



2023 Consolidated and Annual Financial Statements

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1. CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR END MARCH 31, 2023

1.1.1. General information

Atari is an interactive entertainment company and iconic gaming industry brand that transcends generations and audiences. The Company is globally recognized for its multi-platform, interactive entertainment, and licensed products. Atari owns and / or manages a portfolio of more than 200 unique games and franchises, including work-renowned brands like *Asteroids®*, *Centipede®*, *Missile Command®*, *Pong®*, and *RollerCoaster Tycoon®*.

Atari's strategy is to develop, directly or through licensing agreements, video games, hardware, consumer products and media content, at the crossroads of interactive entertainment, the digital world and Web3, and generate revenue by monetizing its portfolio of intellectual property rights. Directly, with revenues generated from games on the Atari VCS, PC, console, mobile or multimedia platforms. Indirectly, with licensing agreements granted to third parties who are then responsible for product manufacturing in exchange for royalties paid to Atari under multi-year contracts.

The Group's organization is structured around four lines of business: Games, Hardware, Licensing and Web3.

1.1.1. Consolidated financial statements

CONSOLIDATED BALANCE SHEET

ASSETS (M€)		FY23	FY 22
Intangible assets	Note 3	7.7	6.1
Property, plant and equipment		0.0	0.0
Rights of use relating to leases	Note 4	1.3	1.6
Non-current financial assets	Note 6	7.9	9.2
Deferred tax assets	Note 7	1.2	2.0
Non-current assets		18.1	18.9
Inventories	Note 8	0.5	2.1
Trade receivables	Note 9	3.1	2.4
Other current assets	Note 10	1.8	1.7
Cash and cash equivalents	Note 11	1.7	0.6
Assets held for sale		0.0	0.1
Current assets		7.1	7.0
Total assets		25.2	26.0

EQUITY & LIABILITIES (M€)

FY23	FY 22
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Capital stock	Note 12	3.8	3.1
Share premium		32.7	21.4
Consolidated reserves		(19.2)	3.7
Net income (loss) Group share		(9.5)	(23.8)
Total equity		7.8	4.4
Provisions for non-current contingencies and losses	Note 13	-	0.9
Non-current financial liabilities	Note 14	7.7	5.0
Long term lease liabilities	Note 15	1.0	1.3
Other non-current liabilities	Note 16	0.7	0.7
Non-current liabilities		9.5	8.0
Provisions for current contingencies and losses	Note 13	-	0.4
Current financial liabilities	Note 14	0.2	0.1
Short term lease liabilities	Note 15	0.4	0.4
Trade payables	Note 16	2.7	8.2
Other current liabilities	Note 16	4.6	4.5
Liabilities held for sale		0.0	0.1
Current liabilities		7.9	13.6
Total equity and liabilities		25.2	26.0

CONSOLIDATED INCOME STATEMENT

(M€)		FY23	FY 22
Revenue	Note 17	10.1	14.9
Cost of goods sold		(2.2)	(3.4)
GROSS MARGIN		7.9	11.5
Research and development expenses	Note 18	(4.4)	(7.5)
Marketing and selling expenses	Note 18	(0.7)	(1.2)
General and administrative expenses	Note 18	(8.5)	(5.1)
Other operating income (expense)	Note 18	(0.4)	-
CURRENT OPERATING INCOME (LOSS)		(6.1)	(2.3)
Other income (expense)	Note 19	(2.5)	(20.7)
OPERATING INCOME (LOSS)		(8.5)	(23.0)
Cost of debt	Note 20	(0.2)	(0.2)
Other financial income (expense)	Note 20	0.1	(1.7)
Share of net operational profit of equity affiliates		-	-
Income tax	Note 21	(0.9)	(0.1)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(9.5)	(25.0)

Net income (loss) from discontinued operations	Note 22	0.1	1.1
NET INCOME (LOSS) FOR THE YEAR		(9.5)	(23.8)
Group share		(9.5)	(23.8)
Minority interests		-	(0.0)
Basic earnings per share (in euro)		(0.02)	(0.08)
Diluted earnings per share (in euro)		(0.02)	(0.08)

(M€)	FY 23	FY 22
CONSOLIDATED NET INCOME	(9.5)	(23.8)
Elements directly incurred in net equity		
Translation adjustments	0.2	0.7
Financial assets valued at fair value through the other comprehensive income	-	0.1
Other transactions	-	-
COMPREHENSIVE INCOME	(9.3)	(23.1)
Of which: Group	(9.3)	(23.1)
Of which: Minority interests	-	(0.0)

