its future payments, irrespectively of the realization of any external financing or capital market transaction, thus confirming the application of the going concern principle in the preparation of the financial statements as at March 31, 2021.

The cash-flow projections prepared by the Group are based on:

- activity forecasts (games, licenses, multimedia production, Atari VCS, Atari Blockchain) which themselves generate positive cash flow;
- the exercising of stock options from April to July 2021 for a total of €2.4M;
- shareholder loans for \$2.6M in July, August and September 2021;
- external financing based on market conditions.

By their nature, these forecasts rely on assumptions whose timing is uncertain as to their realization, it being specified that the Group is developing new activities, for which no historical comparison base exists (Atari VCS, Atari Blockchain), that could guarantee the assumptions retained.

2.2. Accounting principles

The basic method used to value the items recorded in the accounts is the historical cost method.

The main methods used are:

- **Intangible and tangible fixed assets**

Intangible and tangible fixed assets are valued at their acquisition cost (purchase price plus incidental costs). The depreciation/amortization period depends on the nature of the fixed assets:

- Software 1 to 3 years
- Materials and tools 1 to 4 years
- Fixtures and fittings 10 years
- Furniture 2 to 10 years

Tangible fixed assets are depreciated on a straight-line basis.

- **Financial assets**

The gross value of equity securities is the historical acquisition cost of these securities, including the costs directly attributable to the acquisition.

A provision for impairment is made when the recoverable amount is less than the asset's entry value. The recoverable value is assessed based on various criteria, including those used when acquiring a stake (in particular the market multiples criterion), the market value, the profitability outlook based on the discounted cash flow forecasts and revalued equity.

If necessary, when the recoverable amount is negative, in addition to the impairment of the securities, the other assets held are impaired and, if necessary, a provision for risks is recorded.

- **Receivables**

Receivables are measured at their nominal value. A provision for impairment is made when the inventory amount is less than the asset's gross book value.

- **Atari Token-related transactions**

As part of the commitments for Atari Tokens to be issued by Atari Chain, Atari SA received 489.7 million Atari Tokens. As there is no active market, these Atari Tokens are only valued when they give rise to a sale or an award.

In accordance with Regulation 2020-05 of the French Accounting Standards Authority, the tokens held by Atari SA are recorded as "Cash instruments and tokens held" under current assets.

During FY 2020-2021, Atari SA invoiced (i) €0.8M under the brand licensing and services agreement with Atari Chain on Atari Token sales, (ii) €0.5M in connection with direct sales of Atari Tokens, and (iii) €1.1M corresponding to the valuation of the Atari Tokens awarded to certain members of the Group and to third parties.

Although there are no explicit or implicit obligations relating to the subscribers and holders of the tokens, the amounts collected in connection with these services are recognized in deferred revenue until the Atari Token use cases are developed.

The Atari Blockchain division is developing the ecosystem relating to Atari Tokens, by notably expanding the adoption and use cases for the token, which has launched on the opensea.io and Decentraland platforms, which will be followed shortly by the platforms linked to Atari's virtual world within the Alphaverse project.

- **Foreign currency transactions**

Expenses and income in foreign currencies are recorded at their exchange value at the transaction date. Foreign currency debt, receivables, and cash equivalents are shown on the balance sheet at their exchange value at the financial year-end. The difference resulting from the discounting of debts and receivables in foreign currencies at the latter price is recorded on the balance sheet under "Translation differences."

Unrealized foreign exchange losses are subject to a provision for risks.

- **Stock options**

Stock options are recognized when the options are exercised as a capital increase for an amount equal to the subscription price paid by their holders. The difference between the subscription price and the par value of the share is, where applicable, a share premium.

- **Provisions**

A provision is recorded when there is an obligation (legal or implicit) towards a third party, resulting from past events, the measurement of which can be reliably estimated and which will probably result in an outflow of resources in favor of this third party without at least equivalent compensation expected from it. If the amount and/or timing cannot be reliably estimated, then it is a contingent liability that is an off-balance sheet commitment.

- **License revenue**

The non-refundable amounts received, or whose payment is guaranteed, in connection with a license agreement without a major obligation incumbent on the Company are included in the revenue.

- **Tax consolidation**

Atari SA and Atari Partners SAS opted for the tax consolidation regime. Under the terms of the agreement signed, each subsidiary calculates its tax expense as if it were not consolidated. The tax savings resulting from use of the tax losses of the consolidated subsidiaries are immediately recognized in profit or loss by Atari and are not subsequently reversed into cash. When the subsidiaries become profitable again, Atari bears, if necessary, an additional tax expense due to its subsidiaries' losses that it has already deducted. Atari SA is the head of the Tax Consolidation Group composed of Atari SA and Atari Partners SAS.

- **Use of estimates**

The preparation of the individual financial statements in accordance with generally accepted accounting principles requires taking into account estimates and assumptions made by the Company's management and affecting the amounts of assets and liabilities appearing on the balance sheet, the amounts of contingent assets and contingent liabilities, as well as the amounts of income and expenses on the income statement and the cash flow forecasts underlying the going concern principle. It is possible that the final amounts will differ from the estimates and assumptions used.

Estimates may be revised if the circumstances on which they were based evolve or if new information appears; the exceptional health emergency linked to Covid-19 makes it more difficult to provide estimates. Actual results may differ from these estimates and these assumptions.

The realization of the plans, and their operational budget and financing plan remain inherently uncertain, and the non-realization of these assumptions may impact the value of the Company's assets and liabilities.

3. INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible and tangible fixed assets did not change significantly during the year:

3.1. Intangible fixed assets

(K€)	March 31, 2020	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2021
Software	1	-	-	1
Other intangible assets	-	-	-	-
Total gross value	1	-	-	1
Total amortization	(1)	-	-	(1)
Total net value	-	-	-	-

3.2. Tangible fixed assets

(K€)	March 31, 2020	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2021
General fixtures and fittings	-	-	-	-
Office equipment and computers	5	-	-	5
Total gross value	5	-	-	5
Total amortization	(2)	(1)	-	(3)
Total net value	2	(1)	-	1

4. FINANCIAL FIXED ASSETS

4.1. Changes in financial assets

(K€)	March 31, 2020	Increases	Decreases	Currency impact	March 31, 2021
Investments in subs. and associates	804 062	37	-	-	804 099
Receivables from subs. and associates	24 851	6 928	-	(1 217)	30 562
Accrued interest on receivables	159	2	-	-	162
Atari Partners Loan	5 942	253	-	-	6 194
Other fixed assets	138	0	(103)	-	36
Total gross value	835 153	7 221	(103)	(1 217)	841 054
Provisions	(800 802)	(2 830)	33 618	-	(770 015)
Total net value	34 351	4 390	33 515	(1 217)	71 039

The increase in the value of investments in subsidiaries and associates corresponds to the creation in February 2021 of Alpha Chain SA, a fully-owned subsidiary of Atari SA. This subsidiary was created in line with plans to consolidate the Group's Blockchain activities within this entity and a potential spin-off benefiting Atari shareholders by listing this new entity.

The change in receivables from subsidiaries mainly corresponds to changes in the advances granted to US and African subsidiaries.

The "Atari Partners Loan" corresponds to the redemption value by Atari SA of the former "Alden Loan" plus the capitalization of the annual interest.

Movements related to other financial assets reflect the sale of treasury shares and the sale of 2003-2020 OCEANE bonds for €103K. At March 31, 2021, the Company held 49,835 treasury shares, representing 0.02% of the Company's share capital.

4.2. Provision for Impairment of Financial Assets

(K€)	March 31, 2020	Increases	Decreases	Currency impact	March 31, 2021
Investments in subs. and associates	790 643	-	(33 618)	-	757 025
Receivables from subs. and associates	4 058	2 575	-	-	6 633
Accrued interest on receivables	159	2	-	-	162
Atari Partners Loan	5 942	253	-	-	6 194
Other fixed assets	-	-	-	-	-
Total provisions	800 802	2 830	(33 618)	-	770 015

The reversals of provisions for investments in subsidiaries and associates concern the securities of the American subsidiary Atari Interactive Inc., which holds the Atari brand, whose value no longer justifies any continued impairment.

The allocations of provisions for related receivables concern (i) the advances granted to the African subsidiaries, for €2,103K, with their negative net position justifying an impairment for 100% of their

gross value, and (ii) the increase in Atari Partners receivables during the year for €472K.

The loan provisions relate to the impairment of interest capitalized during the financial year on the Atari Partners subsidiary's loan.

5. TRADE ACCOUNTS RECEIVABLE

(K€)	March 31, 2021			March, 31 2020
	Gross	Impairment	Net	Net
External Trade	72	(72)	-	-
Intra-group	1 230	-	1 230	823
Accrued	-	-	-	-
Total net value	1 302	(72)	1 230	823

At March 31, 2021, external trade receivables relate to a client whose payment delays had led to a provision being recorded the previous year for 100% of the amount of these receivables.

The Group receivables concern the receivables due by Atari Chain for €755K in connection with services provided by Atari SA for sales of Atari Tokens. All of these receivables have been collected after March 31, 2021.

6. OTHER RECEIVABLES

(K€)	March 31, 2021	March 31, 2020
Corporate income tax	11	11
Sales taxes	92	55
Other receivables	182	2
Total	284	67

All of these receivables have a maturity of less than one year.

Other receivables correspond to the exercise price for the stock options exercised by their holders in March 2021 and received the following month by Atari SA.

7. FINANCIAL INSTRUMENTS AND TOKENS HELD

(K€)	March 31, 2021	March 31, 2020
Atari Tokens	1 165	-
Other Tokens	533	-
Total	1 698	-

As part of the commitments for Atari Tokens to be issued by Atari Chain, Atari SA received 489.7 million Atari Tokens. As there is no active market, these Atari Tokens are only valued when they give rise to a sale or an award.

In accordance with Regulation 2020-05 of the French Accounting Standards Authority, the tokens held by Atari SA are recorded as "Cash instruments and tokens held" under current assets on the balance sheet.

At March 31, 2021, Atari SA held 487.7 million Atari Tokens, with 244.9 million of them, awarded to certain members of the Group and third parties, valued at €1,165K.

The other tokens held, in exchange for sales of Atari Tokens, are based on the following cryptocurrencies: 1.0 million Chain Games tokens (CHAIN), 2.5 million Tower tokens (TOWER) and 4.7 million Lympo tokens (LYM).

8. ACCRUALS

(K€)	March 31, 2021	March 31, 2020
Deferred revenue	2 372	-
Unrealized foreign exchange gains	69	1 134
Total accruals (liabilities)	2 441	1 134

(K€)	March 31, 2021	March 31, 2020
Prepaid expenses	278	81
Unrealized foreign exchange losses	264	85
Total accruals (assets)	542	166

During FY 2020-2021, Atari SA invoiced (i) €0.8M under the brand licensing and services agreement with Atari Chain on Atari Token sales, (ii) €0.5M in connection with direct sales of Atari Tokens, and (iii) €1.1M corresponding to the valuation of the Atari Tokens awarded to certain members of the Group and to third parties.

Although there are no explicit or implicit obligations relating to the subscribers and holders of the tokens, the amounts collected in connection with these services are recognized in deferred revenue until the Atari Token use cases are developed.

Alongside this, the transfer-pricing charged by Atari Interactive to Atari SA for the brand license relating to these services is recognized in prepaid expenses for €215K. Other prepaid expenses, for €63K, concern operating expenses (insurance, rent, fees and royalties).

Translation differences between assets and liabilities mainly relate to movements in the euro-dollar exchange rate for receivables and debts from the US subsidiaries denominated in US dollars.

9. SHAREHOLDERS' EQUITY

(K€)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity 03/31/2020	267 782 050	2 678	11 012	946	(895)	19 478	33 219
Capital increase	18 163 337	182	5 401	-	-	-	5 583
Exercise of stock options	12 734 862	127	2 679	-	-	-	2 806
Appropriation of 2020 Profit	-	-	-	-	19 478	(19 478)	-
Profit (loss) for the year ended 03/31/2021	-	-	-	-	-	28 798	28 798
Shareholders' equity 03/31/2021	298 680 249	2 987	19 093	946	18 583	28 799	70 407

9.1. Common shares

At March 31, 2021, shareholders' equity is made up of 298,680,249 fully paid-up common shares, with a par value of €0.01 each.

At March 31, 2020, shareholders' equity was made up of 267,782,050 fully paid-up common shares, with a par value of €0.01 each.

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

9.2. Atari Stock Option Plan

The Board of Directors on July 14, 2020, under the delegation granted by the General Meeting on September 30, 2019, awarded stock options or warrants based on the Company's common shares to its Chief Executive Officer and certain Group employees for a total of 3,750,000 options. The exercise price for these options was set at 80% of the Company's average share price for the 20 trading sessions immediately prior to the date when the options were awarded. Unlike the other

plans for which the vesting period was spread over three years, the options based on this option plan no.26 are vested based on one quarter annually, following one year's presence, and may be exercised during a maximum period of eight years. Based on the criterion for one year's presence from the awarding of this plan, 2,125,000 of these options were canceled by the Company, with 1,625,000 options still outstanding under this plan at September 30, 2021.

At March 31, 2021, as at September 30, 2021, four stock option plans were in effect:

- Plan No. 23 approved by the General Meeting on September 30, 2014, with 321,746 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 328,503 shares at September 30, 2021;
- Plan No. 24 approved by the General Meeting on September 30, 2016, with 205,239 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 207,702 shares at September 30, 2021;
- Plan No. 25 approved by the General Meeting on September 29, 2017, with 1,875,933 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 1,889,065 shares at September 30, 2021;
- Plan No. 26 approved by the General Meeting on September 30, 2019, with 1,625,000 options outstanding, entitling beneficiaries to subscribe for 1,625,000 shares at September 30, 2021;

At September 30, 2021, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 1.36% of the Company's share capital at that date. The main features of all the outstanding stock options awarded by Atari are summarized in the following four tables:

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
<i>Of which to the Board of Directors</i>	<i>4 000 000</i>			<i>1 650 000</i>
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options granted during FY 2017/2018	-	-	-	-
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Stock options exercised during FY 2019/2020	-	-	-	-
Stock options cancelled during FY 2019/2020	(1 657)	(939)	(144 000)	(461)
Stock options exercised during FY 2020/2021	(4 097 728)	(31 000)	-	(1 926 666)
Stock options cancelled during FY 2020/2021	-	(15 000)	-	(5 000)
Total number of stock options outstanding on March 21, 2021	82 272	174 000	0	340 500
Stock options exercised during HY1 2021/2022	(82 272)	(137 753)	-	(55 000)
Stock options cancelled during HY1 2021/2022	-	-	-	-
Total number of stock options outstanding on September 30, 2021	0	36 247	0	285 500

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
<i>Of which to the Board of Directors</i>	3 680 000		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	(459)	-	-
Stock options exercised during FY 2020/2021	(4 031 588)	-	-
Stock options cancelled during FY 2020/2021	(95 000)	-	-
Total number of stock options outstanding on March 21, 2021	1 243 579	0	200 000
Stock options exercised during HY1 2021/2022	(1 038 340)	-	(200 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2021	205 239	0	-0

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount.

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	September 29, 2017		
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
<i>Of which to the Board of Directors</i>	3 680 000		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2018/2019	-	-	-
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Stock options exercised during FY 2020/2021	(494 444)	-	(59 583)
Stock options cancelled during FY 2020/2021	(95 000)	(1 500 000)	-
Total number of stock options outstanding on March 21, 2021	5 815 556	500 000	290 417
Stock options exercised during HY1 2021/2022	(4 480 040)	-	(250 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2021	1 335 516	500 000	40 417

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with or without a discount, except for Plan #25-2 whose exercise price is €1

Option plan in effect	Plan N°26-1		
Date of Shareholders' Meeting	Sept. 30, 19		
Date of Board of Directors Meeting	July 14, 20		
Number of Stock Options granted	3 725 000		
Of which to the Board of Directors	2 000 000		
Expiration date of stock option	July 13, 28		
Exercise price of stock options (in euros) (1)	0,228 €		
Vesting of stock options granted	1/4 per year		
	-		
Stock options granted during FY 2018/2019	3 750 000		
Stock options cancelled during FY 2018/2019	(25 000)		
Total number of stock options outstanding on March 31, 2020	3 725 000		
Stock options exercised during HY1 2021/2022	-		
Stock options cancelled during HY1 2021/2022	(2 100 000)		
Total number of stock options outstanding on September 30, 2020	1 625 000		

(1) The exercise price of the options is determined based on the weighted average quoted price on the exchange over the 20 trading sessions prior to the award of the options, with a 20% discount.

9.3. Stock warrants (BSA)

As part of the agreement reached with Alden on July 12, 2016, Atari had set up a loan with €2.0M underwritten by Ker Ventures (holding company controlled by Frédéric Chesnais) and €0.5M underwritten by HZ Investments (Alexandre Zyngier and HZ Investments, hereinafter collectively referred to as "Alexandre Zyngier"). On July 7, 2016, the Board of Directors granted, as compensation in addition to the loaned sums, 4,117,647 stock warrants (also known by their French acronym BSA, from *bon de souscription d'actions*) to Ker Ventures and 1,029,412 stock warrants to Alexandre Zyngier. These stock warrants were exercisable at any time for five years with a non-discounted subscription price of €0.17.

At March 31, 2020, Ker Ventures LLC still held 1,731,057 warrants, all of which were exercised in July 2020.

At March 31, 2021, the only stock warrants left were those awarded to Alexandre Zyngier, which, taking into account the change in the conversion coefficient, would entitle him to subscribe for 1,051,029 shares. All of these warrants were exercised in April 2021.

10. PROVISIONS FOR CONTINGENCIES AND LOSSES

(K€)	March 31, 2020	Additions	Reversal		March 31, 2021
			utilized	surplus	
Provisions for exchange rate	85	179	-	-	264
Provisions for losses on investments in subsidiaries	66	280	-	-	347
Other provisions	50	-	-	(50)	-
Total	201	459	-	(50)	611
o/w operating		-	-	-	
o/w financing		459	-	-	
o/w non-recurring		-	-	(50)	

At March 31, 2021, provisions for foreign exchange risks totaled €264K, compared with €85K at the end of the previous financial year.

The provisions for risks with respect to subsidiaries correspond to the provision for negative shareholders' equity of Atari Partners.

In terms of other provisions, a €50K reversal of unused provisions was recorded following the settlement of a dispute in the Company's favor.

11. BORROWINGS AND OTHER FINANCIAL LIABILITIES

(K€)	March 31, 2021	March 31, 2020
Bank overdrafts	-	-
Liabilities to Group subsidiaries	481	481
Other	-	-
Total other financial liabilities	481	481
<i>o/w due in more than one year</i>	<i>481</i>	<i>481</i>
<i>o/w due in less than one year</i>		

At March 31, 2021, as at March 31, 2020, the financial debt concerned a debt relating to a dormant Group subsidiary.

12. TRADE ACCOUNTS PAYABLE

(K€)	March 31, 2021	March 31, 2020
Trade payables Group	233	-
Trade payables External	465	195
Total trade payables	699	195

All trade payables have a maturity of less than one year.

13. OPERATING LIABILITIES

(K€)	March 31, 2021	March 31, 2020
Personnel	223	257
Personnel Token allocation	626	-
Employee benefits	373	151
Corporate income tax	117	67
Other liabilities	170	262
Total operating liabilities	1 510	736

All operating liabilities have a maturity of less than one year.

The increase in staff liabilities and the corresponding employee-related liabilities are linked to the valuation of Atari Tokens that the Board of Directors in July 2020 awarded to certain members of the Group and that were transferred to their beneficiaries in July 2021.

14. OPERATING REVENUE

The operating revenue breaks down as follows:

(K€)	March 31, 2021	March 31, 2020
Management Fees	475	499
Licensing	85	507
Revenue	561	1 006
Expenses re invoiced to subsidiaries	262	157
Miscellaneous	0	30
Other operating income	262	187
Reversal of impairments	50	334
Reversal of operating provisions	50	334
Total operating revenue	873	1 527

Revenue comprises management fees charged to certain Group subsidiaries, as well as licensing income.

Other income corresponds to costs incurred by Atari SA and charged back to certain Group subsidiaries.

15. OTHER PURCHASES AND EXPENSES

"Other Purchases and Expenses" are broken down as follows:

(K€)	March 31, 2021	March 31, 2020
Purchases not included in inventories	16	44
Rents (including services and maintenance charges)	81	94
Cleaning, maintenance and repairs	11	14
Insurance	3	14
Fees	734	541
Advertising, publications, public relations	57	59
Travel, assignments and entertainment	3	35
Postage and communications	2	5
Bank charges and securities fees	64	76
Other expenses	57	34
Total other purchases and expenses	1 029	915

The increase in fees is mainly related to advisory fees concerning research into structuring the blockchain activities division as an independent entity through the listing of a new entity.

16. PERSONNEL EXPENSES

(K€)	March 31, 2021	March 31, 2020
Salaries & Wages	640	650
Employee Atari Token allocation	464	-
Directors Atari Token allocation	162	-
Personnel expenses	1 266	650
Social expenses	433	326
Social expenses	433	326
Total Personnel & social expenses	1 699	976

The workforce at March 31, 2021 is composed of six executives.

The compensation and benefits paid by the Company to Frédéric Chesnais, Chief Executive Officer, during FY 2020-2021 represented a gross total of €122K, including:

- €12K for his position as Chief Executive Officer,
- €21K for his variable compensation relating to income for FY 2019-2020,
- €89K for health insurance for 2018, 2019 and 2020.

Furthermore, as part of developments with the Atari Token / Blockchain project, the Board of Directors awarded, when the Atari Token project was launched, 68 million Atari Tokens to Frédéric Chesnais, 136 million Atari Tokens to certain Group staff and 38 million Atari Tokens split equally between the four Board members (Wade Rosen, Alyssa Padia Walles, Kelly Bianucci and Alexandre Zyngier). The vesting period for these Atari Tokens runs from April 1, 2020 to March 31, 2022.

17. OTHER EXPENSES

(K€)	March 31, 2021	March 31, 2020
Royalties	-	-
Director fees	113	178
Bad debt losses	-	334
Miscellaneous expenses	0	0
Total Other expenses	113	511

The compensation paid by the company to the members of the Board of Directors (previously referred to as "directors' fees") for FY 2019-2020 was €189K gross, compared with €140K for the year ended March 31, 2019.

Compensation for directors, including changes in provisions, totaled €113K for the year ended March 31, 2021, compared with €178K the previous year.

During the previous year, receivables that had become unrecoverable had been recorded as expenses and were fully covered by provisions for impairment.

18. REVERSALS AND DEPRECIATION / AMORTIZATION AND OPERATING PROVISIONS

(K€)	March 31, 2021	March 31, 2020
Provisions for contingencies and losses	50	-
Provisions for the impairment of current assets	-	334
Total reversals	50	334
Depreciation and amortization:	-	-
- Intangible assets	-	-
- Tangible assets	1	1
Provisions for the impairment of current assets	-	72
Total depreciation and amortization	1	73

During the year, a €50K reversal of unused provisions was recorded following the settlement of a dispute in the Company's favour.

During the previous year, a reversal of provisions for the impairment of trade receivables had been recorded following the recognition of receivables that had become unrecoverable as expenses.

19. NET FINANCIAL INCOME AND EXPENSES

(K€)	March 31, 2021	March 31, 2020
Financial income		
- Foreign exchange gain	19	29
- Interests income	540	562
- Reversals of provisions and expense transfers	33 618	20 922
- Other financial income	3	-
- Proceeds from the sale of securities	-	-
Total financial income	34 181	21 513
Financial expenses		
- Foreign exchange losses	(28)	(12)
- Interests expense	(1)	-
- Depreciation, amortization and provisions	(3 290)	(949)
- Other financial expenses	-	-
Total financial expenses	(3 318)	(961)
Net financial income and expense	30 862	20 552

For the financial year ended March 31, 2021:

- Financial income includes:
 - A €33,618K reversal of provisions on Interactive securities
 - Income from loans and advances to subsidiaries for €540K
- Financial expenses mainly include:
 - A 100% impairment of receivables from the African subsidiaries for €2,103K
 - A €727K provision for advances and interest on the loan to Atari Partners
 - A €179K provision for exchange rate risks

For the financial year ended March 31, 2020:

- Financial income mainly included:
 - A €10,567K reversal of provisions for negative shareholders' equity concerning the French subsidiary Atari Partners;
 - A €10,000K reversal of provisions on the participation in Atari Interactive Inc and €189K for the participation in Infogrames Interactive GmbH
 - Income from loans and advances to subsidiaries for €562K
- Financial expenses mainly included:
 - A writedown of Roam securities for €439K and Audiowear securities for €104K.
 - A €406K provision for advances and interest on the loan to Atari Partners.

20. NON-RECURRING INCOME AND EXPENSES

(K€)	March 31, 2021	March 31, 2020
Non-recurring income		
- Operating activities	-	-
- Investing activities	-	-
- Amortization and provisions	-	-
Total non-recurring expenses	-	-
Non-recurring expenses		
- Operating activities	(80)	(1)
- Investing activities	-	(116)
- Amortization and provisions	-	-
Total non-recurring expenses	(80)	(117)
Non-recurring income and expense	(80)	(117)

At March 31, 2021, non-recurring income and expenses include a fine charged to the Company by Nasdaq First North Stockholm for non-compliance with regulatory financial reporting timeframes.

At March 31, 2020, non-current income and expenses related primarily to the capital loss on shares recorded as a result of the listing of Atari SDRs (Swedish Depositary Receipts) on the Nasdaq First North market in Stockholm.

21. CORPORATE INCOME TAX AND PROFIT-SHARING

Since July 1, 1995, Atari SA has opted for the tax consolidation regime under the Group made up of the Company and Atari Partners SAS. At March 31, 2021, the Group's tax loss carryforwards represented approximately €734M.

The potential future tax savings at March 31, 2021 totaled €205M, representing a value of €0.69 per share, excluding treasury shares held as of March 31, 2021.

At March 31, 2021, the consolidated taxable income corresponds to a €1.2M loss.

22. STATEMENT OF ACCRUED INCOME AND EXPENSES

22.1. Statement of Accrued Expenses

(K€)	March 31, 2021	March 31, 2020
Financial debt - accrued interests	-	-
Trade payables - pending invoices	83	36
Tax and employee-related liabilities:	-	-
- Provision for bonuses, paid leave, working time credits	223	256
- Other employee benefits payable	217	99
- Tax liabilities	2	1
- Other employee benefits payable	165	256
Total accrued expenses	690	648

22.2. Statement of Accrued Income

(K€)	March 31, 2021	March 31, 2020
Financial assets - accrued interests	162	159
Trade receivables - pending invoices	-	-
Other receivables - accrued income	-	-
Total accrued income	162	159

Interest accrued at March 31, 2021 relates to interest on the "Atari Partners Loan".

23. OFF-BALANCE SHEET COMMITMENTS

23.1. Commitments given

23.1.1 Guarantees granted by Atari

No security or guarantee has been granted to third parties.

23.1.2. Operating Lease Commitments

The Company has entered into a lease agreement for its Paris head office for a 3-year renewable term starting May 1, 2019. The annual rent including charges is approximately €70K.

23.1.3. Financing Lease Contracts

There are no significant financing lease arrangements.

23.1.4. Retirement bonuses

Given the Company's reduced workforce, the commitments relating to retirement lump-sum payments are not material.

23.2. Commitments received

There are no commitments received.

24. LITIGATION

In the normal course of business, Group companies may be involved in a number of legal, arbitral, administrative, and tax proceedings. Although the final outcome of these proceedings cannot be presumed with certainty, the Group believes that the resulting obligations should not have a material

impact on its financial position and consolidated results.

25. CONSOLIDATING COMPANIES

The Company publishes consolidated financial statements.

26. REGULATED AGREEMENTS AND RELATED-PARTY TRANSACTIONS

Between April 1, 2020 and the date of this Annual Financial Report, the following agreements were entered into:

- Service and brand licensing agreement between Atari SA and Atari Chain Ltd, under which Atari Chain pays Atari SA 35% of the income from Atari Token sales, with 25% for the provision of services and 10% for brand licensing. Agreement dated February 27, 2020, supplemented by an agreement dated March 1, 2020.
- Agreement for a USD 2.1M loan granted by Irata LLC, a company controlled by Wade Rosen, to Atari SA, with 8% interest, so as not to impact the Group's cash position in connection with its requirements to source components for the Atari VCS. This loan was granted in three tranches: an initial USD 600,000 tranche on June 25, 2021, a second tranche for USD 100,000 on July 14, 2021 and a third tranche for USD 1,400,000 on October 4, 2021. This loan may be repaid by being converted into Company securities.

27. SUBSIDIARIES AND INVESTMENTS

Amounts in KC	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and advances outstanding	Revenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
A Subsidiaries (more than 50%-owned)									
Atari Partners SAS	200	(15 336)	100%	325 870	-	8 667	43	(314)	-
Alpha Chain SA	37	-	100%	37	37	-	-	-	Stated Feb 2021
Atari US Holdings Inc.	-	2 081	100%	432 594	3 224	269	-	(4)	-
Atari Interactive Inc.	-	6 490	100%	43 618	43 618	17 601	6 349	(2 900)	-
Atari Entertainment Africa Ltd	-	92	100%	-	-	390	93	84	-
Atari Gaming Ltd	8	(1 691)	60%	5	-	1 537	1	(954)	-
Infogrames Interactive GmbH	26	455	100%	189	189	-	-	-	(a)
Atari Japan KK	274	(2 384)	100%	328	-	2 058	-	-	(a)
B Investments (ownership interest of between 10% and 50%)									
Atari Chain Ltd	2	-	50%	0	-	46	5 859	(257)	
Infinity Network Limited	-	(3 554)	30%	668	-	-	62	(3 554)	FY ended 31/03/2019

(a) Dormant companies.

For subsidiaries and investments whose individual accounts are maintained in a currency other than the euro, the amounts indicated in the table above have been determined:

- for capital and equity, at the exchange rate on the closing date of the financial year to which they relate
- for net revenue and net income, on the basis of the average exchange rate during the financial year to which they relate

28. SUBSEQUENT EVENTS

- **April 2021: Appointment of Wade J. Rosen as Chief Executive Officer – Resignation of Frédéric Chesnais**

The Board of Directors on March 31, 2021, acknowledging the resignation of Mr Frédéric Chesnais from his position as Chief Executive Officer with effect from April 6, 2021, decided to replace him with Mr Wade J. Rosen, who had served as Chairman of the Board of Directors since April 2020.

- **Licensing agreement signed with Crypto Blockchain Industries SA (CBI) - Resignation of Frédéric Chesnais from his position as a director**

In connection with its developments through NFTs and virtual worlds, Atari Interactive Inc, the American subsidiary of Atari SA, granted a license on June 4, 2021 to CBI, the company founded and managed by Frédéric Chesnais, for the development of a virtual world incorporating blockchain technology. To avoid conflicts of interest, Frédéric Chesnais resigned from his position as a director of Atari SA on this same date.

- **Withdrawal from casino operations in Africa**

During its meeting on July 1, 2021, the Board of Directors defined a new strategy for the Group and conducted a general review of its assets. To effectively allocate its resources to ensure the success of this new strategy, it was decided to withdraw from directly-operated casino activities in Africa.

- **Atari Token's divisibility / Award brought forward**

During their meeting on April 1, 2021, the managers of the company Atari Chain decided to replace the existing ATRI token with a new ATARI token, divisible to 18 decimals, through an exchange. The remaining ATRI tokens held by Atari Chain were replaced with the new ATARI token.

The managers also decided to award the new ATARI token to the Company and to ICICB Limited in accordance with the proportions set in the licensing agreement entered into with Atari Chain on February 27, 2020. These new tokens were transferred on April 12, 2021.

- **Financing through current account contributions**

So as not to impact the Group's cash position in the context of its requirements to source components for the Atari VCS, the Company was granted three loans in June, July, August and October 2021, by two shareholders, for a total of USD 2.6M. Irata LLC, a company controlled by Wade Rosen, contributed USD 2.1M to this operation.

11 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 March 2021

To the ATARI Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying financial statements of ATARI for the year ended 31 March 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of 31 March 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 April 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of Atari US Holding and Atari Interactive equity securities

(Note 2.2 "Accounting policies" and Note 4 "Financial assets" to the financial statements)

Risk identified

Equity securities are recorded in the balance sheet as of 31 March 2021 in the amount of €47.1 million and chiefly comprise Atari Interactive securities, the subsidiary holding the Atari brand.

They are recognized at acquisition cost on initial recognition and impaired based on their recoverable amount.

As disclosed in Note 2.2 "Accounting policies" to the financial statements, the recoverable amount of Atari Interactive securities is assessed based on a number of criteria, including the criteria adopted on the acquisition of the investment (mainly stock market multiple criteria), market value, the profitability outlook based on discounted cash flow forecasts and revalued equity.

Due to the materiality of the net carrying amount of Atari Interactive equity securities and the high level of judgment exercised by the Company in estimating the recoverable amount, we have considered the measurement of equity securities to be a key audit matter.

Our response

To assess the recoverable amount of equity securities as determined by the Company, our work mainly consisted in:

- for valuations based on revalued equity, verifying the consistency of amounts with the audited financial statements;
- for valuations based on forecast items:
 - obtaining cash forecasts for the entity and reconciling them with group forecasts presented to the Board of Directors
 - analysing future growth prospects, mainly through meetings with Management.

We also assessed the appropriateness of the disclosures presented in the "Financial assets" paragraph of Note 2.2 and in Note 4 to the financial statements.

Recognition of transactions performed using Atari Tokens

(Note 2.2 "Accounting policies" and Note 8 "Prepayments and deferred income" to the financial statements)

Risk identified

Atari launched an Atari Blockchain activity grouping together all Group transactions relating to blockchain and particularly the sale and allocation of Atari Tokens and cryptocurrencies. As of 31 March 2021, Atari had performed transactions in Atari Tokens valued at €2.4 million and recognized in deferred income. These services comprise (i) services under the license contract with Atari Chain on the sale of Atari Tokens for €0.8 million, (ii) direct sales of Atari Tokens for €0.5 million, and (iii) allocations of Atari Tokens granted to certain Group members and third parties valued at €1.1 million.

We considered transactions performed in Atari Tokens to be a key audit matter for the following reasons:

- the complex nature of these transactions from a legal and economic standpoint;
- a new activity for the Group which is intended to grow.

Our response

Our work on the recognition of transactions performed using Atari Tokens consisted in:

- familiarizing ourselves with the nature of transactions performed using tokens and the underlying legal documentation;
- analysing the terms of this documentation and, on this basis, assessing whether the corresponding revenue was recognized in accordance with French accounting principles;

- assessing the performance by the Group as of 31 March 2021 of all the planned services in favour of holders of Atari Tokens.

Lastly, we examined the appropriateness of the disclosures in Note 2.2 and Note 8 to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by L.225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single Electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451- 1- 2, I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ATARI by the Shareholders' Meeting of October 1993 for Deloitte & Associés and 30 September 2019 Exponens Conseil & Expertise.

As of 31 March 2021, Deloitte & Associés and Exponens Conseil & Expertise were in the 29th year and 2nd year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/ 2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La-Défense, November 8, 2021

The Statutory Auditors

DELOITTE & ASSOCIES

EXPONENS CONSEIL & EXPERTISE

BENOIT PIMONT

ANNE MOUHSSINE

12 GENERAL INFORMATION ABOUT THE COMPANY

12.1 NAME AND REGISTERED OFFICE (Articles 3 & 4 of the articles of incorporation)

ATARI S.A. - Registered office: 25 rue Godot de Mauroy, 75009 Paris - France

Tel: +33 (0)1 83 64 61 58

12.2 LEGAL FORM AND GOVERNING LAW (article 1 of the articles of incorporation)

French *société anonyme* (public limited company) with a Board of Directors governed by Articles L. 210-1 *et seq.* of the French Commercial Code.

The Company is governed by French law.

12.3 DATE OF INCORPORATION AND CORPORATE LIFE (article 5 of the articles of incorporation)

The Company was incorporated on July 15, 1987 for a term of 99 years from its registration in the Trade and Companies Register, i.e. until July 15, 2086, unless dissolved early or extended.

12.4 CORPORATE PURPOSE (article 2 of the articles of incorporation)

The Company's purpose, in France and abroad, consists of, directly or indirectly:

- The design, production, editing, and distribution of all multimedia and audiovisual products and works, particularly for entertainment, whatever the form and especially in the form of software, the processing of data or content — whether interactive or not — on any medium and through any current or future mode of communication.
- The purchase, sale, supply, and more generally the distribution of all products and services in connection with the above purpose.
- The creation, acquisition, use, and management of intellectual and industrial property rights or other real or personal rights, in particular by way of assignment, licensing, patents, trademarks, or other rights of use.
- The acquisition, the search for partnerships and the acquisition of participating interests, whatever the form and especially by way of creation, issue, subscription, contribution, in any activity directly or indirectly related to the purpose above or to the products and themes developed by the Company.
- And, more generally, any transactions of any kind directly or indirectly related to the above purpose or to any similar or related purposes that may facilitate the Company's development.

12.5 TRADE AND COMPANIES REGISTER

PARIS B 341 699 106, APE/NAF Code: 5829C.

12.6 PLACES WHERE THE LEGAL DOCUMENTS CAN BE CONSULTED

Company's registered office.

12.7 FISCAL YEAR (article 6 of the articles of incorporation)

The Company's fiscal year begins on April 1 and ends on March 31 of each year.

12.8 FUNCTIONING OF THE BOARD OF DIRECTORS (articles 13 and 14 of the articles of incorporation)

The Company is governed by a Board of Directors with a minimum of three and maximum of 18 members, subject to the exemption provided for by the French Commercial Code in the event of a merger.

Directors are appointed or reappointed by the Ordinary General Shareholders' Meeting for a period of three years.

The Board of Directors appoints a Chairperson from among its natural person members. The Chairperson represents the Board of Directors and chairs the Board. The Chairperson organizes and directs the work of the Board of Directors, and reports on this to the General Meeting. The Chairperson ensures the proper functioning of the Company's bodies and ensures in particular that the directors are able to fulfill their mission.

The Board of Directors meets as often as the interests of the Company require. Board meetings are convened by the Chairperson. Directors, constituting at least one third of the Board members, may ask the Chairperson to convene the Board, indicating the agenda of the meeting, if it has not met for more than two months. If necessary, the Chief Executive Officer may ask the Chairperson to convene the Board of Directors for a specific agenda.

Decisions are taken by a majority vote of the members present or represented, with each director having one vote. In the event of a tie, the Chairperson has the casting vote.

The internal regulations and the committees of the Board of Directors are described in the Board of Directors' report provided for in Article L. 225-37 of the French Commercial Code.

12.9 MODE OF MANAGEMENT (article 15 of the articles of incorporation)

Upon the decision of the Board of Directors, acting through a majority of the members present or represented, the Chairperson or another natural person appointed by the Board of Directors who holds the title of Chief Executive Officer is responsible for the Company's General Management. The Board of Directors chooses between the two methods of exercising General Management and the option chosen by the Board of Directors is taken for a duration that cannot be less than one year.

12.10 RIGHTS ATTACHED TO SHARES (article 10 of the articles of incorporation)

In addition to the voting rights attributed to it by law, each share entitles the holder to a share of the profits and corporate assets proportionate to the percentage of capital that it represents.

In accordance with Article L. 22-10-46 of the French Commercial Code, a double voting right with respect to the right conferred to other shares in proportion to the share of capital they represent is attributed, on the one hand, to all fully paid-up shares, for which there will be proof of registration in a holder's name, for at least two years, in the name of the same shareholder and, on the other hand, to all shares derived from these same securities.

In the event of a capital increase through the capitalization of reserves, profits, or issue premiums, the double voting right is attributed from the moment of issuance, to registered shares awarded free of charge to a shareholder on the basis of existing shares that are entitled to this right. The Articles of Incorporation do not contain any conditions relating to the shareholder's nationality in order to benefit from this double voting right.

Any share converted to bearer form or whose ownership is transferred will lose the double voting right. Nevertheless, the transfer as a result of succession, liquidation of common property between spouses, or inter vivos donations to a spouse or a relative entitled to inherit, will result in no loss of the acquired right and will not interrupt the deadlines provided for in Article L. 22-10-46 of the French Commercial Code.

The Company's merger has no effect on the double voting right that may be exercised in the acquiring company, if its articles of incorporation have provided for this.

Equal treatment will be applied to all the shares making up the share capital, with respect to tax charges.

Whenever it is necessary to own several existing shares to exercise any right, in the event of an exchange or award giving entitlement to new securities against the surrender of several existing shares, individual securities or a number of securities less than required will not give any rights to the holder with respect to the Company. Shareholders are personally responsible for acquiring the number of shares required.

12.11 APPROPRIATION OF EARNINGS (articles 23 and 24 of the articles of incorporation)

From the profits for the year, less any previous losses, the following are deducted:

- First, at least 5% for the legal reserve fund, a deduction that ceases to be compulsory when the fund has reached one-tenth of the capital, but which is once again required if, for any reason whatsoever, this quota is no longer attained.
- Then, all other sums to be held in reserve under the law.

The balance, plus the retained earnings, constitutes the distributable income that is available to the General Meeting to be allocated to the shares as a dividend, allocated to all reserve accounts, or carried forward.

The General Meeting may, in addition, decide to distribute sums taken from the reserves at its disposal. In this case, the decision expressly indicates the items from which the sums are taken.

The payment of dividends is made at the date and at the place set by the General Meeting or, failing that, by the Board of Directors, within a maximum of nine months of the financial year-end.

The Board of Directors may, before the approval of the accounts for the financial year, distribute one or more interim dividends. The Ordinary General Meeting deciding on the financial statements for the financial year may award to each shareholder, for all or part of the dividend or interim dividends made available for distribution, an option between payment in cash and payment in shares.

Any dividends that have not been collected within five years from the date of payment are prescribed in accordance with the law.

12.12 CHANGE IN THE RIGHTS OF SHAREHOLDERS (article 21 of the articles of incorporation)

The Extraordinary General Meeting is competent to make any amendments to the Articles of Incorporation authorized by law. However, it cannot increase shareholder commitments, except by unanimous shareholder decision.

12.13 SHAREHOLDERS' MEETINGS (article 18, 19 and 20 of the articles of incorporation)

Convening of and Participation in General Meetings

The Company's General Meetings are convened in accordance with the law and are made up of all the shareholders whose shares are paid up, regardless of the number of shares owned by each of them at the time of the meetings. Meetings are convened at least 15 days in advance for the first notification to attend and at least six days in advance for the second notification to attend, by a notice inserted in a newspaper authorized to receive legal announcements in the department of the corporate headquarters or by a simple letter addressed to the last known domicile of each shareholder.

Each share is entitled to one vote. There is no clause restricting shareholder participation in Meetings:

- For registered shareholders, their participation depends on the registration of their shares on the Company's registers with the Company's account-holding institution no later than three business days before the date of the Meeting.
- For holders of bearer shares, their participation depends on the accounting registration of their shares, in their name, no later than three business days before the date of the Meeting, in their securities account held by their banker or financial intermediary. The accounting registration of their securities must be recorded by a stock certificate issued by an authorized intermediary.

All shareholders may attend the General Meeting:

- Registered shareholders must request an admission card from the Company's account-holding institution at least five days before the Meeting. The account-holding institution will send this document directly to them.
- Holders of bearer shares must make this request to their financial intermediary. The latter will send this request to the Company's account-holding institution (accompanied by a certificate of registration in an account, confirmed no later than three business days before the date of the Meeting). Shareholders will receive their admission card by mail.
- Shareholders may only be represented by another shareholder or by their spouse. The powers of attorney, drawn up in accordance with the requirements of the regulations in force, must be addressed:
 - With respect to registered shareholders, to the account-holding institution
 - With respect to holders of bearer shares, to the financial intermediary of the shareholder who will transmit them to the Company's account-holding institution at least one day before the Meeting, together with a stock certificate.

All shareholders may vote by mail by means of a form sent to them free of charge, at their request, by the institution in charge of managing the Company's securities. The form must be returned to their financial intermediary, or to the account-holding institution in the case of registered shareholders, at least three calendar days before the Meeting. A stock certificate issued by the financial intermediary must be attached to the mail voting form.

The Board of Directors will always have the option of refusing mail voting or access to the Meeting to any shareholder or representative who fails to comply with statutory and regulatory requirements. Shareholders may participate in General Meetings by videoconference or by electronic means of communication under conditions defined by decree.

Quorum and Majority Rules

The Ordinary General Meeting is regularly convened and deliberates validly when at least one fifth of the shares with voting rights are present or represented. If this quorum is not reached, a new Meeting will be held at least six days after the first. Deliberations during this second meeting are valid whatever the fraction of the capital represented, but they can only relate to all or part of the agenda from the first meeting.

The Ordinary General Meeting's decisions are taken by a majority of the votes of the shareholders present, voting by mail, or represented.

The Extraordinary Shareholders' Meeting is regularly convened and deliberates validly if the shareholders present or represented hold at least, when first convened, one-quarter and, when convened for the second time, one-fifth of the shares with voting rights; if this quorum is not achieved, the second Meeting may be rescheduled for a date within two months of the date of the first Meeting, subject to the exceptions provided for by law.

The Extraordinary General Meeting's decisions are taken by a two-thirds majority of the votes of the shareholders present, voting by mail, or represented.

12.14 IDENTIFICATION OF SHAREHOLDERS (article 10 of the articles of incorporation)

In accordance with Article L. 228-3-3 of the French Commercial Code, failure to comply with provisions allowing the identification of the owners of the securities will be sanctioned either by the deprivation of the right to vote or by the suspension or deprivation of the right to a dividend.

12.15 REPORTING THRESHOLDS (article 9 of the articles of incorporation)

Besides the legal notification obligation, any natural or legal person, acting alone or in concert, who holds or ceases to hold, directly or indirectly, at least 2% of the Company's capital or voting rights, or any multiple of this percentage, is required to inform the Company by registered letter with acknowledgment of receipt addressed to the corporate headquarters within five trading days from the crossing of each of these thresholds, and also to indicate the number of shares that it holds thus giving access to the share capital in the future, and the number of voting rights that are attached. Mutual fund management companies are required to make this disclosure for all of the Company's shares held by the funds they manage.

Failure to comply with this obligation will be sanctioned, upon request, as recorded in the minutes of the General Meeting, by one or more shareholders holding at least 5% of the Company's capital or voting rights, by the inability to exercise the voting rights attached to the shares exceeding the fraction that should have been declared as of the said Meeting and for any Meeting held until the expiration of a period of two years following the date on which the notification was legally made.

12.16 CHANGE IN CAPITAL (article 8 of the articles of incorporation)

The Extraordinary General Meeting has sole authority to decide on a capital increase. It may delegate to the Board of Directors the power necessary to carry out the capital increase in one or more installments within the statutory timeframe, to set the conditions for doing so, to record its execution, and to amend the Articles of Incorporation accordingly.

13 GENERAL INFORMATION CONCERNING THE COMPANY'S SHARE CAPITAL

13.1 CHANGE IN CAPITAL AND VOTING RIGHTS

Any change in the share capital or the rights attached to the securities that comprise it is subject only to legal requirements, as the Articles of Incorporation do not contain specific provisions thereon.

13.2 SHARE CAPITAL

At March 31, 2021, the subscribed and fully paid-up capital totaled €2,986,802.49, divided into 298,680,249 shares with a par value of €0.01, fully subscribed and paid-up.

13.3 AUTHORIZED CAPITAL

At the General Shareholders' Meeting convened to approve the financial statements for the financial year ended March 31, 2021, it will be proposed to renew the authorizations to increase the capital by issuing shares or securities giving access to the Company's share capital.

13.4 SECURITIES GIVING ACCESS TO CAPITAL

FINANCIAL INSTRUMENTS GIVING ACCESS TO CAPITAL

Stock Option plans

At March 31, 2019, the total number of stock options from all existing plans give entitlement to 24,086,263 shares, representing 9.40% of the capital on that same date.

At March 31, 2020, the total number of stock options from all existing plans give entitlement to 24,230,036 shares, representing 9.05% of the capital on that same date.

At March 31, 2021, the total number of stock options from all existing plans give entitlement to 14,504,451 shares, representing 4.86% of the capital on that same date.

At September 30, 2021, the total number of stock options from all existing plans give entitlement to 4,050,271 shares, representing 1.32% of the capital on that same date.

Acting within the authorizations granted by the Extraordinary General Meetings, the Board of Directors has awarded some of the Group's employees and corporate officers options to subscribe for or purchase shares, the details of which are set out in the section "Management Report - Board of Directors' Report on Group Management - Summary of the main features of the option plans awarded" in this document.

13.5 INFORMATION CONCERNING THE POTENTIAL DILUTION OF THE COMPANY'S CAPITAL AT MARCH 31, 2021 AND SEPTEMBER 30, 2021

At March 31, 2021, the breakdown of the outstanding stock options and warrants was as follows:

Issue date	Number outstanding on March 31, 2021	Exercise price	Identity of holders	Maturity	Number of shares for which securities can be exercised	Potential dilution (% of the capital stock)
Stock options						
10/30/14	82 272	0,200 €	Chesnais	10/30/22	84 000	0,03%
07/12/17	494 071	0,280 €	Chesnais	07/11/25	500 000	0,17%
07/31/18	4 000 000	0,386 €	Chesnais	07/30/26	4 028 000	1,35%
07/14/21	2 000 000	0,228 €	Chesnais	07/13/29	2 000 000	0,67%
09/01/15	174 000	0,200 €	Persons referred to in Articles L225-177 and 180 of the Commercial Code	08/31/23	177 654	0,06%
06/01/16	340 500	0,170 €		05/31/24	347 650	0,12%
07/12/17	749 508	0,280 €		07/11/25	758 502	0,25%
01/15/18	200 000	0,458 €		01/14/26	201 400	0,07%
07/31/18	1 815 556	0,386 €		07/30/26	1 828 265	0,61%
07/31/18	1 500 000	1,000 €		07/30/26	1 510 500	0,51%
01/18/19	290 417	0,270 €		01/17/27	292 450	0,10%
07/14/20	1 725 000	0,228 €		07/13/29	1 725 000	0,58%
Sub-total	13 371 325				13 453 421	4,50%
Warrants						
07/07/16	1 029 412	0,170 €	Alex Zyngier	07/31/21	1 051 029	0,35%
Sub-total	1 029 412				1 051 029	0,35%
Total					14 504 450	4,86%

At September 30, 2021, the breakdown of the outstanding stock options and warrants was as follows:

Issue date	Number outstanding on Sept. 30, 2021	Exercise price	Identity of holders	Maturity	Number of shares for which securities can be exercised	Potential dilution (% of the capital stock)
Stock options						
09/01/15	36 247	0,200 €	Persons referred to in Articles L225-177 and 180 of the Commercial Code	08/31/23	37 008	0,01%
06/01/16	285 500	0,170 €		05/31/24	291 495	0,10%
07/12/17	205 239	0,280 €		07/11/25	207 702	0,07%
07/31/18	1 335 516	0,386 €		07/30/26	1 344 865	0,45%
07/31/18	500 000	1,000 €		07/30/26	503 500	0,17%
01/18/19	40 417	0,270 €		01/17/27	40 700	0,01%
07/14/20	1 625 000	0,228 €		07/13/29	1 625 000	0,54%
Sub-total	4 027 920				4 050 270	1,36%
Warrants						
Sub-total	-				-	0,00%
Total					4 050 270	1,36%

13.6 CHANGES IN COMPANY'S CAPITAL

The following table presents the changes in the Company's capital over the last three years up to March 31, 2021 and the position at September 30, 2021:

Financial year	Type of transaction	Number of shares	Cumulative number of shares	Nominal value of the share	Share premium	Total capital stock (in €)
As at 03/31/2018			241 468 996	0,01 €	11 575 949 €	2 414 690 €
2018/2019	Capital increase	13 636 364		0,01 €	7 120 278 €	136 364 €
2018/2019	Allocation prior losses				-10 934 092 €	
2018/2019	Stocks options exercise	1 003 900		0,01 €	213 282 €	10 039 €
As at 03/31/2019			256 109 260	0,01 €	7 975 418 €	2 561 093 €
2019/2020	Capital increase	11 665 590		0,01 €	3 036 873 €	116 656 €
2019/2020	Stocks options exercise	7 200		0,01 €	72 €	72 €
As at 03/31/2020			267 782 050	0,01 €	11 012 218 €	2 677 821 €
2020/2021	Capital increase	18 163 337		0,01 €	5 401 474 €	181 633 €
2020/2021	Stocks options exercise	12 734 862		0,01 €	2 679 032 €	127 349 €
As at 03/31/2021			298 680 249	0,01 €	19 092 724 €	2 986 802 €
2021/2022	Capital increase			0,01 €	5 401 474 €	0 €
2021/2022	Stocks options exercise	7 347 180		0,01 €	2 679 032 €	73 472 €
As at 09/30/2021			306 027 429	0,01 €	27 173 230 €	3 060 274 €

13.7 SHARE OWNERSHIP AND VOTING RIGHTS

To the best of the Company's knowledge, as of March 31, 2021, share ownership and voting rights were as follows:

Ownership	March 31, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,91%	50 509 252	16,90%	50 509 252	16,91%
Ker Ventures, LLC (2)	24 757 755	8,29%	24 757 755	8,29%	24 757 755	8,29%
Mr Alexandre Zyngier	3 531 982	1,18%	3 531 982	1,18%	3 531 982	1,18%
Actions auto-détenues	49 835	0,02%	49 835	0,02%	0	0,00%
Public (3)	219 831 425	73,60%	219 950 215	73,61%	219 950 215	73,62%
Total	298 680 249	100,00%	298 799 039	100,00%	298 749 204	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, Chairman of the Company's Board of Directors at March 31, 2021.

(2) Ker Ventures LLC is the holding company owned by Frédéric Chesnais, the Company's CEO at March 31, 2021.

(3) 118,790 shares have double voting rights.

To the best of the Company's knowledge, at September 30, 2021, following Frédéric Chesnais' resignation from his position as Chief Executive Officer, the breakdown of capital and voting rights was as follows:

Ownership	September 30, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,50%	50 509 252	16,50%	50 509 252	16,50%
Mr Alexandre Zyngier	3 779 778	1,24%	3 779 778	1,23%	3 779 778	1,23%
Actions auto-détenues	0	0,00%	0	0,00%	0	0,00%
Public (2)	251 738 399	82,26%	251 857 189	82,27%	251 857 189	82,27%
Total	306 027 429	100,00%	306 146 219	100,00%	306 146 219	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, the Company's CEO.

(2) 118,790 shares have double voting rights.

13.8 CROSSING OF REPORTING THRESHOLDS DURING THE FINANCIAL YEAR

Under the terms of its Articles of Incorporation, any party, whether acting alone or in concert, who begins to own or ceases to own, directly or indirectly, at least 2% of the Company's capital or voting rights, or any multiple of this percentage, is required to inform the Company.

On April 7, 2020, the Company was notified that Wade J Rosen Revocable Trust had exceeded the threshold of 16%.

On September 30, 2020, the Company was notified of the transfer of the shares held by Wade J Rosen Revocable Trust to the company LR Interactive Holdings LLC, owned by Wade Rosen.

On February 3, 2021, the Company was notified of the transfer of the shares held by the company LR Interactive Holdings LLC to the company Irata LLC, owned by Wade Rosen.

On August 4, 2021, the Company was notified that Frédéric Chesnais had dropped below the 4% threshold directly in his own name and indirectly through Ker Ventures LLC, a company that he owns.

13.9 TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SECURITIES

In November 2020, Atari SA sold part of the treasury shares that it held. Between November 5, 2020 and November 18, 2020, 229,754 Atari shares were sold on the market, at an average price of €0.4018 per share, for a total of €92K, registering a capital gain of €3K. At March 31, 2021, Atari SA held 49,835 shares in treasury, representing 0.02% of the capital and valued at €19K.

13.10 TRADING BY CORPORATE OFFICERS IN SHARES AND OTHER SECURITIES DURING THE YEAR

The Company was notified of the following transactions by corporate officers during the year involving the Company's shares:

Name Position on the transaction date	Type de transaction	Transaction date	Number of shares traded	Unit price	Transaction amount
Wade J Rosen Revocable Trust Company controlled by W. Rosen	Purchase	03/04/2020	8 603 002	0,268 €	2 301 303 €
LR Interactive Sociétés LLC Company controlled by W. Rosen	Purchase from Ker Ventures LLC	11/11/2020	10 000 000	0,405 €	4 050 000 €
Irata LLC Company controlled by W. Rosen	Capital increase subscription	28/12/2020	3 906 250	0,3200 €	1 250 000 €
F. Chesnais CEO	Purchase from A. Zyngier	10/04/2020	2 140 755	0,3737 €	800 000 €
F. Chesnais CEO	Exercise of Stock-options	24/09/2020	3 500 000	0,1959 €	685 650 €
F. Chesnais CEO	Exercise of Stock-options	30/09/2020	1 684 650	0,1665 €	280 494 €
F. Chesnais CEO	Exercise of Stock-options	25/11/2020	500 000	0,1959 €	97 950 €
F. Chesnais CEO	Exercise of Stock-options	25/11/2020	1 324 160	0,2767 €	366 395 €
F. Chesnais CEO	Exercise of Stock-options	04/12/2020	1 500 000	0,2767 €	415 050 €
F. Chesnais CEO	Exercise of Stock-options	10/12/2020	400 000	0,2767 €	110 680 €
Ker Ventures LLC Company controlled by F. Chesnais	Exercise of warrants	29/07/2020	1 767 409	0,1665 €	294 274 €
Ker Ventures LLC Company controlled by F. Chesnais	Sale to LR Interactive Holdings LLC	11/11/2020	-10 000 000	0,405 €	-4 050 000 €
Ker Ventures LLC Company controlled by F. Chesnais	Capital increase subscription	28/12/2020	1 875 000	0,3200 €	600 000 €
A. Zyngier Director	Sale to F. Chesnais	10/04/2020	-2 140 755	0,3737 €	-800 000 €
A. Zyngier Director	Sale	30/10/2020	-521 573	0,3793 €	-197 833 €
A. Zyngier Director	Sale	Du 2/11/2020 Au 30/11/2020	-3 757 230	0,3980 €	-1 495 247 €

On September 30, 2020, the Company was notified of the transfer of the shares held by Wade J Rosen Revocable Trust to the company LR Interactive Holdings LLC, owned by Wade Rosen.

On February 3, 2021, the Company was notified of the transfer of the shares held by the company LR Interactive Holdings LLC to the company Irata LLC, owned by Wade Rosen.

The Company has not been informed of any other transactions carried out by corporate officers during the year involving the Company's shares.

13.11 CHANGES IN OWNERSHIP OVER THE LAST THREE FINANCIAL YEARS

The tables below show the changes in shareholding over the past three years and at September 30, 2021 in terms of the percentage of capital held and voting rights. The differences between the number of shares and the voting rights held are explained by the fact that registered shares held for at least two years benefit from double voting rights.

To the best of the Company's knowledge, at September 30, 2021, following Frédéric Chesnais' resignation from his position as Chief Executive Officer, the breakdown of capital and voting rights was as follows:

Ownership	September 30, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,50%	50 509 252	16,50%	50 509 252	16,50%
Mr Alexandre Zyngier	3 779 778	1,24%	3 779 778	1,23%	3 779 778	1,23%
Actions auto-détenues	0	0,00%	0	0,00%	0	0,00%
Public (2)	251 738 399	82,26%	251 857 189	82,27%	251 857 189	82,27%
Total	306 027 429	100,00%	306 146 219	100,00%	306 146 219	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, the Company's CEO.

(2) 118,790 shares have double voting rights.

To the best of the Company's knowledge, as of March 31, 2021, share ownership and voting rights were as follows:

Ownership	March 31, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,91%	50 509 252	16,90%	50 509 252	16,91%
Ker Ventures, LLC (2)	24 757 755	8,29%	24 757 755	8,29%	24 757 755	8,29%
Mr Alexandre Zyngier	3 531 982	1,18%	3 531 982	1,18%	3 531 982	1,18%
Actions auto-détenues	49 835	0,02%	49 835	0,02%	0	0,00%
Public (3)	219 831 425	73,60%	219 950 215	73,61%	219 950 215	73,62%
Total	298 680 249	100,00%	298 799 039	100,00%	298 749 204	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, Chairman of the Company's Board of Directors at March 31, 2021.

(2) Ker Ventures LLC is the holding company owned by Frédéric Chesnais, the Company's CEO at March 31, 2021.

(3) 118,790 shares have double voting rights.

To the best of the Company's knowledge, as of March 31, 2020, share ownership and voting rights were as follows:

Ownership	March 31, 2020					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Wade J Rosen Revocable Trust	28 000 000	10,46%	28 000 000	10,45%	28 000 000	10,46%
Ker Ventures, LLC (1)	20 065 781	7,49%	20 065 781	7,49%	20 065 781	7,50%
Mr Alexandre Zyngier	9 951 540	3,72%	9 951 540	3,71%	9 951 540	3,72%
Actions auto-détenues	279 589	0,10%	279 589	0,10%	0	0,00%
Public (2)	209 485 140	78,23%	209 603 930	78,24%	209 603 930	78,32%
Total	267 782 050	100,00%	267 900 840	100,00%	267 621 251	100,00%

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company's CEO, at March 31, 2020.

(2) 118,790 shares have double voting rights.

To the best of the Company's knowledge, as of March 31, 2019, share ownership and voting rights were as follows:

Ownership	March 31, 2019					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	47 065 781	18,38%	61 156 519	22,62%	61 156 519	22,64%
Mr Alexandre Zyngier	9 951 540	3,89%	9 951 540	3,68%	9 951 540	3,68%
Arbevel	5 060 846	1,98%	5 060 846	1,87%	5 060 846	1,87%
Treasury shares	220 000	0,09%	220 000	0,08%	0	0,00%
Public (2)	193 811 093	75,68%	193 943 523	71,74%	193 943 523	71,80%
Total	256 109 260	100,00%	270 332 428	100,00%	270 112 428	100,00%

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company's CEO, at March 31, 2019. 14,090,738 of its shares have double voting rights.

(2) 132,430 shares have double voting rights.

13.12 SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge there are no shareholders' agreements in place.

13.13 RELATED-PARTY TRANSACTIONS

The Group's related parties are the companies over which the Group has exclusive control, joint control or a significant influence, the shareholders who have joint control over the Group's joint ventures, the Group's corporate officers, executives and directors, as well as the companies over which the latter have control, joint control or a significant influence. Transactions with the subsidiaries over which the Group has control are eliminated in the consolidated accounts.

The parent company Atari SA invoices the Group for holding services, administrative services, and interest on cash advances. Atari Inc also charges fees for administrative services in the United States.

Regulated Agreements

The regulated agreements that were entered into or continued to apply during the year are presented in the statutory auditors' special report in Section 16 of this document, drawn up in accordance with Article L.225-40 of the French Commercial Code. Between April 1, 2020 and the date of this Universal Registration Document, the following agreements were entered into:

- Service and brand licensing agreement between Atari SA and Atari Chain Ltd, under which Atari Chain pays Atari SA 35% of the income from Atari Token sales, with 25% for the provision of services and 10% for brand licensing. Agreement dated February 27, 2020, supplemented by an agreement dated March 1, 2020.
- Agreement for a USD 2.1M loan granted by Irata LLC, a company controlled by Wade Rosen, to Atari SA, with 8% interest, so as not to impact the Group's cash position in connection with its requirements to source components for the Atari VCS. This loan was granted in three installments: an initial USD 600,000 installment on June 25, 2021, a second installment for USD 100,000 on July 14, 2021 and a third installment for USD 1,600,000 on October 4, 2021. This loan may be repaid by being converted into Company securities.

13.14 PLEDGES, GUARANTEES AND SECURITY INTERESTS

No security or guarantee has been granted to third parties.

14 MARKET FOR THE COMPANY'S SECURITIES

Securities management: CACEIS Corporate Trust, 14 rue Rouget de L'Isle, 92130 Issy les Moulineaux,
France.
Tel: +33(0)1.57.78.00.00

14.1 SHARES - ISIN: FR0010478248

Main listing: NYSE Euronext Paris - Compartment C

The share is eligible for the deferred settlement system (SRD Long) and the PEA-PME savings plan.

Included in the following indices: Next Economy, CAC All shares

Reuters code: ATARI.PA Bloomberg code: ATA:FP

Period	Monthly highs and lows		Trading volume	Capital traded in the month
	High	Low		
2021				
September	0,468 €	0,363 €	46 838 881	19 407 706 €
August	0,454 €	0,346 €	65 845 190	25 390 367 €
July	0,541 €	0,346 €	75 091 810	31 117 672 €
June	0,723 €	0,494 €	93 494 389	57 122 791 €
May	0,830 €	0,540 €	116 806 667	77 714 938 €
April	0,963 €	0,622 €	189 751 630	155 972 805 €
March	0,839 €	0,341 €	342 846 388	214 779 088 €
February	0,435 €	0,340 €	72 077 674	27 901 179 €
January	0,399 €	0,353 €	35 252 778	13 122 270 €
2020				
December	0,448 €	0,341 €	69 927 588	26 652 419 €
November	0,445 €	0,353 €	67 505 890	27 066 559 €
October	0,494 €	0,264 €	124 187 952	51 843 550 €
September	0,318 €	0,256 €	10 052 693	2 844 491 €
August	0,327 €	0,247 €	18 131 429	5 353 168 €
July	0,291 €	0,240 €	8 214 724	2 192 732 €
June	0,309 €	0,271 €	8 964 045	2 611 761 €
May	0,314 €	0,280 €	11 930 944	3 502 124 €
April	0,339 €	0,250 €	44 061 715	12 842 326 €
March	0,289 €	0,170 €	45 544 559	10 464 498 €
February	0,323 €	0,243 €	12 398 929	3 579 375 €
January	0,360 €	0,300 €	15 861 706	5 224 805 €
2019				
December	0,370 €	0,299 €	15 088 684	5 062 387 €
November	0,338 €	0,285 €	10 033 788	3 112 709 €
October	0,339 €	0,256 €	23 554 983	6 890 816 €
September	0,363 €	0,320 €	7 304 340	2 500 248 €
August	0,382 €	0,338 €	13 872 068	4 987 648 €
July	0,418 €	0,370 €	15 433 941	6 037 272 €
June	0,441 €	0,321 €	34 612 085	13 609 620 €
May	0,413 €	0,321 €	13 703 819	4 961 357 €
April	0,433 €	0,310 €	35 507 275	13 523 728 €
March	0,365 €	0,312 €	17 103 654	5 759 500 €
February	0,356 €	0,319 €	14 161 628	4 817 436 €
January	0,386 €	0,320 €	19 532 244	6 782 469 €

(Source : Euronext)

American OTC market: Affiliation with the NASDAQ International Select program on the OTC market Ticker: PONGF

14.2 DIVIDENDS

The Company has not distributed dividends in the last five years and does not contemplate proposing any dividend payments for FY 2020-2021.

15 CORPORATE GOVERNANCE REPORT

This corporate governance report has been drawn up in accordance with the provisions of Article L.225-37 of the French Commercial Code. It was approved by the Board of Directors during its deliberations on August 13, 2019. It notably aims to report on the organization and composition of the administrative, management and supervisory bodies, in addition to the delegations of authority and powers granted to the Company's Board of Directors.

15.1 CORPORATE GOVERNANCE CODE

At its meeting on March 16, 2017, the Company's Board of Directors decided to adopt the MiddleNext Corporate Governance Code of September 2016 for small and mid-caps (the "MiddleNext Code") as a reference code for the Company in terms of corporate governance, considering that it is the most suitable for its size and its shareholding structure. This code is available on the MiddleNext website in its revised version from September 2021 (www.middlenext.com).

The MiddleNext code contains points of vigilance which call to mind the questions that the Board of Directors must ask itself for the good functioning of governance.

As of the date of this report, the Company deems itself to be in compliance with all the recommendations of the MiddleNext Code, with the exception of two of the three new recommendations made after the closing of the financial statements for the financial year 2020-2021, in the revised version of the Code in September 2021:

- R8 on the creation of a CSR committee,
- R5 on the need for board members to undergo regular training.

15.2 ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

EXECUTIVE MANAGEMENT

The Company is a French *Société Anonyme* (public limited company) with a Board of Directors. Until April 3, 2020, the functions of Chairman of the Board of Directors and Chief Executive Officer were not separated.

From April 3, 2020, Mr Wade J. Rosen was Chairman of the Board of Directors and Mr Frédéric Chesnais was Chief Executive Officer.

From April 6, 2021, Mr Wade J. Rosen took on the roles of Chairman of the Board of Directors and Chief Executive Officer following the resignation of Mr Frédéric Chesnais.

BOARD OF DIRECTORS

The Board of Directors is made up of four directors, 50% of whom are independent in accordance with Recommendation no.3 from the MiddleNext Corporate Governance Code. The members of the Board of Directors are:

- Wade J. Rosen, Chairman, Chief Executive Officer, non-independent director;
- Alyssa Padia-Walles, independent director;
- Kelly Bianucci, independent director;
- Alexandre Zyngier, non-independent director.

Mr Frédéric Chesnais was a member of the Board of Directors from February 15, 2021 to June 6, 2021, when he resigned from his position as a director.

Directors are appointed by the General Meeting for a period of three years.

Balanced Representation of Women and Men on the Board of Directors

The system set up by law, introducing a minimum representation threshold of 40% for members of the Board of Directors and the Supervisory Board of companies whose shares are admitted to trading on a regulated market, applies from January 1, 2017. The Company's Board of Directors has four members, including two women.

Ethics of the Directors

In accordance with Recommendation No. 1 of the MiddleNext Code, all directors are made aware of the responsibilities incumbent on them at the time of their appointment and are encouraged to observe the rules of ethics relating to their directorship.

Directors must comply with the legal rules governing multiple directorships, inform the Board in the event of a conflict of interest occurring after obtaining a directorship, be diligent in attending Board meetings and General Meetings, and ensure that they have all the necessary information on the agenda of the Board meetings before making any decision.

Directors are required to respect confidential information given as such by the Chairman of the Board of Directors.

Conditions for Preparing and Organizing the Work of the Board of Directors

Article 14 of the Articles of Incorporation stipulates that the Company's Board of Directors must have a minimum of three and maximum of 18 members, subject to an exemption provided for by the legal provisions. The Board of Directors does not have a director elected by the employees. The members of the Board of Directors have been chosen because of their recognized expertise in the areas of management, finance, and accounting, on the one hand, and the interactive entertainment industry, on the other.

In accordance with the Company's Internal Regulations approved by the Board of Directors on March 16, 2017, the Board of Directors has the broadest management powers to act in all circumstances for and on behalf of the Company. It defines the Company's general management policy and ensures that it is implemented, and, more generally, all important matters are referred to it in accordance with Recommendation No. 6 of the MiddleNext code. The Board of Directors approves the Company's strategic guidelines and ensures that they are implemented by senior management. In particular, the Board of Directors sets the thresholds for prior authorization necessary for the Chief Executive Officer (or other senior executives) to finalize and give effect to the Company's main operations and approves the annual budget and the multi-year game publishing plan. The Board also approves any material changes to the Budget or publishing plan during the year.

In accordance with the law and the Board's Internal Regulations, the directors have the necessary means to obtain all information essential to carry out an independent and critical analysis of the Group's business, its financial position, its results, and its prospects. The Board of Directors ensures that at least one-third of its members are independent directors. At the date of this document, the Board of Directors had two independent directors out of four members (i.e. 50%): Ms Alyssa Padia Walles and Ms Kelly Bianucci.

The Company's Board of Directors met 14 times during the period from April 1, 2020 to March 31, 2021 with an average directors' attendance rate of 100%. All Board meetings were chaired by its Chairman. The Board meetings were attended by the secretary and, depending on the subjects discussed, the statutory auditors, the Group's managers or third-party experts.

The Board of Directors meets as often as the interests of the Company require and at least four times a year in accordance with Recommendation No. 6 of the MiddleNext Code.

The Board of Directors also met several times in an "Executive Session" (excluding Frédéric Chesnais) to review the situation of the Company and the compensation of Frédéric Chesnais.

In accordance with Recommendation No. 7 of the MiddleNext Code, the Board of Directors is assisted by two standing committees: the Audit Committee and the Appointments and Compensation Committee.

Each committee will meet as often as necessary, convened by its chairman or by at least half of its members, to examine any matter within its remit. Independent directors constitute at least half of the members of the committees. Each committee is chaired by an independent director appointed by the Board of Directors.

- The Audit Committee assists the Board of Directors to review and audit the financial statements and to verify the clarity and accuracy of information provided to shareholders and the financial markets.
The Audit Committee is composed of two members: Ms Kelly Bianucci, independent director, Chairman, and Mr Alexandre Zyngier. During FY 2020-2021, the Audit Committee met before the Board of Directors' meetings (the attendance rate was 100%) to address accounting and financial matters.
- The Appointments and Compensation Committee assists the Board of Directors in its duty to oversee the Group's compensation policy (mainly executive compensation) and awards of stock options or free shares. The policy on compensation and benefits of all kinds granted to the Company's executive officers is in accordance with Recommendation No. 16 of the MiddleNext Code, while the principles for determining remuneration meet the criteria of completeness, balance, benchmark, consistency, readability, measurement and transparency.
The Appointments and Compensation Committee is composed of the following members: Ms Alyssa Padia Walles, independent director, Chairman, and Ms Kelly Bianucci, independent director. During FY 2020-2021, the Appointments and Compensation Committee met four times (the attendance rate was 100%).

Limitation of the powers of the Chief Executive Officer

In accordance with Recommendation 4 of the MiddleNext Code, all documents and information necessary for the assignment of the directors have been communicated to them or made available in sufficient time prior to the meetings of the Board. In addition, directors may supplement their information on their own initiative, with the Chairman and Chief Executive Officer being permanently at the disposal of the Board of Directors to provide explanations and significant information.

At each Board meeting, the Chief Executive Officer reports on current operations and significant developments affecting the Company.

However, the Board of Directors' bylaws provide that the prior authorization of said Board is necessary for the following operations:

- The creation of joint ventures or the acquisition of activities worth more than €750,000, the acquisition of participating interests or activities or the signing of joint venture agreements whenever the operation involves more than €750,000;
- The sale or disposal of activities or assets for more than €750,000, the sale of any participating interest or activity involving more than €750,000;
- Mergers or proposed mergers concerning the Company or, in general, all transactions involving the assignment or sale of all or substantially all of the assets of the Company;
- In the event of litigation, the signing of any negotiated agreement or amicable settlement or the acceptance of a negotiated settlement, whenever the amount exceeds €750,000;
- The granting of guarantees on the Company's assets, whenever the guaranteed obligation or the value of the collateral is greater than €750,000;
- The signing of any licensing or intellectual property agreement, whenever the amount involved is greater than €1M.

Directorships Held and Functions Performed by the Members of the Administrative Bodies

Wade J. Rosen: After a Bachelor of Business degree from the University of Denver, Wade Rosen obtained an MBA from Instituto de Empresa SL. In March 2020, he became the Group's largest shareholder when he acquired 10.46% of Atari's share capital from Ker Ventures, the holding company controlled by Frédéric Chesnais. Wade Rosen is also Executive Vice President of Scientific Life Solutions, Inc, Director of Flagship Biosciences, Inc, Blue suit, Inc., and RDI, Inc. He is also the founder of several privately held technology companies based in the United States. Since April 6, 2021, he has been Chairman of the Company's Board of Directors and Chief Executive Officer.

Frédéric Chesnais: Mr Chesnais is a graduate of the Institute of Political Studies Paris, and has a degree in Finance and Law. He began his career as a financial advisor and practiced as a lawyer specializing in mergers and acquisitions. He then worked for Lazard Bank from 1995 to 2000. From 2001 to 2007, he was a member of the Atari Group's management team, first as Group Chief Operating Officer and Chief Financial Officer, then as Chief Executive Officer of Atari Interactive. In 2007, he left Atari to create his own video game company. In 2013, he became the largest shareholder of the Atari Group by purchasing Atari shares then held by BlueBay. Until April 6, 2021, he was CEO of the Atari Group, he resigned from his positions as a director effective June 6, 2021.

Kelly Bianucci: After obtaining a Bachelor of Science degree in Economics and Marketing from New York University's Stern School of Business, Kelly Bianucci earned an MBA from Northwestern University's Kellogg School of Management. She is the owner and operating chair of the Child & Family Therapy Center in Denver. Previously, she led Impresa Financial, a financial services firm that helps technology companies and sales organizations increase revenue through custom financing solutions; and Discover Capital, a private equity firm which focused on investing in the lower middle market. She was appointed Executive Director of the Colorado Innovation Network by Governor John Hickenlooper; previously she was a Channel Marketing Analyst at Take-Two Interactive Software, Inc. and a media and entertainment industry consultant for Deloitte Consulting LLP

Alyssa Padia Walles: A graduate of the University of Southern California, Chairman of Amplitude Consulting and Senior Vice President of Publishing MWM Interactive, Ms. Walles has significant experience in the media field. She is involved in developing and managing companies, sales, brand promotion, and the creation and implementation of international marketing campaigns in interactive entertainment. Ms. Walles is also a mentor on behalf of the USC Marshall School of Business.

Alexandre Zyngier: A graduate of the University of Campinas, Brazil in Chemical Engineering, Mr. Zyngier holds an MBA in Finance from the University of Chicago. He began his career as Technical Director at Procter & Gamble and then as a consultant for McKinsey & Co. He has worked at CRT Capital Group LLC, then Goldman Sachs & Co, and Deutsche Bank. From 2009 to 2013, he served as Portfolio Manager for Alden Global Capital. Mr. Zyngier is a founding partner at Batuta Capital Advisors LLC, where he works with a select group of companies and credit/equity investors specializing in specific financing. He is also a director of EVO Transportation, a national transport operator for the US postal service, and COFINA, a Puerto Rican public corporation that issues government bonds and uses other financing mechanisms to pay and refinance Puerto Rico's public debt and Schmitt industries Inc, a holding company owning subsidiaries engaged in diverse business activities.

Offices and positions held within the Atari Group during FY 2020-2021

Name	Main Function in the Group
Frédéric Chesnais Appointed : 02/15/2021 Resignation : 06/06/2021	CEO (France) : Atari SA General Manager (Gibraltar) : Atari Chain Ltd CEO (United States) : Atari US Holdings Inc, Atari Inc, Atari Interactive Inc, Atari Studios Inc, AITD Productions LLC, Cubed Productions LLC, RCTO Productions LLC, Atari connect LLC, Atari Casino LLC, Atari VCS, Atari Hotels Corp, Atari Games Corp. CEO (Africa) Atari Entertainment Africa Ltd (Mauritius), Atari Gaming Ltd (Kenya), Atari Liberia. Atari RDC Eurl, Atari Lifestyle Ltd (Nigeria), Atari Entertainment Ghana Ltd
Wade Rosen Coopted: 04/03/2020 Ratified : 02/15/2021 Expiration: AGM/FY 2021-2022	Chairman of the Board: Atari SA (France)
Alyssa Padia Walles Renewed: 02/15/2021 Expiration: AGM/FY 2022-2023	Director: Atari SA (France) Chairman of the Nomination and Compensation Committee: Atari SA (France)
Alexandre Zyngier Renewed: 09/28/2018 Expiration: AGM/FY 2020-2021	Director: Atari SA (France) Member of the Audit Committee: Atari SA (France)
Kelly Bianucci Coopted: 04/03/2020 Ratified : 02/15/2021 Expiration: AGM/FY 2022-2023	Director: Atari SA (France) Chairman of the Audit Committee, Member of Compensation Committee Atari SA (France)

The Board of Directors on March 31, 2021, acknowledging the resignation of Mr Frédéric Chesnais from his position as Chief Executive Officer of Atari SA with effect from April 6, 2021, decided to replace him with Mr Wade J. Rosen, who had served as Chairman of the Board of Directors since April 3, 2020.

Mr Frédéric Chesnais also resigned from his position as a Director of Atari SA on June 6, 2021.

Mr Wade Rosen replaced Mr Frédéric Chesnais in all of his positions with the exception of roles in the African subsidiaries, currently being liquidated, and Atari Chain, with Mr Frédéric Chesnais retaining his position as CEO of this company.

Primary offices and positions held outside of the Atari Group

Name	Main positions currently held outside the Group
Frédéric Chesnais	CEO (France) : Crypto Blockchain Industries SA (France) General Manager (United States): Ker Ventures, LLC (United States) OP Productions, LLC (United States) Magnet Productions (United States) Director (designated by Atari SA) : Infinity Network Limited (Gibraltar)
Wade Rosen	Executive Vice President Scientific Life Solutions, Inc (United States) General Manager LR Interactive (United States) - Irata LLC (United States) Director: Flagship Biosciences, Inc., Bluesuit, Inc. (United States) Rosen's Diversified, Inc & subs (United States)
Alyssa Padia Walles	CEO: Amplitude Consulting Inc. (United States) Senior Vice President: Publishing MWM Immersive (United States)
Alexandre Zyngier	Director: Torchlight Energy Resources Inc - Schmitt Industries, Inc (United States) Audioeye Inc. (United States) - Applied Minerals Inc. (United States) Founding partner: Batuta Capital Advisors LLC (United States)
Kelly Bianucci	Managing Member: Bianucci Enterprise LLC (United States) General Manager : The Child and family therapy center of Denver (United States)

Alexandre Zyngier can also act through the Family Limited Partnership "HZ Investments," which in legal terms is equivalent to the legal entity of Mr Alexandre Zyngier.

Previous Directorships Held and Functions Performed over the Last Five Years outside the Atari Group

Names	Expired mandates or functions in the previous five years outside the Group Atari
Wade Rosen	CEO: Wishlist Rewards, LLC (United States) - ThrivePass, Inc (United States) Director: Apto, Inc, Nightdive Studios, LLC (United States) Collagen Solutions PLC (Scotland) Connect first, Inc (United States) Ziggurat Interactive, Inc. & subs (United States)
Alexandre Zyngier	Chairman of the board: Vertis Communications Inc (United States) Director: Island One Resorts (United States) - Torchlight Energy Ressources Inc (United States)
Kelly Bianucci	Managing Member: Impresa Financial Corporation (United States) Board Member: Colorado Innovation Network (United States)

Convictions and Family Ties

To the best of the Company's knowledge, during the last five years, none of the members of the Administrative or Management bodies:

- Have been convicted of fraud;
- Have been associated with bankruptcy, receivership or liquidation;
- Have been incriminated or officially sanctioned by any statutory or regulatory authority, including professional organizations;
- Have been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer.

As of the date of this document, the directors are not related to each other.

Potential Conflicts of Interest

To the best of the Company's knowledge, there is no potential conflict of interest between their duties with respect to the Company and the private interests of any of the members of the Board of Directors or the Company's Management.

To the best of the Company's knowledge, there are no arrangements or understandings with major shareholders, clients, suppliers or other parties, pursuant to which any member of the Board of Directors or the Company's Management was selected as a member of an administrative, management or supervisory body or member of senior management.

Loans and Guarantees Granted

During the past financial year, no loans or guarantees were granted or made to members of the Board of Directors or management bodies.

15.3 COMPENSATION OF DIRECTORS AND CORPORATE OFFICERS

The General Shareholders' Meeting on February 15, 2021 approved the compensation policy for the Company's executive officers in accordance with Article L.22-10-8 of the French commercial code.

Atari's corporate officers are its directors, and the Chief Executive Officer is the only director to have an executive position. Mr Wade Rosen, Chairman of Atari SA's Board of Directors, did not receive any compensation for this position in FY 2020-2021.

COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER FOR FY 2020-2021

On February 1, 2013, Frédéric Chesnais took on the role of Group Chief Executive Officer and also served as Chairman of the Board of Directors until April 3, 2020.

Annual fixed compensation

- Compensation for his position as Chief Executive Officer

In 2013, for the positions of Chairman of the Board of Directors and/or Chief Executive Officer, the Board approved a sum of €1,000 gross per month for Atari SA and \$1,000 per month for the American company Atari Inc.

This compensation remained unchanged since 2013.

- Compensation for his position as a producer

On May 13, 2014, the Board of Directors, as recommended by the Appointments and Compensation Committee, decided to award US\$ 46,500 of monthly compensation for the operational games producer role performed by Frédéric Chesnais in the Group's American subsidiaries. This amount is paid in the United States in US dollars.

This compensation remained unchanged since 2014.

Frédéric Chesnais was not entitled to any severance benefits in the event of termination of his duties as Chief Executive Officer or game producer.

Variable compensation / Options

The Board of Directors decided, as recommended by the Appointments and Compensation Committee, to set up an annual discretionary bonus, as of April 1, 2017, which could represent (except in exceptional circumstances) between 50% and 125% of the annual fixed compensation paid, incorporating the following elements: level of revenue, EBITDA margin, cash generation, share price performance, growth in recurring net earnings per share, which makes it possible to take into account all the elements on the income statement, as well as various objective criteria related to the activity.

In addition, under the delegation of authority granted by the General Meeting, the Board of Directors reserves the right to award stock options as part of an option plan.

This compensation policy was approved at the General Shareholders' Meeting on February 15, 2021.

- **Variable compensation for FY 2020-2021**

The Board of Directors, as recommended by the Appointments and Compensation Committee, and after the Audit Committee ascertained the compliance of the financial elements and the measurement of the performance criteria, decided to not pay any variable compensation to Mr Frédéric Chesnais for FY 2020-2021.

- **Profit-sharing bonus paid in Atari Tokens**

To incentivize Frédéric Chesnais and the teams working on it to ensure the success of the Atari Token project, the Board of Directors on July 14, 2020 decided to award 68 million Atari Tokens. Taking into account the conditions for awarding these tokens from April 1, 2020 to March 31, 2022, 49 million Atari Tokens were transferred to Frédéric Chesnais in June 2021 following his departure. These Atari Tokens, valued at the start of the project at US\$ 0.005, represent a total of US\$ 246K.

- **Stock options awarded during FY 2020-2021 then canceled**

The Board of Directors on July 14, 2020, under the delegation granted by the General Meeting on September 30, 2019, awarded, as long-term incentives, two million stock options based on the Company's shares to Frédéric Chesnais.

As these options were subject to the criterion for one year's presence, they were canceled on June 6, 2021 with Mr Frédéric Chesnais' resignation from his positions with the Atari Group.

Compensation due for directorships

The directors receive compensation for their office (previously "directors' fees"). The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Appointments and Compensation Committee, taking into account the Company's interests.

For FY 2019-2020, the Board of Directors set the compensation for Mr Frédéric Chesnais' position as a director at €19K, subject to approval by the General Meeting convened to deliberate on the financial statements for the year ended March 31, 2020. This amount was paid to him during FY 2020-2021.

During FY 2020-2021, Mr Frédéric Chesnais resigned from his position as a director on April 3, 2020 with a view to being appointed as a director again by the General Meeting on February 15, 2021. For FY 2020-2021, the Board of Directors set the compensation for Mr Frédéric Chesnais' position as a director at €2.5K, subject to approval by the General Meeting convened to deliberate on the financial statements for the year ended March 31, 2021.

Insurance benefits: health cover, life insurance, disability insurance

The Board of Directors on May 13, 2014 also decided to award benefits to cover health, death and disability risks for Mr Frédéric Chesnais.

€30K net was therefore allocated to Atari SA, with €36K for the American business units.

The following table includes, with the exception of the profit-sharing bonus for the Atari Token project paid in Atari Tokens, the compensation and benefits of any kind due and paid to Mr Frédéric Chesnais in connection with his appointment by the Company and by the controlled companies in the United States, within the meaning of Article L233-16 of the French Commercial Code.

Table 1 – Compensation for the Chief Executive Officer, Mr Frédéric Chesnais:

Frédéric Chesnais - CEO (Amounts in K€)	FY 2020-2021				FY 2019-2020			
	Amount due		Amount paid		Amount due		Amount paid	
	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.
Fixed compensation	12	488	12	483	12	513	12	502
IInsurances (1)	30	50	65	122	30	52		
Annual variable compensation			21	278	21	292	19	384
Director's fees (1)	3		19		19		20	
Stock-Options								
Free share allocation								
Benefit in kind								
TOTAL	45	538	117	884	82	858	51	886

(1) The amounts indicated are net of social security contributions and withholding taxes

Frédéric Chesnais himself pays all of his social security and pension costs and other employee or employer contributions in the United States, based on the amounts paid to him by the US companies.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2021-2022

On April 6, 2021, Mr Wade Rosen took on the role of Group Chief Executive Officer, alongside his position as Chairman of the Board of Directors, which he has held since April 3, 2020.

Annual fixed compensation

▪ Compensation for his position as Chief Executive Officer

The Board of Directors on October 15, 2021, as recommended by the Appointments and Compensation Committee, decided to award, for the position of Chairman of the Board of Directors, €5,000 of gross monthly compensation for Atari SA.

▪ Compensation for his position as a producer

During this same meeting, the Board also decided to award US\$ 46,500 of monthly compensation for Mr. Wade Rosen in assuming the operational games producer role performed in the American subsidiaries, previously performed by Mr. Frédéric Chesnais. This amount is paid in the United States in US dollars.

Wade Rosen is not entitled to any severance benefits in the event of termination of his duties as Chief Executive Officer or game producer.

Variable compensation / Bonus share allocation

The Board of Directors, as recommended by the Appointments and Compensation Committee, decided, subject to approval by the General Meeting convened to approve the financial statements for the year ended March 31, 2021, to award up to one million bonus shares as long-term incentives.

600,000 bonus shares will be vested one year after being awarded, with a holding commitment for a further year, and up to 400,000 bonus shares may vest depending on the following objectives being achieved: positive current operating profit for the American entities, elimination of trade accounts payable due more 90 days, successful raising of at least US\$ 3M from a video game production fund, and renewal of the RollerCoaster Tycoon licensing agreement.

COMPENSATION FOR DIRECTORS FOR FY 2020-2021

Compensation due for employment contracts

Mr. Alexandre Zyngier has had an employment contract in the United States with Atari Inc since September 1, 2014 for the position of "Project Manager". As such, he receives annual compensation of \$30K.

Compensation due for directorships

The directors receive compensation for their office (previously "directors' fees"). The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Nomination and Compensation Committee, taking into account the Company's interests.

For FY 2020-2021, the Board of Directors set, subject to the approval by the General Meeting deliberating on the financial statements for the year ended March 31, 2021, the net amount of this compensation budget at €120K, with the following breakdown: €20K for the Director mandate and €10K for committee membership (audit committee and/or compensation committee).

The following table, in accordance with the MiddleNext recommendation, presents, with the exception of the incentive plan for the Atari Token project paid in Atari Tokens, the compensation for directors awarded and paid per person during the last two years:

Table 2.1 - Net compensation awarded to non-executive corporate officers:

Net amounts awarded in K€	FY 2020-2021		FY 2019-2020	
	Director's fees	Other compensation	Director's fees	Other compensation
Wade Rosen	30	-	-	-
Kelly Bianucci	30	-	-	-
Alyssa Padia Walles	30	-	30	-
Alexandre Zyngier	30	26	30	27
Isabelle Andres	NA	NA	27	-
Erick Euvrard	NA	NA	38	-
TOTAL	120	26	125	27

Table 2.2 – Net compensation paid to non-executive corporate officers:

Net amounts paid in K€	FY 2020-2021		FY 2019-2020	
	Director's fees	Other compensation	Director's fees	Other compensation
Wade Rosen	-	-	-	-
Kelly Bianucci	-	-	-	-
Alyssa Padia Walles	30	-	20	-
Alexandre Zyngier	30	26	21	27
Isabelle Andres	27	-	22	-
Erick Euvrard	38	-	23	-
TOTAL	125	26	86	27

Incentive plan paid in Atari Tokens

To incentivize the directors and the teams working on it to ensure the success of the Atari Token project, the Board of Directors on July 14, 2020 awarded 9.5 million Atari Tokens to each of the four Board members: Wade Rosen, Alyssa Padia Walles, Kelly Bianucci and Alexandre Zyngier. These Atari Tokens, valued at the start of the project at US\$ 0.005, represent a total of US\$47.6K per director. The vesting period for the Atari Tokens runs from April 1, 2020 to March 31, 2022.

COMPENSATION FOR DIRECTORS FOR FY 2021-2022

Compensation due for employment contracts

Mr. Alexandre Zyngier has had an employment contract in the United States with Atari Inc since September 1, 2014 for the position of "Project Manager". As such, he receives annual compensation of \$30K.

Compensation due for directorships

The directors receive compensation for their office. The maximum budget for the compensation to be distributed between the directors is voted on by the General Shareholders' Meeting, as proposed by the Board of Directors, based on recommendations from the Nomination and Compensation Committee, taking into account the Company's interests.

For FY 2021-2022, the Board of Directors set, subject to the approval by the General Meeting, the net amount of this compensation budget at €120K, with the following breakdown: €20K for the Director mandate and €10K for committee membership (audit committee and/or compensation committee).

EQUITY RATIO

Paragraphs 6° and 7° of I of article L. 22-10-9 of the French Commercial Code require the disclosure of the ratios between the level of remuneration of the Chief Executive Officer and the average remuneration on a full-time equivalent basis of the Company's employees other than corporate officers, as well as the annual change in the remuneration of the Chief Executive Officer, the median remuneration on a full-time equivalent basis of the Company's employees, other than corporate officers, and the aforementioned ratios, over the last five financial years

Due to the small size of the Company, its evolution and its turnover rate, the median compensation of employees cannot be validly calculated.

The compensation of the Chief Executive Officer used for the purposes of the table below includes all fixed, variable, and exceptional compensation and directors' fees, excluding insurance indemnities, paid over the past five years to Frédéric Chesnais in his capacity as Chairman and Chief Executive Officer until April 3, 2020, and as Chief Executive Officer of the Company until April 6, 2021.

Evolution of the equity ratio with the average compensation of employees over the period 2016-2021:

CEO	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2016-2021 (average)
Remuneration paid	40 571	57 061	65 712	56 813	60 287	56 089
Change in %	0%	41%	15%	-14%	6%	12%
Average remuneration of employees	124 909	132 735	156 337	137 113	133 565	136 932
Change in %	0%	6%	18%	-12%	-3%	2%
Ratio to average remuneration of employees	0,3	0,4	0,4	0,4	0,5	0,4

In accordance with the law, the scope of employees used to calculate the denominator of the equity ratios is that of Atari SA, whose workforce consists mainly of executive officers.

Because of the salary disparities between the various countries in which the Group operates, the scope retained is that of Atari SA, whose workforce is essentially made up of executive officers.

For the calculation of the equity ratio, due to the salary disparities between the different countries in which the Group operates, the compensation of Mr. Frédéric Chesnais for the last five fiscal years is taken into account in the numerator, and excludes any other compensation within a subsidiary of the Group, in particular for his operational activities in the US subsidiaries.

EXECUTIVE LEADERSHIP TEAM

On the date of this document, the Executive Leadership Team comprised:

- Wade Rosen – CEO
- Philippe Mularski – CFO
- Jean-Marcel Nicolai – Chief Operating Officer of the Games division
- Michael Arzt – Chief Operating Officer of the Atari VCS and Connected Objects division
- Manfred Mantshev – Head of Blockchain division

15.4 REGULATED AGREEMENTS

Regulated Agreements

In accordance with Article L. 225-37-4, 2 of the French Commercial Code, the corporate governance report must include, with the exception of agreements concerning usual operations and entered into under normal conditions, the agreements entered into, directly or indirectly, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of a company's voting rights and, on the other hand, another company controlled by the former as defined by Article L. 233-3.

The regulated agreements that were entered into or continued to apply during the year are presented in the statutory auditors' special report in Section 16 of this document, drawn up in accordance with Article L.225-40 of the French Commercial Code. Between April 1, 2020 and the date of this Universal Registration Document, the following agreements were entered into:

- Service and brand licensing agreement between Atari SA and Atari Chain Ltd, under which Atari Chain pays Atari SA 35% of the income from Atari Token sales, with 25% for the provision of services and 10% for brand licensing. Agreement dated February 27, 2020, supplemented by an agreement dated March 1, 2020.
- Agreement for a USD 2.1M loan granted by Irata LLC, a company controlled by Wade Rosen, to Atari SA, with 8% interest, so as not to impact the Group's cash position in connection with its requirements to source components for the Atari VCS. This loan was granted in three tranches: an initial USD 600,000 tranche on June 25, 2021, a second tranche for USD 100,000 on July 14, 2021 and a third tranche for USD 1,400,000 on October 4, 2021.

Ordinary Agreements

In accordance with Article L. 22-10-12 of the French Commercial Code, the Board of Directors follows a procedure to assess the agreements entered into by Atari SA concerning ordinary operations entered into under normal conditions. The ordinary nature and normal conditions satisfy the following criteria:

- ordinary operations concern operations entered into in connection with the Company's activity, taking into account standard practices for companies in similar situations,
- conditions are considered to be normal if they are consistent with the conditions that would usually apply for similar operations or the conditions usually applied by the Company in its dealings with third parties.

These criteria are assessed on a case-by-case basis by the Board of Directors, liaising with the Finance Department, at least once a year and when such agreements are amended, renewed, extended or cancelled.

15.5 SUMMARY OF THE DELEGATIONS CURRENTLY VALID GRANTED BY THE GENERAL SHAREHOLDERS' MEETING WITH REGARD TO AN INCREASE IN CAPITAL AND THEIR UTILIZATION

Nature of the Delegation of Authority	GM Date Resolution Reference	Duration Term	Maximum Nominal Amount of Capital Increase (€)	Use during the Past Period
Awarding of Company stock options and/or warrants	Sep 30, 2019	38 months	10% of the Company's capital	Used
	Resolution 22	Nov 30, 2022		
Authorization granted to the Board of Directors to set the issue price of shares and any securities granting immediate or future access to the capital with shareholders' preferential subscription rights waived, within the annual limit of 10% of the capital	Sep 30, 2019	38 months	10% of the Company's capital	Used
	Resolution 23	Nov 30, 2022		
Issuance of ordinary shares or any securities granting access to the capital, without preferential subscription rights for shareholders, through an offering as set out in paragraph II of article L.411-2 of the French Monetary and Financial Code	Sep 30, 2019	26 months	20% of the Company's capital	Used
	Resolution 24	Nov 30, 2021		
Reduction of the share capital by canceling shares acquired as part of a buyback program	Feb 15, 2021	18 months	10% of the Company's capital	Not used
	Resolution 14	Aug 15, 2022		
Issuance of shares or securities giving access to the Company's capital, with shareholders' preferential subscription rights maintained	Feb 15, 2021	26 months	€30,000,000	Not used
	Resolution 15	Apr 15, 2023		
Issuance of shares or securities giving access to the Company's capital or giving right to awards of debt securities, without preferential subscription rights for shareholders through a public offering	Feb 15, 2021	26 months	€30,000,000	Not used
	Resolution 16	Apr 15, 2023		
Issuance of Company securities, without preferential subscription rights for shareholders, for members of a company savings plan	Feb 15, 2021	26 months	€5,000,000	Not used
	Resolution 17	Apr 15, 2023		
Increase in the number of securities to be issued in the event of excess demand when launching an issue of securities referred to in resolutions 15, 16 and 17, within the limit of 15% of the original issue	Feb 15, 2021	26 months	Over-allotment option limited to 15% of initial issue	Not used
	Resolution 18	Apr 15, 2023		
Issuance of shares or securities giving access to the capital in consideration for contributions in kind granted to the Company, outside of a public exchange offer	Feb 15, 2021	26 months	10% of the Company's capital	Not used
	Resolution 19	Apr 15, 2023		
Issuance of shares or securities giving access to the capital in consideration for contributions in kind granted to the Company, in the context of a public exchange offer	Feb 15, 2021	26 months	€50,000,000	Not used
	Resolution 20	Apr 15, 2023		

Nature of the Delegation of Authority	GM Date Resolution Reference	Duration Term	Maximum Nominal Amount of Capital Increase (€)	Use during the Past Period
Awarding of Company stock options and/or warrants	Feb 15, 2021	38 months	10% of the Company's capital	Not used
	Resolution 21	Apr 15, 2024		
Authorization granted to the Board of Directors to set the issue price of shares and any securities granting immediate or future access to the capital with shareholders' preferential subscription rights waived, within the annual limit of 10% of the capital	Feb 15, 2021	38 months	10% of the Company's capital	Not used
	Resolution 22	Apr 15, 2024		
Issuance of ordinary shares or any securities granting access to the capital, without preferential subscription rights for shareholders, through an offering as set out in paragraph II of article L.411-2 of the French Monetary and Financial Code	Feb 15, 2021	26 months	20% of the Company's capital	Not used
	Resolution 23	Apr 15, 2023		
Capital increase through the capitalization of reserves, profits or other capitalization that would be allowed	Feb 15, 2021	26 months	-	Not used
	Resolution 25	Apr 15, 2023		

15.6 OWNERSHIP STRUCTURE

BREAKDOWN OF CAPITAL AND VOTING RIGHTS

At March 31, 2021, the Company's subscribed and fully paid-up capital totaled €2,986,802.49 divided into 298,680,249 shares with a par value of €0.01.

To the best of the Company's knowledge, at March 31, 2021, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,91%	50 509 252	16,90%	50 509 252	16,91%
Ker Ventures, LLC (2)	24 757 755	8,29%	24 757 755	8,29%	24 757 755	8,29%
Mr Alexandre Zyngier	3 531 982	1,18%	3 531 982	1,18%	3 531 982	1,18%
Actions auto-détenues	49 835	0,02%	49 835	0,02%	0	0,00%
Public (3)	219 831 425	73,60%	219 950 215	73,61%	219 950 215	73,62%
Total	298 680 249	100,00%	298 799 039	100,00%	298 749 204	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, Chairman of the Company's Board of Directors at March 31, 2021.

(2) Ker Ventures LLC is the holding company owned by Frédéric Chesnais, the Company's CEO at March 31, 2021.

(3) 118,790 shares have double voting rights.

To the best of the Company's knowledge, at September 30, 2021, following Frédéric Chesnais' resignation from his position as Chief Executive Officer, the breakdown of capital and voting rights was as follows:

Ownership	September 30, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,50%	50 509 252	16,50%	50 509 252	16,50%
Mr Alexandre Zyngier	3 779 778	1,24%	3 779 778	1,23%	3 779 778	1,23%
Actions auto-détenues	0	0,00%	0	0,00%	0	0,00%
Public (2)	251 738 399	82,26%	251 857 189	82,27%	251 857 189	82,27%
Total	306 027 429	100,00%	306 146 219	100,00%	306 146 219	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, the Company's CEO at September 30, 2021.

(2) 118,790 shares have double voting rights.

To the best of the Company's knowledge, at March 31, 2020, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2020					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Wade J Rosen Revocable Trust	28 000 000	10,46%	28 000 000	10,45%	28 000 000	10,46%
Ker Ventures, LLC (1)	20 065 781	7,49%	20 065 781	7,49%	20 065 781	7,50%
Mr Alexandre Zyngier	9 951 540	3,72%	9 951 540	3,71%	9 951 540	3,72%
Actions auto-détenues	279 589	0,10%	279 589	0,10%	0	0,00%
Public (2)	209 485 140	78,23%	209 603 930	78,24%	209 603 930	78,32%
Total	267 782 050	100,00%	267 900 840	100,00%	267 621 251	100,00%

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company's CEO, at March 31, 2020

(2) 118,790 shares have double voting rights.

Registered shares may benefit from a double voting right if held for at least two years. At March 31, 2021, to the best of the Company's knowledge, 118,790 shares were entitled to double voting rights.

To the best of the Company's knowledge, there are no other shareholders who directly, indirectly or jointly own 5% or more of the Company's issued capital or voting rights.

CHANGES IN THE SHAREHOLDING STRUCTURE DURING THE PERIOD

CAPITAL TRANSACTIONS

In April 2020, the Company was notified of the following transactions:

- Wade J. Rosen Revocable Trust acquired 8,603,002 shares on the market;
- Ker Ventures LLC acquired 2,140,755 shares from Mr Alex Zyngier.

During the year, the Company issued:

- 18,163,337 shares in connection with the capital increase carried out as part of a private placement in December 2020;
- 1,767,409 shares following the exercising of the warrants held by Ker Ventures LLC;
- 8,908,810 shares following the exercising of stock options by Frédéric Chesnais;
- 2,058,643 shares following the exercising of stock options by Atari Group employees.

REPORTING THRESHOLDS

Under the terms of its Articles of Incorporation, any party, whether acting alone or in concert, who begins to own or ceases to own, directly or indirectly, at least 2% of the Company's capital or voting rights, or any multiple of this percentage, is required to inform the Company.

On April 7, 2020, the Company was notified that Wade J Rosen Revocable Trust had exceeded the threshold of 16%.

On September 30, 2020, the Company was notified of the transfer of the shares held by Wade J Rosen Revocable Trust to the company LR Interactive Holdings LLC, owned by Wade Rosen.

On February 3, 2021, the Company was notified of the transfer of the shares held by the company LR Interactive Holdings LLC to the company Irata LLC, owned by Wade Rosen.

CHANGES IN THE SHAREHOLDING STRUCTURE SINCE YEAR-END

CAPITAL TRANSACTIONS

Since the financial year-end, the Company has issued:

- 1,051,029 shares following the exercising of stock warrants held by HZ Investments (represented by Alexandre Zyngier, Atari SA Director);
- 4,612,000 shares following the exercising of stock options by Frédéric Chesnais;
- 1,684,151 shares following the exercising of stock options by Atari Group employees.

REPORTING THRESHOLDS

On August 4, 2021, the Company was notified that Frédéric Chesnais had dropped below the 4% threshold directly in his own name and indirectly through Ker Ventures LLC, a company that he owns.

To the best of the Company's knowledge, at September 30, 2021, the breakdown of capital and voting rights was as follows:

Ownership	September 30, 2021					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Irata LLC (1)	50 509 252	16,50%	50 509 252	16,50%	50 509 252	16,50%
Mr Alexandre Zyngier	3 779 778	1,24%	3 779 778	1,23%	3 779 778	1,23%
Actions auto-détenues	0	0,00%	0	0,00%	0	0,00%
Public (2)	251 738 399	82,26%	251 857 189	82,27%	251 857 189	82,27%
Total	306 027 429	100,00%	306 146 219	100,00%	306 146 219	100,00%

(1) Irata LLC is the holding company owned by Wade Rosen, the Company's CEO.

(2) 118,790 shares have double voting rights.

**16 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS –
FINANCIAL YEAR ENDING MARCH 31, 2021**

This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the ATARI Shareholders' Meeting

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents

Agreements submitted to the approval of the Shareholders' Meeting**Agreements authorized and entered into during the year**

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements authorized and entered into since the year end

We have been advised of the following agreement, authorized and entered into since the year end, previously authorized by your Board of Directors.

Loan agreement between ATARI SA and IRATA LLC:

Person concerned: Mr. Wade Rosen, Chairman of the Board of Directors and Chief Executive Officer of Atari SA and General Manager of Irata LLC.

Terms, nature and purpose: On 22 June 2021 the Board of Directors authorised the signature of a USD2.1 million loan agreement granted by Irata LLC, a company controlled by Wade Rosen, to Atari SA, bearing interest of 8%. This loan was granted in three tranches: an initial tranche of USD600,000 on 25 June 2021, a second tranche of USD100,000 on 14 July 2021 and a third tranche of USD1,400,000 on 4 October 2021.

Impact on the financial statements of the period: No impact.

Reasons justifying the agreement is in your company's interest: Your Board of Directors indicates that this agreement is motivated by the Group's liquidity position and its component supply needs for Atari VCS.

Prior-year agreements not submitted to the approval of a previous Shareholders' Meeting

We have been informed of the following agreement, authorized and entered into in the year ended 31 March 2020 which was not submitted to the approval of the Shareholders' Meeting voting on the financial statements of that financial year

Person concerned: Mr. Frédéric Chesnais, Chief Executive Officer of ATARI SA at the time of signature of the agreement and Chief Executive Officer of Atari Chain Ltd.

Terms, nature and purpose: On 10 February 2020, your Board of Directors authorised the signature of a service and brand license agreement on 27 February 2020, supplemented by a contract dated 1 March 2020, between your company and Atari Chain Ltd, under which the latter remunerates your company in the amount of 35% of the proceeds from Atari Tokens sales, representing 25% in respect of services and 10% in respect of the brand license.

Impact on the financial statements of the period: An amount of €755 thousand was recognised in deferred income without impacting net income for the year ended 31 March 2021.

Reasons justifying the agreement is in your company's interest: Your Board of Directors indicates that this agreement is motivated by the receipt of remuneration in the amount of services rendered.

AGREEMENTS PREVIOUSLY APPROVED BY SHAREHOLDERS' MEETING

We inform you that we have not been advised of any agreement previously approved by shareholders' meeting that remained in force during the year

Paris and Paris-La-Défense, November 8, 2021

The Statutory Auditors

DELOITTE & ASSOCIES

EXPONENS CONSEIL & EXPERTISE

BENOIT PIMONT

ANNE MOUHSSINE



17 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Wade Rosen, CEO

STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I certify that, having taken all reasonable care to ensure such is the case, the information contained in this universal registration document, to the best of my knowledge, is in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company, and of all the companies included in its basis for consolidation, and that the management report gives a fair view of the business, results and financial position of the Company and of all the companies included in its basis for consolidation, and describes the main risks and uncertainties to which they are exposed.

November 8, 2021

Wade Rosen,

Chief Executive Officer of Atari S.A.

18 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

18.1 STATUTORY AUDITORS

Deloitte & Associés

Member of the Regional Company of Statutory Auditors of Versailles and Centre

Represented by Benoit Pimont

6, Place de la Pyramide 92908 Paris La Défense Cedex

Appointed in October 1993. Reappointed at the General Meetings on December 16, 1999, October 20, 2005, September 30, 2011 and September 29, 2017 for a period of six financial years.

Appointment expires: At the General Meeting to approve the financial statements for the year ending 2023.

Exponens Conseil & Expertise

Member of the Regional Company of Statutory Auditors of Paris

Represented by Ms Anne Mouhssine

20 rue Brunel, 75017 Paris

Appointed at the General Meeting on September 30, 2019 for the remaining term of JLS Partner.

Appointment expires: At the General Meeting to approve the financial statements for the year ending 2022.

18.2 ALTERNATE STATUTORY AUDITORS

B.E.A.S. SARL

Member of the Regional Company of Statutory Auditors of Versailles and Centre

6, Place de la Pyramide 92908 Paris La Défense Cedex

Appointed in December 1999. Reappointed at the General Meetings on October 20, 2005, September 30, 2011 and September 29, 2017 for a period of six financial years.

Appointment expires: At the General Meeting to approve the financial statements for the year ending 2023.

Mr Stéphane Cuzin

Member of the Regional Company of Statutory Auditors of Paris

20 rue Brunel, 75017 Paris

Appointed at the General Meeting on September 30, 2019 for the remaining term of Mr Daniel Chriqui.

Appointment expires: At the General Meeting to approve the financial statements for the year ending 2022.

19 AVAILABLE DOCUMENTS

For the duration of the validity of this Universal Registration Document, the following documents can be consulted by any person on the company website (www.atari-investisseurs.fr):

In the “Financial reports” section:

- Annual financial reports / Reference Documents – Universal Registration Document
- Half-year financial reports
- Securities transactions

In the “Share information” section:

- Monthly information relating to the total number of shares and voting rights
- Information on transactions in own securities
- Description of share repurchase programs

In the “Shareholders’ Meetings” section:

- Documents from General Shareholders’ Meetings for the past seven financial years

UNIVERSAL REGISTRATION DOCUMENT CROSS-REFERENCE TABLE

To facilitate the reading of this Universal Registration Document, the cross-reference table presented below makes it possible to identify the main information provided by the sections in Annex I and Annex II of the Delegated Regulation (EU) 2019/980 of March 14, 2019. (NA = not applicable)

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1.2.	Declaration by the person responsible for information	151
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1.4	Statement on information obtained from third parties	N/A
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3	RISK FACTORS	21 A 26
4	INFORMATION ABOUT THE ISSUER	
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4.2	Place of registration, registration number, and legal entity identifier (LEI)	8
4.3	Date of incorporation and length of life	8
4.4	Registered office, legal form, applicable legislation, country of incorporation, business address, website	8
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CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

To facilitate the reading of the Annual Financial Report, the following table organized by subject makes it possible to identify the main information provided for in Article L.451-1-2 of the French Monetary and Financial Code.

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Statutory Auditors' Report on the Annual Financial Statements	114 à 118
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www.atari-investisseurs.fr

ATARI
25 rue Godot de Mauroy – 75009 PARIS - FRANCE

APPENDIX II – SEMI-ANNUAL FINANCIAL REPORT 2022

January 17, 2022



SEMI-ANNUAL FINANCIAL REPORT 2022

FOR THE SIX-MONTH PERIOD

FROM APRIL 1, 2021 TO SEPTEMBER 30, 2021

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

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**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2021)**



French *société anonyme* (corporation) with capital of €3,060,274.29
Corporate headquarters: 25 rue Godot de Mauroy 75009 PARIS
341 699 106 RCS PARIS

SEMI-ANNUAL REPORT
FIRST HALF OF THE 2021/2022 FINANCIAL YEAR
(Six months ended September 30, 2021)

NOTES

In this document, the terms “**Atari**” or the “**Company**” refer to Atari SA. The term “**Group**” refers to the group of companies formed by the Company and its consolidated subsidiaries. The term “**Universal Registration Document**” refers to Atari’s universal registration document, filed with the AMF on November 8, 2020 under the number D21-0916.

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CONSOLIDATED INCOME STATEMENT

(M€)		Sept 30, 2021	Sept 30, 2020
Revenue	Note 14	6,0	7,8
Cost of goods sold		(2,6)	(1,5)
GROSS MARGIN		3,3	6,3
Research and development expenses	Note 15	(3,5)	(4,0)
Marketing and selling expenses	Note 15	(0,6)	(1,5)
General and administrative expenses	Note 15	(2,1)	(2,0)
Other operating income (expense)	Note 15	-	0,0
CURRENT OPERATING INCOME (LOSS)		(2,8)	(1,2)
Other income (expense)		-	-
OPERATING INCOME (LOSS)		(2,8)	(1,2)
Cost of debt	Note 18	(0,0)	(0,1)
Other financial income (expense)	Note 18	0,2	(0,3)
Share of net operational profit of equity affiliates	Note 17	(0,1)	
Income tax	Note 19	(0,0)	(0,0)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(2,8)	(1,5)
Net income (loss) from discontinued operations		(0,7)	-
NET INCOME (LOSS) FOR THE YEAR		(3,5)	(1,5)
Group share		(3,5)	(1,4)
Minority interests		(0,0)	(0,1)
Basic earnings per share (in euro)	Note 1.3	-0,011	-0,005

The notes are an integral part of the interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(M€)		Sept. 30, 2021	Sept. 30, 2020
CONSOLIDATED NET INCOME		(3,5)	(1,5)
Elements directly incurred in net equity:			
Translation adjustments		0,5	(1,4)
Financial assets valued at fair value through the other comprehensive income		(0,0)	-
Other transactions		-	-
Total result directly recognised in equity		0,5	(1,4)
COMPREHENSIVE INCOME		(3,0)	(2,9)
Of which: Group		(3,0)	(2,8)
Of which: Minority interests		(0,0)	(0,1)

CONSOLIDATED BALANCE SHEET

ASSETS (M€)		Sept 30, 2021	March 31, 2021
Intangible assets	Note 3	11,0	11,6
Property, plant and equipment		0,0	0,0
Rights of use relating to leases		1,7	1,9
Equity affiliates	Note 5	0,0	0,0
Non-current financial assets	Note 4	15,8	15,8
Deferred tax assets	Note 19	1,9	1,9
Non-current assets		30,4	31,3
Inventories	Note 6	1,6	2,5
Trade receivables	Note 7	4,2	3,3
Current tax assets		0,0	0,0
Other current assets	Note 8	2,8	0,6
Cash and cash equivalents		0,8	2,5
Assets held for sale	Note 9	0,0	0,3
Current assets		9,5	9,1
Total assets		39,9	40,4

The notes are an integral part of the interim financial statements.

EQUITY & LIABILITIES (M€)		Sept 30, 2021	March 31, 2021
Capital stock		3,1	3,0
Share premium		21,4	19,1
Consolidated reserves		2,9	14,0
Net income (loss) Group share		(3,5)	(11,9)
Shareholders' equity	Note 10	23,9	24,2
Minority interests		(0,0)	(0,0)
Total equity		23,9	24,1
Provisions for non-current contingencies and losses		0,0	0,0
Non-current financial liabilities	Note 11	1,1	-
Long term lease liabilities	Note 12	1,5	1,6
Other non-current liabilities	Note 13	0,7	0,7
Non-current liabilities		3,3	2,3
Provisions for current contingencies and losses		-	-
Current financial liabilities	Note 11	-	-
Short term lease liabilities	Note 12	0,3	0,3
Trade payables	Note 13	6,9	7,3
Current tax liabilities	Note 13	-	-
Other current liabilities	Note 13	5,2	6,3
Liabilities held for sale	Note 9	0,2	-
Current liabilities		12,7	13,9
Total equity and liabilities		39,9	40,4

CONSOLIDATED STATEMENT OF CASH FLOWS

(M€)	Sept 30, 2021	March 31, 2021
Net income (loss) for the year	(3,5)	(11,9)
Non cash expenses and revenue	-	-
Charges to (reversals of) depreciation, amortization and provisions for non current assets	2,1	12,6
Cost of (revenue from) stock options and related benefits	0,3	0,8
Losses (gains) on disposals	(0,0)	0,1
Other non cash items	(0,3)	(2,6)
Cost of debt	0,1	-
Income taxes (deferred and current)	-	-
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	(1,3)	(1,0)
Income taxes paid	-	-
Changes in working capital	-	-
Inventories	0,9	(1,9)
Trade receivables	(1,0)	(1,3)
Trade payables	(0,0)	1,2
Other current & non current assets and liabilities	(1,9)	(1,5)
NET CASH USED IN OPERATING ACTIVITIES	(3,3)	(4,6)
Purchases of / additions to :		
Intangible assets	(1,8)	(4,6)
Property, Plant & equipment	-	(0,0)
Non current financial assets	(0,0)	(0,1)
Disposals / repayments of :		
Intangible assets	-	-
Property, Plant & equipment	-	-
Non current financial assets	0,0	1,7
NET CASH USED IN INVESTING ACTIVITIES	(1,8)	(3,1)
Net funds raised from :		
Share issues	2,4	8,4
Loans	1,1	-
Changes in treasury shares	-	-
Net funds disbursed for :		
Interest and other financial charges	-	-
Debt repayment	-	(0,6)
Changes in treasury shares	-	-
Changes in loans or other financial items	-	-
Other cash flows from financing activities	(0,1)	-
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	3,4	7,8
Impact of changes in exchange rates	0,1	0,6
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,7)	0,7
(M€)	Sept 30, 2021	March 31, 2021
Net opening cash balance	2,5	1,8
Net closing cash balance	0,8	2,5
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,7)	0,7
Net closing cash balance		
Cash and cash equivalents	0,8	2,5
Bank overdrafts (including current financial debts)	-	-

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

The change in consolidated shareholders' equity is as follows:

(M€)	Capital	Share premium	Treasury shares	Consolidated reserves	Cumulative translation adjustments	Shareholders equity	Minority interests	Total equity
At March 31, 2020	2,7	11,0	(0,2)	17,7	(2,8)	28,4	(0,3)	28,1
Net income (loss) for the period				(11,9)		(11,9)	(0,0)	(11,9)
Translation adjustments					(1,1)	(1,1)	-	(1,1)
Other comprehensive income				(0,2)		(0,2)		(0,2)
Comprehensive income				(12,1)	(1,1)	(13,2)	(0,0)	(13,2)
Share issues	0,3	8,1		(0,0)		8,4		8,4
Treasury shares transactions	-	-	0,1	-	-	0,1		0,1
Others changes	-	-		0,5		0,5	0,3	0,7
At March 31, 2021	3,0	19,1	(0,1)	6,1	(3,9)	24,2	(0,0)	24,1
Net income (loss) for the period				(3,5)		(3,5)	(0,0)	(3,5)
Translation adjustments				-	0,5	0,5	-	0,5
Other comprehensive income				(0,0)		(0,0)	-	(0,0)
Comprehensive income				(3,5)	0,5	(3,0)	(0,0)	(3,0)
Share issues	0,1	2,3	-	-	-	2,4		2,4
Treasury shares transactions	-	-	0,0	-	-	0,0		0,0
Others changes	-	-	0,1	0,3	-	0,3		0,3
At September 30, 2021	3,1	21,4	-	2,8	(3,4)	23,9	(0,0)	23,9

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

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

Atari is an interactive entertainment production group that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and intellectual property assets and licenses such as RollerCoaster Tycoon.

The Group is organized around two main divisions:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focusing on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group's blockchain-related activities, including the development and marketing of non-fungible tokens (NFTs) and the development of the ecosystem around the Atari Token.

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

The Atari brand is known worldwide and is associated with the entertainment sector and video games in particular.

The Company's registered office is at 25 rue Godot de Mauroy, 75009 Paris (France).

1.1. PRINCIPLES APPLIED TO THE SEMI-ANNUAL FINANCIAL STATEMENTS

Preparation of the Financial Statements

The condensed consolidated financial statements of the Group as of September 30, 2021 have been prepared:

- In accordance with IAS/IFRS and their interpretations, as approved by the European Union. This standard is available on the website of the European Commission: http://ec.europa.eu/finance/company-reporting/index_fr.htm ;
 - In accordance with IAS 34—Interim Financial Reporting.
 - Applying the same principles and accounting methods as those applied as of March 31, 2021, with the exception of the standards, amendments and interpretations which have been applied for the first time for financial years beginning after April 1, 2021.

In the case of condensed financial statements, they do not include all the information required by IFRS for annual financial statements. They must therefore be read in conjunction with the Group's consolidated financial statements for the year ended March 31, 2021, as presented in the universal registration document filed with the AMF on November 8, 2021 under number D21-0916.

The accounting principles selected to draw up the condensed consolidated financial statements as of September 30, 2021 are in accordance with those selected for the consolidated financial statements for the financial year ended March 31, 2021.

The Group opted against the early application of the standards, amendments and interpretations adopted or not yet adopted by the European Union, but eligible for early adoption and scheduled to come into force after April 1st, 2021. This primarily concerns the following standards and amendments:

- Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform - Phase 2
- Amendments to IFRS 3 – Definition of a Business

- Amendments to IAS 16 – Proceeds before Intended Use,
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments of Annual Improvements 2018-2020 (IFRS 1, IFRS 9)
- IFRIC Agenda Decision - Configuration or Customization costs in a Cloud Computing Arrangement (IAS38)
- IFRIC Agenda Decision – Hedging Variability in Cash Flows due to Real Interest Rates (IFRS 9)

These amendments and interpretations did not have any significant impact on the consolidated accounts at September 30, 2021.

The Group consolidated financial statements have been established on a historical cost basis, with the exception of the following assets and liabilities, which are evaluated at fair value: financial derivative instruments, financial assets and liabilities measured at fair value through profit and loss and financial assets and liabilities measured at fair value through other comprehensive income (OCI) that cannot be reclassified.

The Group financial statements are presented in millions of euros with one decimal place, unless indicated otherwise. Rounding to the nearest thousand euros may, in certain cases, lead to non-material discrepancies at the level of the totals and sub-totals of certain tables.

Use of estimates

Preparing the consolidated financial statements in accordance with IFRS as adopted by the EU requires the Group to use estimates and assumptions that it considers reasonable and realistic. These estimates and assumptions affect the amount reported in the financial statements.

Estimates may be revised if the circumstances on which they were based change, or as a result of new information, the current extraordinary health emergency related to Covid-19 making estimates more difficult. Actual results may differ from these estimates and assumptions.

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

In the course of the preparation of the condensed interim consolidated financial statement, the judgements exercised by the Group in its application of accounting methods and in its analysis of the main sources of uncertainty related to the estimates is identical to those described in the financial statements for the financial year ended March 31, 2021.

Methods of Consolidation

All the companies in which the Group exercises control, that is, in which it has the power to govern their financial and operating policies in order to obtain benefits from their activities, are fully consolidated. Only the company Atari Chain Ltd, which is 50% owned, is consolidated using the equity method.

Scope of Consolidation

During the first half of 2021-2022, the Group consolidation perimeter remained unchanged.

Company	Fiscal year end	Country	% control		% interest	
			30.09.2021	31.03.2021	30.09.2021	31.03.2021
Active subsidiaries						
Atari Partners S.A.S.	March 31	France	100,00	100,00	100,00	100,00
Alpha Chain SA	March 31	France	100,00	100,00	100,00	100,00
Atari Chain Ltd	March 31	Gibraltar	50,00	50,00	50,00	50,00
Atari US Holdings Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	United States	100,00	100,00	100,00	100,00
Atatri Studios Inc	March 31	United States	100,00	100,00	100,00	100,00
Atari Games Corp	March 31	United States	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	United States	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Connect LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari VCS LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Hotels Corp	March 31	United States	100,00	100,00	100,00	100,00
Atari Music LLC	March 31	United States	100,00	100,00	100,00	100,00
Inactive and undergoing liquidation						
Atari Productions LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Atari Burundi Su	March 31	Burundi	100,00	100,00	100,00	100,00
Atari Japan KK	March 31	Japon	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00
Infogrames Interactive GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00	100,00	100,00	100,00
Atari Entertainment Africa Ltd	Dec 31	Mauritius	100,00	100,00	100,00	100,00
Atari Gaming Ltd	March 31	Kenya	59,90	59,90	59,90	59,90
Atari Liberia Inc	March 31	Liberia	100,00	100,00	100,00	100,00
Atari RDC Eurl	March 31	RDC	100,00	100,00	100,00	100,00
Atari Lifestyle Ltd	March 31	Nigéria	99,00	99,00	99,00	99,00
Atari Entertainment Ghana Ltd	March 31	Ghana	90,00	90,00	90,00	90,00
Atari Entertainment Uganda Ltd	March 31	Uganda	100,00	100,00	100,00	100,00
Atari Entertainment Tanzania Ltd	March 31	Tanzania	100,00	100,00	100,00	100,00
Atari Guinée SA	March 31	Guinea	100,00	100,00	100,00	100,00

1.2. APPLICATION OF THE GOING CONCERN PRINCIPLE

Over the course of the last financial years, the Group's shareholder equity and net cash position have evolved as follows:

- At March 31, 2020, shareholders' equity (Group share) amounted to +28.5 million euros. At the same date, the Group's net cash amounted to +1.1 million euros.
- At March 31, 2021, shareholders' equity (Group share) amounted to +24 million euros. At the same date, the Group's net cash amounted to 2.5 million euros.
- At September 30, 2021, shareholders' equity (Group share) amounted to +23.9 million euros. At the same date, the Group's net cash amounted to -0.2 million euros.

Cash and cash equivalents amount to 0.8 million euros and gross financial debt amounts to 1.2 million euros. This debt is made up of shareholder loans in an amount of 1.2 million USD, of which 0.7 million USD granted by Irata LLC, a company controlled by Wade Rosen, with an effective interest rate of 8%.

The Company conducted a specific review of its liquidity risk and it considers that the working capital requirements linked to the ramping up of VCS production and the implementation of the gaming division's new strategy will require additional financing, that could take the form of external financing or a capital markets transaction whose form is currently being examined. Benefiting from the support of its new principal shareholder and Chairman & CEO, the Atari Group considers that it is in a position to meet its future payments, irrespectively of the realization of any external financing or capital market transaction,

thus confirming the application of the going concern principle in the preparation of the financial statements as at September 30, 2021.

The cash-flow projections prepared by the Group are based on:

- forecasts for the business activities (games, licensing, multimedia production, Atari VCS and Atari Blockchain) generating positive cash-flows,
- an additional loan granted by Irata LLC in an amount of \$1.4M in October 2021,
- the sale of land NFTs in the blockchain based virtual world Sandbox in November 2021 for an amount of \$4.3M;
- external financing based on market conditions.

By their nature, these forecasts rely on assumptions whose timing is uncertain as to their realization, it being specified that the Group is developing new activities, for which no historical comparison base exists (Atari VCS, Atari Blockchain), that could guarantee the assumptions retained.

1.3. EARNINGS PER SHARE

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

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

Number of shares used to calculate earnings per share: 303 559 091

NOTE 2 – HIGHLIGHTS OF THE PERIOD

The highlights of the first half of the 2021/2022 financial year are:

- **April 2021: Appointment of Wade J. Rosen as Chief Executive Officer – Resignation of Frédéric Chesnais :** The Board of Directors on March 31, 2021, acknowledging the resignation of Mr Frédéric Chesnais from his position as Chief Executive Officer with effect from April 6, 2021, decided to replace him with Mr Wade J. Rosen, who had served as Chairman of the Board of Directors since April 2020.
- **Atari Token's divisibility / Award brought forward :** During their meeting on April 1, 2021, the managers of the company Atari Chain decided to replace the existing ATRI token with a new ATARI token, divisible to 18 decimals, through an exchange. The remaining ATRI tokens in the cash account were replaced with the new ATARI token. The managers also decided to award the new ATARI token to the Company and ICICB Limited in accordance with the proportions set in the licensing agreement entered into with Atari Chain on February 27, 2020. These new tokens were transferred on April 12, 2021.
- **June 2021: Licensing agreement signed with Crypto Blockchain Industries SA (CBI) - Resignation of Frédéric Chesnais from his position as a director :** In connection with its developments through NFTs and virtual worlds, Atari Interactive Inc granted a license on June 4, 2021 to CBI, the company founded and managed by Frédéric Chesnais, for the development of a virtual world incorporating blockchain technology. To avoid conflicts of interest, Frédéric Chesnais indicated that he intended to resign from his position as a director of Atari SA on this same date, effective June 6, 2021, while continuing to act as a consultant for the licensing activities (Atari Gaming division) until March 31, 2022.
- **Withdrawal from casino operations in Africa :** During its meeting on July 1, 2021, the Board of Directors defined a new strategy for the Group and conducted a general review of its assets. To effectively allocate its resources to ensure the success of this new strategy, it was decided to withdraw from directly-operated casino activities in Africa.

- **Financing through current account contributions :** So as not to impact the Group's cash position in the context of its requirements to source components for the Atari VCS, the Company was granted two loans in July, August and October 2021, by two shareholders, for a total of USD 2.6M. Irata LLC, a company controlled by Wade Rosen, contributed USD 2.1M to this operation.

NOTE 3 – INTANGIBLE FIXED ASSETS

At September 30, 2021, intangible fixed assets break down as follows:

Gross value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	25,2	1,9	0,8	6,2	1,7	35,7
Acquisitions	1,3	-	0,1	0,4	0,4	2,2
Disposals / Retirements	(0,2)	-	(0,3)	-	(1,0)	(1,5)
Translation adjustments	0,3	0,0	0,0	0,1	-	0,4
September 30, 2021	26,6	1,9	0,5	6,7	1,1	36,8

Amortization & provisions (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	(21,3)	(1,9)	(0,5)	(0,4)		(24,1)
Amortization / Provisions	(1,3)	-	(0,0)	(0,7)		(2,0)
Disposals / Retirements	0,2	-	0,3	-		0,5
Translation adjustments	(0,3)	(0,0)	(0,0)	(0,0)		(0,3)
September 30, 2021	(22,7)	(1,9)	(0,2)	(1,1)		(25,8)

The net values break down as follows:

Net value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	3,8	(0,0)	0,3	5,8	1,7	11,6
September 30, 2021	3,9	(0,0)	0,3	5,6	1,1	11,0

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

3.1. GAMES

Video game development costs are, in principle, amortized over three years on a straight-line basis from the product's launch. For certain products that encounter difficulties at launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows. At the end of the financial year, the residual net book value is compared to the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

3.2. AUDIOVISUAL PRODUCTIONS

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

3.3. ATARI VCS

The Atari VCS development costs are amortized, from its release date, in December 2020, over five years on a straight-line basis. Software developments capitalized since April 1, 2021 are amortized on a straight-line basis over 3 years.

3.4. LICENSES

Licenses are rights acquired from third-party publishers.

At the end of the financial year, the residual net book value is compared to the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

3.5. TOKENS

As part of the commitments for Atari Tokens to be issued by Atari Chain, the Atari Group received 683.7 million Atari Tokens. As there is no active market as defined by IFRS 13, these Atari Tokens are only valued when they give rise to a sale or an award.

At September 30, 2021, Atari SA held 494.6 million Atari Tokens, with 57.7 million of them, allocated to a future service, valued at 0.3M€.

The other tokens held represent €0.8M and are based on the following cryptocurrencies: 1.0 million Chain Games tokens (CHAIN), 2.5 million Tower tokens (TOWER), 4.7 million Lympo tokens (LYM) and 156.43 Ether (ETH).

NOTE 4 – NON CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows as of September 30, 2021:

(M€)	Sept 30, 2021	March 31, 2021
Financial assets measured at fair value through OCI	0,0	0,2
Financial assets measured at fair value through profit & loss	1,4	1,2
Financial assets measured at amortized cost	14,4	14,5
Non-current financial assets	15,8	15,8

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

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

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

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

Financial assets at amortized cost

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

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

This category comprises debt and equity instruments.

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

Financial assets at fair value through profit and loss

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

They mainly consist of:

- Kizzang securities; a company that offers an online casino gaming model with real money jackpots and no initial outlay. The fair value of these securities has been 0 since FY 2018-2019.
- LGBT Media securities: in April 2017 the Group sold the Pridefest game to LGBT Media in exchange for a 22% stake in LGBT Media, a US company developing an application for the LGBTQ community. During FY 2018-2019, the Group entered into an agreement allowing it to ultimately own 42% of the company for an additional investment of \$165,000. The company is still controlled by its two founders; the Atari Group is not on the board of directors and has no notable influence on this company. The fair value of these securities was 0 at September 30, 2021; the fair value adjustment for the period represents €0.05M.
- Infinity Network Limited ("INL") securities: in February 2018, Atari granted a license to INL for the development of a blockchain platform and an Atari Token. As this project with INL was not progressing at the pace expected by Atari, the Group canceled this license during FY 2019-2020. Atari retains its participation in INL, with a fair value of 0.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

They mainly consist of:

- Stock warrants from Roam, an innovative company specializing in audio accessories. The fair value is 0.
- Shares from convertible promissory notes for \$1.4M, issued by Bayside Games, Inc., a company that develops tournament games, giving access to approximately 15% of the capital of this company. These convertible bonds had been received in FY 2017-2018 in exchange for a licensing agreement granted by the Group.
- A "Simple Agreement For Future Equity" giving access to securities in Portal One, for €0.2M. Portal One is a US company that produces TV shows mixing games and virtual reality, including with licenses for Atari games. Portal One securities are unlisted. Atari holds a participation that is not material of less than 5% of the share capital.

FINANCIAL ASSETS MEASURED AT AMORTIZED COST

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

- security deposits relating to the leases for the various offices;
- trade receivables, with a maturity over one year, recognized using the effective interest rate method. At September 30, 2021, they represented €14.2M, including €7.4M for receivables with a bank guarantee related to the ICICB agreement, €3.7M for receivables on the Wish Holding agreements, and €1.7M for receivables relating to the hotel agreement with ICICB.

NOTE 5 – EQUITY AFFILIATES

The accounts of Atari Chain Ltd (Gibraltar) are consolidated on an equity basis in the Group's accounts. This company, created in March 2020, is jointly owned and controlled by Atari SA and ICICB Limited with a 50% stake each. The objective of Atari Chain, Ltd is to issue the Atari Tokens (ATRI), collect revenues and allocate the corresponding revenues.

A maximum of 7,771,000,000 Atari Tokens has been created. These tokens can be sold, with the Atari Group receiving 35% of the income from sales (10% for the brand license and 25% for compensation for services) and 65% is allocated to ICICB. Atari Token (ATRI) prices are available on various sites, including coingecko.com and coinmarketcap.com.

For the semester ended September 30, 2021, Atari Chain recorded €0.4M of revenues and a €0.1M net loss. The share of the loss attributed to Atari, €0.06M, was deducted from the current account advances granted by the Group to Atari Chain.

NOTE 6 – INVENTORIES

As of September 30, 2021, the value of inventory amounts to nearly 1.6 M€ and corresponds to produced units of the Atari VCS and components for the Atari VCS. As of March 31, 2021, the value of inventory amounted to 2.5 M€.

NOTE 7 – TRADE ACCOUNTS RECEIVABLE

At September 31, 2021, and March 31, 2021, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days, in addition to receivables from online casino licenses. The Group does not use factoring.

The item "Trade accounts receivable", after deducting sales returns and other future trade discounts, is analyzed as follows:

(M€)	Sept 30, 2021	March 31, 2021
Trade receivables	5,8	4,8
Provisions for impairment in value	(1,6)	(1,6)
Receivables invoices to be established	0,0	0,0
Trade receivables net value	4,2	3,3

Trade and other receivables relating to operating activities are recognized at their amortized cost, which corresponds in most cases to their nominal value, less potential impairments recorded in a specific impairment account. As receivables have a maturity of less than one year, they are not discounted. In accordance with IFRS 9, the Group uses the simplified impairment model for trade receivables based on the analysis of expected losses over the receivable's lifespan.

The limited number of customers enables the Company to regularly review trade receivables. When a payment delay is noted, an analysis is carried out, notably concerning the age of the receivable, the

customer's financial position, the possibility of negotiating a payment plan, guarantees received and possibly credit insurance to determine the recoverable amount. Any difference between the book value and the recoverable value is recognized under current operating income via an allowance for provisions. Impairment is considered final when the receivable itself is considered to be permanently irrecoverable and is then recognized as a loss.

Provisions for impairment mainly consist of an impairment of the \$1.8M Film On receivable, linked to a TV show distribution agreement signed in FY 2019-2020. As the first instalments relating to this receivable were not respected, a provision for risk of non-payment was recorded for the full amount of the receivable during the financial year ended March 31, 2021.

NOTE 8 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(M€)	Sept 30, 2021	March 31, 2021
Receivables from employees	0,0	0,0
Prepaid and recoverable taxes	0,1	0,2
Current financial assets	-	-
Prepaid expenses	2,6	0,3
Other	0,0	0,2
Other current assets	2,8	0,6

Prepaid and recoverable taxes essentially correspond to VAT receivables.

Prepaid expenses in an amount of €2.5M correspond to advance invoices for the Atari VCS production.

NOTE 9 – ASSETS HELD FOR SALE

On July 1, 2021, the Board of Directors defined a new strategy for the Group and therefore carried out a full review of its assets. To effectively allocate its resources to ensure the success of this new strategy, the Group decided to withdraw from the directly-operated casino activities in Africa.

As of September 30, 2021, the discontinuation of the African activities has led the Group to present them separately in the line item "assets held for sale" of the balance sheet, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The liabilities related to these assets are also presented separately on the balance sheet under "liabilities related to assets held for sale".

NOTE 10 – SHAREHOLDERS' EQUITY

At September 30, 2021, shareholders' equity is made up of 306,027,429 common shares, versus 298,680,249 shares on March 31, 2021, fully paid-up with a nominal value of €0.01 each.

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

Changes in equity for the period ended September 30, 2021 are presented below:

Equity as at March 31, 2021 (M€)	24,1
Net income (loss) for the period	(3,5)
Translation adjustments	0,5
Others changes	(0,0)
Comprehensive income	(3,0)
Share issues	2,4
Treasury shares transactions	0,0
Others changes	0,3
Equity as at September 30, 2021 (M€)	23,9

10.1. STOCK OPTIONS

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

As of September 30, 2021, four stock option plans are in effect:

- Plan No. 23 approved by the General Meeting on September 30, 2014, with 321,746 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 328,503 shares at September 30, 2021;
- Plan No. 24 approved by the General Meeting on September 30, 2016, with 205,239 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 207,702 shares at September 30, 2021;
- Plan No. 25 approved by the General Meeting on September 29, 2017, with 1,875,933 options outstanding, entitling beneficiaries, in accordance with the conversion ratios, to subscribe for 1,889,065 shares at September 30, 2021;
- Plan No. 26 approved by the General Meeting on September 30, 2019, with 1,625,000 options outstanding, entitling beneficiaries to subscribe for 1,625,000 shares at September 30, 2021;

At September 30, 2021, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 1.36% of the Company's share capital at that date. The main characteristics of all outstanding Atari stock options are summarized in the 4 tables below:

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
<i>Of which to the Board of Directors</i>	<i>4 000 000</i>			<i>1 650 000</i>
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options granted during FY 2017/2018	-	-	-	-
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Stock options exercised during FY 2019/2020	-	-	-	-
Stock options cancelled during FY 2019/2020	(1 657)	(939)	(144 000)	(461)
Stock options exercised during FY 2020/2021	(4 097 728)	(31 000)	-	(1 926 666)
Stock options cancelled during FY 2020/2021	-	(15 000)	-	(5 000)
Stock options exercised during HY1 2021/2022	(82 272)	(137 753)	-	(55 000)
Stock options cancelled during HY1 2021/2022	-	-	-	-
Total number of stock options outstanding on September 30, 2022	0	36 247	0	285 500

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

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
<i>Of which to the Board of Directors</i>	<i>3 680 000</i>		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	(459)	-	-
Stock options exercised during FY 2020/2021	(4 031 588)	-	-
Stock options cancelled during FY 2020/2021	(95 000)	-	-
Stock options exercised during HY1 2021/2022	(1 038 340)	-	(200 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2022	205 239	0	-0

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

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	September 29, 2017		
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
<i>Of which to the Board of Directors</i>	<i>3 680 000</i>		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2018/2019	-	-	-
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Stock options exercised during FY 2020/2021	(494 444)	-	(59 583)
Stock options cancelled during FY 2020/2021	(95 000)	(1 500 000)	-
Stock options exercised during HY1 2021/2022	(4 480 040)	-	(250 000)
Stock options cancelled during HY1 2021/2022	-	-	-
Total number of stock options outstanding on September 30, 2022	1 335 516	500 000	40 417

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

Option plan in effect	Plan N°26-1		
Date of Shareholders' Meeting	Sept. 30, 19		
Date of Board of Directors Meeting	July 14, 20		
Number of Stock Options granted	3 725 000		
<i>Of which to the Board of Directors</i>	<i>2 000 000</i>		
Expiration date of stock option	July 13, 28		
Exercise price of stock options (in euros) (1)	0,228 €		
Vesting of stock options granted	1/4 per year		
	-		
Stock options granted during FY 2018/2019	3 750 000		
Stock options cancelled during FY 2018/2019	(25 000)		
Stock options exercised during HY1 2021/2022	-		
Stock options cancelled during HY1 2021/2022	(2 100 000)		
Total number of stock options outstanding on September 30, 2022	1 625 000	0	0

(1) The exercise price of the options is determined based on the weighted average quoted price over the twenty trading sessions prior to the award of the options, with a discount.

10.2. FAIR VALUE OF OPTIONS GRANTED DURING THE PERIOD

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

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

The expense recognized as of September 30, 2021 is 0.3 M€.

NOTE 11 – NET DEBT

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

(M€)	Sept 30, 2021	March 31, 2021
Cash and cash equivalents	0,8	2,5
Non-current financial liabilities	(1,1)	-
Current financial liabilities	-	-
Net cash (net debt)	(0,2)	2,5

Non-current financial liabilities are made up of shareholder loans in an amount of 1.1 M€ (1.2 MUSD), of which 0.6 M€ (0.7 MUSD) granted by Irata LLC, a company controlled by Wade Rosen, with an effective interest rate of 8%.

NOTE 12 – LEASE LIABILITIES - CURRENT AND NON-CURRENT

The Group applies the standard IFRS 16 – *Leases*, which foresees a single lessee accounting model with the recognition on the balance sheet of a liability corresponding to the present value of future payments using a discount rate of 3% determined by the Group. The maturities of the lease liabilities break down as follows:

(M€)	Sept 30, 2021	March 31, 2021
Lease liabilities between 1 and 5 years	0,0	1,4
Lease liabilities after 5 years	0,0	0,2
Non current lease liabilities	0,0	1,6
Lease liabilities less than 1 year	1,4	0,3
Current lease liabilities	1,4	0,3
Lease liabilities	1,4	2,0

NOTE 13 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(M€)	Sept 30, 2021	March 31, 2021
Other non-current liabilities	0,7	0,7
Other non-current liabilities	0,7	0,7
Current financial debt	0,3	0,3
Trade payables	6,9	7,3
Tax liabilities	-	-
Other current liabilities	5,2	6,3
Liabilities held for sale	0,2	-
Other current liabilities	12,7	13,9

- “Other non-current liabilities” are related to uncertain tax positions and include estimated risks, disputes and likely litigation relating to the calculation of income taxes. All Group entities may be subject to tax audits or requests for rectification from local tax authorities. These tax reassessments, as well as uncertain tax positions identified by the Group, give rise to a liability, the amount of which is regularly reviewed in accordance with IFRIC 23 – Uncertainty over Income Tax Treatments.

Following the application of IFRIC 23, provisions for tax risks have been classified as current tax liabilities since April 1, 2019. These provisions amounted to 0.9M€ as at September 30, 2021 and cover a potential uncertainty over the utilization of tax-loss carryforwards in the United States.

The tax loss carry-forwards 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 fiscally consolidated, with the perimeter being determined by tax advisors. The method for determining the fiscal perimeter has been unchanged since the final exit from the Chapter 11 proceedings in June 2014. Nonetheless, there is still a risk that the tax authorities could at some future point question the balance of tax losses or their past utilization, whether due to how the consolidation perimeter was determined, how the tax was calculated, and/or the amount of losses that can be utilized.

No other significant tax uncertainty has been identified.

- The amount of trade payables remains material and mainly relates to invoices from suppliers received at the end of the period and concerning the Atari VCS.
- At September 30, 2021, the item "Other current liabilities" mainly relates to deferred revenue of 3.7M€ with the following breakdown:
 - Deferred revenue for the sales and allocations of the Atari Token, whose recognition is deferred in an amount of 2.5M€
 - Deferred revenue for pre-orders of the Atari VCS in the process of being fulfilled for 0.4M€
 - Deferred revenue for hotel licensing revenues of 0.8M€

NOTE 14 – REVENUE FROM ORDINARY ACTIVITIES & SEGMENT INFORMATION

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

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

In April 2021, the Group announced its new organization around two main divisions:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focused on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group's blockchain-related activities, including the development of the ecosystem around the Atari Token, as well as the development and marketing of non-fungible tokens (NFTs).

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

For the first half ended September 30, 2021, the Atari Group recorded revenue of 6.0 M€, compared to 7.8 M€ for the same period of the previous financial year. The Group's revenues can be broken down as follows for each division:

(M€)	Sept 30, 2021	Sept 30, 2020
Atari Games	2,6	5,2
Atari TV shows	-	0,0
Atari VCS	2,3	0,0
Atari Licensing	0,7	2,6
Atari Gaming	5,6	7,8
Atari Blockchain	0,4	-
Total Revenue	6,0	7,8

The decrease, -23.8% at current exchange rates and -20.3% at constant exchange rates, is linked to the contraction in the licensing business, down by almost 73%, held back significantly by the effects of the health crisis, as well as the slowdown in revenues from the video game business, down 51%; faced with the increase in user acquisition costs, it was decided to optimize marketing spending.

Over the period, sales of the Atari VCS represented 2.3M€.

Revenues relating to the new activities developed on the blockchain represented 0.4M€, corresponding to income from NFT sales under a licensing agreement.

NOTE 15 – CURRENT OPERATING EXPENSES

For the purposes of comparison with other companies in the sector, Atari presents its consolidated income statement by function.

Research and development expenses

Research and development expenses amount to 3.5 M€ compared to 4.0 M€ for the previous financial year.

Research & development expenses are analyzed as follows:

(M€)	Sept 30, 2021	Sept 30, 2020
R&D expenditures	3,2	3,9
R&D capitalized	(1,6)	(2,0)
Amortization	1,9	2,1
Research and development expenses	3,5	4,0

Marketing and sales expenses

Marketing and sales expenses amounted to 0.6 M€ compared to 1.5 M€ for the same period of the previous financial year. This significant reduction reflects the optimization of the video game activity's target profitability, by restricting and targeting its new user acquisition campaigns more effectively.

General and administrative expenses

General and administrative expenses remained stable over the period, registering a slight increase of 0.1 M€ for the period ended September 30, 2021.

Other operating income and expenses

At September 30, 2021, there was no movement in the net change in other operating income and expenses.

NOTE 16 – OPERATING EXPENSES BY NATURE

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

(M€)	Sept 30, 2021	Sept 30, 2020
Personnel costs (1)	(0,7)	(1,1)
Depreciation, amortization and provisions	(1,9)	(2,1)
Other income and expenses	(0,8)	(0,7)
Research and development expenses	(3,5)	(4,0)
Personnel costs (2)	(0,2)	(0,1)
Depreciation, amortization and provisions	-	-
Other income and expenses	(0,4)	(1,4)
Marketing and selling expenses	(0,6)	(1,5)
Personnel costs & Director fees (3)	(1,2)	(1,2)
Depreciation, amortization and provisions	(0,0)	(0,0)
Other income and expenses	(1,0)	(0,8)
General and administrative expenses	(2,1)	(2,0)
Personnel costs	-	(0,0)
Depreciation, amortization and provisions	-	0,1
Other income and expenses	-	-
Other operating income (expenses)	-	0,0

(1) Of which €0.2m for the valuation of stock options

(2) Of which €0.0m for the valuation of stock options

(3) Of which €0.1m for the valuation of stock options

NOTE 17 – INCOME FROM EQUITY AFFILIATES

At September 30, 2021, income from equity affiliates is comprised of 50% of the share of Atari SA in the income of the company Atari Chain during the first half of the financial year.

NOTE 18 – NET FINANCIAL INCOME

(M€)	Sept 30, 2021	Sept 30, 2020
Interest on bond debt	(0,0)	-
Interest expenses on lease liabilities (IFRS 16)	(0,0)	(0,0)
Other		(0,1)
Cost of debt	(0,0)	(0,1)
Foreign exchange result	0,1	0,0
Securities fees	(0,0)	(0,0)
Nasdaq Stockholm listing fees	(0,1)	(0,1)
Impairment on long term receivables	0,2	
Sales on non consolidated investments	0,0	
Other	(0,0)	(0,2)
Other financial income (expense)	0,2	(0,3)

At September 30, 2021, the cost of debt is not material.

For the first half ended September 30, 2021, other financial income and expenses are mainly related to the accretion of long-term receivables for +€0.2M and secondary listing costs on the Nasdaq Stockholm market for -€0.1M.

NOTE 19 – INCOME TAX

19.1. ANALYSIS OF THE TAX CHARGE

Given its results and tax loss carry-forwards, the Group did not have any significant tax expense for the period that ended September 30, 2021.

19.2. ANALYSIS OF DEFERRED TAXES

At September 30, 2021, the Group's tax loss carry-forwards were about €736 million in France and close to US\$274 million in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years.

As a result of the significant tax savings of the US entities over the previous financial years, the Group is recognizing a deferred tax asset for the US entities as well as for the French entities, as their recovery is likely over the validity period of the deferred tax assets. The forecast period chosen to determine the recovery window is a two-year horizon.

The Group's tax loss carry-forwards 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. Given these circumstances, to cover any uncertainty, a provision is recognized.

NOTE 20 – PROVISIONS AND CONTINGENT LIABILITIES

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

During the period ended September 30, 2021, no significant movement has been registered in the provisions for contingencies and losses.

NOTE 21 – OFF-BALANCE SHEET COMMITMENTS

21.1. COMMITMENTS GIVEN

Under the agreement with Legalist, where the latter has paid \$1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in six ongoing copyright infringement lawsuits, Legalist has a priority entitlement to 100% of the first million USD of proceeds related to these lawsuits. During FY 2020-2021, four of these lawsuits had been settled in the Group's favor, leading to a payment of \$1.0M to Legalist according to the agreement. Legalist is entitled to a variable percentage of the proceeds from the two outstanding lawsuits in the event of a favorable outcome for Atari of the remaining lawsuits.

21.2. COMMITMENTS RECEIVED

Under the agreement with ICICB, Atari has received a bank guarantee over 7.5 M€ covering the ICICB receivable due March 31, 2023.

NOTE 22 – RELATED-PARTY TRANSACTIONS

The Group's related parties are the companies over which the Group has exclusive control, joint control or a significant influence, the shareholders who have joint control over the Group's joint ventures, the Group's corporate officers, executives and directors, as well as the companies over which the latter have control, joint control or a significant influence. Transactions with the subsidiaries over which the Group has control are eliminated in the consolidated accounts.

The parent company Atari SA invoices the Group for holding services, administrative services, and interest on cash advances. Atari Inc. also charges fees for administrative services in the United States.

Between April 1, 2021 and the date of this Half-Year Financial Report, the following agreements were entered into:

- Agreement for a USD 2.1M loan granted by Irata LLC, a company controlled by Wade Rosen, to Atari SA, with 8% interest, so as not to impact the Group's cash position in connection with its requirements to source components for the Atari VCS. This loan was granted in three tranches: an initial USD 600,000 tranche on June 25, 2021, a second tranche for USD 100,000 on July 14, 2021 and a third tranche for USD 1,400,000 on October 4, 2021. This loan can be redeemed through conversion into Company securities.

NOTE 23 – SUBSEQUENT EVENTS

November 2021 – Change in leadership at Atari Chain : Appointment of Matthew Burnett, succeeding Frédéric Chesnais, as Director and Chief Executive Officer of the subsidiary Atari Chain, Limited, which manages all operations related to Atari's cryptocurrency.

November 2021 – Sale of land NFTs in The Sandbox to Republic Realm : Atari completed the sale of certain non-fungible token parcels of land in the blockchain based virtual world The Sandbox to the US investment fund Republic Realm for a cash payment of US\$4,284,000.

November 2021 – Investment in Antstream / Purchase option for Mobygames : US\$3.5 Million strategic investment in Antstream Limited and a related option to purchase the assets of Mobygames, Limited, including the Mobygames website and database. The investment in Antstream Limited was made pursuant to a convertible loan agreement that can be converted into equity of Antstream Limited in a future financing, with an initial investment of US\$500,000. The option to purchase the assets of Mobygames is at a purchase price of US\$1.5 Million and may be concluded by the end of March, 2022.

2. SEMI-ANNUAL ACTIVITY REPORT (SIX MONTHS ENDED SEPTEMBER 30, 2021)

2.1. ENVIRONMENT

Atari is an interactive entertainment production group that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and intellectual property assets and licenses such as RollerCoaster Tycoon.

The Group is organized around two main divisions:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focusing on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group's blockchain-related activities, including the development and marketing of non-fungible tokens (NFTs) and the development of the ecosystem around the Atari Token.

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

2.2. ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

2.2.1. Condensed consolidated income statement

(M€)	Sept. 30, 2021		Sept. 30, 2020		Variation	
Revenue	6,0	100%	7,8	100%	(1,9)	-23,8%
Cost of goods sold	(2,6)	-44%	(1,5)	-19%	(1,1)	72,7%
GROSS MARGIN	3,3	56%	6,3	81%	(3,0)	-47,1%
Research and development expenses	(3,5)	-58%	(4,0)	-51%	0,5	-13,4%
Marketing and selling expenses	(0,6)	-10%	(1,5)	-19%	0,9	-61,4%
General and administrative expenses	(2,1)	-35%	(2,0)	-25%	(0,1)	6,1%
Other operating income (expenses)	-	0%	0,0	0%	(0,0)	
CURRENT OPERATING INCOME (LOSS)	(2,8)	-47%	(1,2)	-15%	(1,7)	-143,6%
Other income (expense)	-	0%	-	0%	-	
OPERATING INCOME (LOSS)	(2,8)	-47%	(1,2)	-15%	(1,7)	-143,6%

• Consolidated Revenue

For the period ended September 30, 2021, Atari recorded revenue of 6.0M€, compared to 7.8M€ for the period ended September 30, 2020. The decrease, -23.8% at current exchange rates and -20.3% at constant exchange rates, is linked to the contraction in the licensing business, down by almost 73%, held back significantly by the effects of the health crisis, as well as the slowdown in revenues from the video game business, down 51%; faced with the increase in user acquisition costs, it was decided to optimize marketing spending.

Over the period, sales of the Atari VCS represented 2.3M€, the VCS did not contribute to revenue in the first half of the previous financial year.

Revenues relating to the new activities developed on the blockchain represented 0.4M€, corresponding to income from NFT sales under a licensing agreement.

- **Gross margin**

The evolution of the level of gross margin level at 56% of revenue compared to 81% for the period ended September 30, 2020 takes into account the deliveries of the Atari VCS, whose margin is lower than that of the other businesses of the Group.

- **Operating expenses**

R&D expenses are 13.4% lower due to a reduction in the amortization expenses related to R&D capitalized in previous years but also due to reduced investments in the production of new games.

Marketing and sales expenses amounted to 0.6M€ for the first half of the financial year 2021-2022. This significant reduction of 61% reflects the optimization of the video game activity's target profitability, by restricting and targeting its new user acquisition campaigns more effectively.

General and administrative expenses amounted to 2.1M€ and remained stable compared to the previous period.

At September 30, 2021, there was no movement in the net change in other operating income and expenses.

- **Current operating income**

In this context, the Atari Group recorded current operating income of -2.8 M€ during the first half of 2021-2022, compared to -1.2 M€ in the first half of 2020-2021.

OTHER INCOME STATEMENT ITEMS

(M€)	Sept. 30, 2021		Sept. 30, 2020		Variation	
OPERATING INCOME (LOSS)	(2,8)	-47,2%	(1,2)	-14,8%	(1,7)	-143,6%
Cost of debt	(0,0)	-0,6%	(0,1)	-1,2%	0,1	-57,6%
Other financial income (expense)	0,2	2,7%	(0,3)	-3,3%	0,4	-161,4%
Share of net operational profit of equity affiliates	(0,1)	-1,0%	0,0	0,2%	(0,1)	
Income tax	(0,0)	-0,1%	(0,0)	-0,5%	0,0	-91,5%
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(2,8)	-46,2%	(1,5)	-19,5%	(1,2)	-80,4%
Profit (Loss) from discontinued operations	(0,7)	-12,0%	-	0,0%	(0,7)	
NET INCOME	(3,5)	-58,2%	(1,5)	-19,5%	(1,2)	-80,4%
Minority interests	(0,0)	0,0%	(0,1)	-1,6%	0,1	-99,9%
NET INCOME GROUP SHARE	(3,5)	-58,2%	(1,4)	-17,9%	(1,4)	-96,5%

- **Cost of debt**

At September 30, 2021, the cost of debt is not material. It mainly comprises calculated costs on lease liabilities resulting from the application of IFRS 16.

- **Other financial income and expenses**

For the first half ended September 30, 2021, other financial income and expenses are mainly related to the accretion of long-term receivables for +€0.2M and secondary listing costs on the Nasdaq Stockholm market for -€0.1M.

- **Income tax**

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

- **Results of discontinued operations**

On July 1, 2021, the Board of Directors defined a new strategy for the Group and therefore carried out a full review of its assets. To effectively allocate its resources to ensure the success of this new strategy, the Group decided to withdraw from the directly-operated casino activities in Africa.

As of September 30, 2021, the discontinuation of the African activities has led the Group to present separately in the line item "Results of discontinued operations" of the income statement the expenses linked to the wind-down of these entities in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". These expenses amounted to 0.7M€ for the period ended September 30, 2021.

- **Net income (Group share)**

Net income for the first half of 2021-2022 shows a loss of 3.5M€, compared to the period ended September 30, 2019 which showed a loss of 1.4M€.

- **Segment Information**

Atari now operates in two main operating segments:

(i) Atari Gaming, focused on games and specifically the growing market for retro games. To do this, the Gaming division is focused on its three key pillars: games, VCS and licensing;

(ii) Atari Blockchain, which encompasses all of the Group's blockchain-related activities, including the development of the ecosystem around the Atari Token, as well as the development and marketing of non-fungible tokens (NFTs).

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

Revenue by segment breaks down as follows:

(M€)	Sept 30, 2021	Sept 30, 2020
Atari Games	2,6	5,2
Atari TV shows	-	0,0
Atari VCS	2,3	0,0
Atari Licensing	0,7	2,6
Atari Gaming	5,6	7,8
Atari Blockchain	0,4	-
Total Revenue	6,0	7,8

2.2.2. Consolidated Balance Sheet

ASSETS (M€)	Sept 30, 2021	March 31, 2021
Intangible assets	11,0	11,6
Property, plant and equipment	0,0	0,0
Rights of use relating to leases	1,7	1,9
Equity affiliates	0,0	0,0
Non-current financial assets	15,8	15,8
Deferred tax assets	1,9	1,9
Non-current assets	30,4	31,3
Inventories	1,6	2,5
Trade receivables	4,2	3,3
Current tax assets	0,0	0,0
Other current assets	2,8	0,6
Cash and cash equivalents	0,8	2,5
Assets held for sale	0,0	0,3
Current assets	9,5	9,1
Total assets	39,9	40,4

EQUITY & LIABILITIES (M€)	Sept 30, 2021	March 31, 2021
Capital stock	3,1	3,0
Share premium	21,4	19,1
Consolidated reserves	2,9	14,0
Net income (loss) Group share	(3,5)	(11,9)
Shareholders' equity	23,9	24,2
Minority interests	(0,0)	(0,0)
Total equity	23,9	24,1
Provisions for non-current contingencies and losses	0,0	0,0
Non-current financial liabilities	1,1	-
Long term lease liabilities	1,5	1,6
Other non-current liabilities	0,7	0,7
Non-current liabilities	3,3	2,3
Provisions for current contingencies and losses	-	-
Current financial liabilities	-	-
Short term lease liabilities	0,3	0,3
Trade payables	6,9	7,3
Current tax liabilities	-	-
Other current liabilities	5,2	6,3
Liabilities held for sale	0,2	-
Current liabilities	12,7	13,9
Total equity and liabilities	39,9	40,4

Intangible fixed assets

As of September 30, 2021, intangible fixed assets break down as follows:

Gross value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
September 30, 2020	25,2	1,9	0,8	6,2		34,0
Acquisitions	1,3	-	0,1	0,4	0,4	1,8
Disposals / Retirements	(0,2)	-	(0,3)	-	(1,0)	(0,5)
Translation adjustments	0,3	0,0	0,0	0,1	-	0,4
September 30, 2020	26,6	1,9	0,5	6,7	(0,6)	35,7

Amortization & provisions (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
September 30, 2020	(21,3)	(1,9)	(0,5)	(0,4)		(24,1)
Amortization / Provisions	(1,3)	-	(0,0)	(0,7)		(2,0)
Disposals / Retirements	0,2	-	0,3	-		0,5
Translation adjustments	(0,3)	(0,0)	(0,0)	(0,0)		(0,3)
September 30, 2020	(22,7)	(1,9)	(0,2)	(1,1)		(25,8)

Net value (M€)	Video Games Casino Games	Audiovisual production	Licenses	Atari VCS	Tokens	Total
March 31, 2020	3,8	(0,0)	0,3	5,8	1,7	11,6
September 30, 2020	3,9	(0,0)	0,3	5,6	1,1	11,0

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

The Atari VCS development costs are amortized, from its release date, in December 2020, over five years on a straight-line basis. Software developments capitalized since April 1, 2021 are amortized on a straight-line basis over 3 years. As part of the commitments for Atari Tokens to be issued by Atari Chain, the Atari Group received 683.7 million Atari Tokens. As there is no active market as defined by IFRS 13, these Atari Tokens are only valued when they give rise to a sale or an award.

At September 30, 2021, Atari SA held 494.6 million Atari Tokens, with 57.7 million of them valued at 0.3M€.

The other tokens held, in exchange for sales of Atari Tokens or NFTs ("non-fungible tokens"), represent €0.5M and are based on the following cryptocurrencies: 1.0 million Chain Games tokens (CHAIN), 2.5 million Tower tokens (TOWER), 4.7 million Lympo tokens (LYM) and 48.6 Ether (ETH).

- **Non current financial assets**

Non-current financial assets break down as follows as of September 30, 2021:

(M€)	Sept 30, 2021	March 31, 2021
Financial assets measured at fair value through OCI	0,0	0,2
Financial assets measured at fair value through profit & loss	1,4	1,2
Financial assets measured at amortized cost	14,4	14,5
Non-current financial assets	15,8	15,8

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

- **Shareholders' Equity**

The table below shows the changes in equity over the period ended September 30, 2021:

Equity as at March 31, 2021 (M€)	24,1
Net income (loss) for the period	(3,5)
Translation adjustments	0,5
Others changes	(0,0)
Comprehensive income	(3,0)
Share issues	2,4
Treasury shares transactions	0,0
Others changes	0,3
Equity as at September 30, 2021 (M€)	23,9

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

The net cash position is a negative 0.2M€ and breaks down as follows:

(M€)	Sept 30, 2021	March 31, 2021
Cash and cash equivalents	0,8	2,5
Non-current financial liabilities	(1,1)	-
Current financial liabilities	-	-
Net cash (net debt)	(0,2)	2,5

Non-current financial liabilities are made up of shareholder loans in an amount of 1.1 M€ (1.2 MUS\$), of which 0.6 M€ (0.7 MUS\$) granted by Irata LLC, a company controlled by Wade Rosen, with an effective interest rate of 8%.

2.2.3. Consolidated Cash flows

As of September 30, 2021, net cash position stood at 0.8 M€, compared to 2.5 M€ as of March 31, 2021. The cash flow statements prepared by the Company for the six-month periods ended September 30, 2021 and September 30, 2020 are summarized as follows:

(M€)	Sept 30, 2021	Sept 30, 2020
Net cash (used)/generated in operating activities	(3,3)	0,7
of which continuing operations	(3,3)	0,7
Net cash (used)/generated in investing activities	(1,8)	(2,5)
of which continuing operations	(1,8)	(2,5)
of which intangible assets and fixed assets	(1,8)	(2,5)
Net cash provided (used in) by financing activities	3,4	1,1
of which continuing operations	3,4	1,1
of which interest paid	-	-
Other cash flows	0,1	0,2
Net change in cash and cash equivalent	(1,7)	(0,6)

Net cash provided by operating activities of -1.3 M€ reduced by a working capital requirement of 2.0 M€ resulted in net cash used in operating activities of -3.3 M€. Financing activities generated 3.4 M€. Funds, for an amount of 1.8 M€, were primarily used during the period for investments mainly in the production of the Atari VCS and in games. The change in net cash for the period is -1.7 M€.

2.3. UPDATED INFORMATION ON RISK FACTORS

The Company has reviewed the risks that could have a material adverse effect on its business, financial position or results (or its ability to achieve its objectives) and considers that there are no significant risks beyond those presented below and those presented in its Universal Registration Document. These risks are, as of the date of filing of this update of the Reference Document, those the Company believes that, were they to materialize, could have a significant adverse effect on the Atari Group, its business, its financial situation, its results, or its prospects. Investors are invited to consider these risks before deciding, as the case may be, to acquire or subscribe for securities of the Company.

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

Cash and cash equivalents amount to 0.8 million euros and gross financial debt amounts to 1.2 million euros. This debt is made up of shareholder loans in an amount of 1.2 million USD, of which 0.7 million USD granted by Irata LLC, a company controlled by Wade Rosen, with an effective interest rate of 8%.

The Company conducted a specific review of its liquidity risk and it considers that the working capital requirements linked to the ramping up of VCS production and the implementation of the gaming division's new strategy will require additional financing, that could take the form of external financing or a capital markets transaction whose form is currently being examined. Benefiting from the support of its new principal shareholder and Chairman & CEO, the Atari Group considers that it is in a position to meet its future payments, irrespectively of the realization of any external financing or capital market transaction, thus confirming the application of the going concern principle in the preparation of the financial statements as at September 30, 2021.

The cash-flow projections prepared by the Group are based on:

- forecasts for the business activities (games, licensing, multimedia production, Atari VCS and Atari Blockchain) generating positive cash-flows,
- an additional loan granted by Irata LLC in an amount of \$1.4M in October 2021,
- the sale of land NFTs in the blockchain based virtual world Sandbox in November 2021 for an amount of \$4.3M;
- external financing based on market conditions.

By their nature, these forecasts rely on assumptions whose timing is uncertain as to their realization, it being specified that the Group is developing new activities, for which no historical comparison base exists (Atari VCS, Atari Blockchain), that could guarantee the assumptions retained.

2.4. OUTLOOK FOR THE FINANCIAL YEAR 2021-2022

The Group is targeting improved financial performance in the second semester over the first six months of the fiscal year. This performance is driven by several key projects:

ATARI GAMES

- Release of new premium games, beginning with the Atari Recharged line-up of game titles
- The launch of Atari XP, which allows fans to purchase unreleased or rare Atari cartridges
- New licensing opportunities for classic Atari games with streaming providers
- Expanded opportunities with brand licensing partners as licensing demand recovers from pandemic related interruptions

ATARI VCS

- The VCS is available for sale for the entirety of the second semester
- Increased digital sales through the VCS platform as more game content is added

ATARI BLOCKCHAIN

- Sale of a portion of Atari land in the Sandbox metaverse
- Development of new NFT products leveraging the large portfolio of Atari IP as well as partnerships with third-parties

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

I certify that, to the best of my knowledge, the summary consolidated financial statements for the half-year ended September 30, 2021 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position, and results of the Company and of all the companies included in the consolidation of the Atari Group, and that the management report presents a faithful representation of the important events that occurred during the first six months of the financial year, of their impact on the accounts, of the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, January 17, 2022

Wade Rosen

Chief Executive Officer of Atari SA

4. STATUTORY AUDITORS' REPORT ON THE 2021-2022 SEMI-ANNUAL FINANCIAL REPORT

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Statutory auditors' review report on the half-yearly financial information

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

To the Shareholders of ATARI

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

- the review of the accompanying condensed half-yearly consolidated financial statements of ATARI, for the period from April 1, 2021 to September 30, 2021;
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements have been prepared and the limited review performed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

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

Conclusion on the financial statements

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

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

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris and Paris-La Défense, January 17, 2022

The Statutory Auditors

EXPONENS CONSEIL & EXPERTISE

DELOITTE & ASSOCIÉS

Anne MOUHSSINE

Benoit PIMONT