CONSOLIDATED CASH FLOW

(M€)	FY 23	FY 22
Net income (loss) for the year	(9.5)	(23.8)
Non cash expenses and revenue		
Charges (reversals) for depreciation, amortization and provisions for non current assets	5.4	14.7
Cost of (revenue from) stock options and related benefits	0.8	0.8
Losses (gains) on disposals	-	-
Other non cash items	0.3	(0.2)
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	(3.0)	(8.5)
Changes in working capital		
Inventories	1.7	(4.4)
Trade receivables	(0.1)	2.4
Trade payables	(4.5)	0.6
Other current & non current assets and liabilities	(2.5)	4.2
NET CASH USED IN OPERATING ACTIVITIES	(8.3)	(5.7)
Purchases of/additions to		
Intangible assets	(5.8)	(4.3)
Property, Plant & equipment	(0.0)	-
Non current financial assets	-	(0.1)
Disposals/repayments of		
Intangible assets	0.2	-

NET CASH USED IN INVESTING ACTIVITIES	(5.6)	(4.4)
Net funds raised from		
Share issues	12.0	2.4
Loans	2.7	5.0
Net funds disbursed for		
Interest and other financial charges	0.0	-
Debt repayment	-	0.1
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	14.7	7.5
Impact of changes in exchange rates	0.2	0.7
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.0	(1.9)

(M€)	FY 23	FY 22
Net opening cash balance	0.6	2.5
Net closing cash balance	1.7	0.6
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.0	(1.9)
Net closing cash balance		
Cash and cash equivalents	1.7	0.6
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, 2021	3.0	19.1	1.6	4.3	(3.9)	24.2	0.0	24.1
Net income (loss) for the period				(23.8)		(23.8)	0.0	(23.8)
Translation adjustments				-	0.7	0.7	-	0.7
Other comprehensive income				0.1		0.1	-	0.1
Comprehensive income				(23.7)	0.7	(23.1)	0.0	(23.1)
Share issues	0.1	2.3	-	-	-	2.4		2.4
Treasury shares transactions	-	-	0.0	-	-	0.0		0.0
Others changes	-	-	0.1	0.8	-	0.8	0.0	0.9
At March 31, 2022	3.1	21.4	1.7	(18.6)	(3.2)	4.4	0.0	4.4
Net income (loss) for the period				(9.5)		(9.5)	-	(9.5)
Translation adjustments				-	0.2	0.2	-	0.2
Other comprehensive income				-		-	-	-
Comprehensive income				(9.5)	0.2	(9.3)	-	(9.3)
Share issues	0.8	11.2	-	0.0	-	12.0		12.0
Treasury shares transactions	-	-	(1.3)	1.3	-	-		-
Others changes	-	-	-	0.8	-	0.8	-	0.8
At March 31, 2023	3.8	32.7	0.4	(26.1)	(3.0)	7.8	0.0	7.8

1.1.2. Notes

NOTE 1 – HIGHLIGHTS OF THE PERIOD

- **Success of a capital increase of c. €12.5M - April 2022**

Atari announces the success of the capital increase with preferential subscription rights launched on March 15, 2022 in the amount of €12.5M.

- **Planned creation of new token and termination of Joint Venture - April 2022**

Atari announced the termination of all license agreements with ICICB Group and its subsidiaries ("ICICB"). The license agreements between Atari and ICICB, including the Atari Chain license (the "Joint Venture") and the related licenses including hotel and casino licenses, have been terminated effective April 18, 2022.

- **Shareholder approval on the transfer project on Euronext Growth - April 2022**

Atari's Ordinary General Meeting approved the plan to transfer the listing of Atari's shares from the regulated market Euronext Paris (Compartment C) to Euronext Growth Paris and granted all powers to the Board of Directors to implement this transfer.

- **Launch of Gravitar: Recharged - April 2022**

Atari announced the launch of Gravitar: Recharged, the latest addition to Atari's successful Recharged series that revisits and modernizes titles from the golden age of video games.

- **Announces new Web3 initiative and reaffirms commitment to blockchain business - May 2022**

Atari announces Atari X, an initiative that consolidates Atari's blockchain interests into a unified operation that is wholly controlled by Atari.

- **Effective transfer of Atari's shares to Euronext Growth Paris - June 2022**

Following the approval of its admission's application by the Euronext Admissions Committee, Atari announced that the transfer of its shares to Euronext Growth Paris market would take place on June 30, 2022.

- **Atari unveils Atari 50: The Anniversary Celebration - June 2022**

Atari 50: The Anniversary Celebration is a robust interactive history of Atari and the creative individuals who set the video game industry in motion told through a combination of classic and modern games, videos, and unpublished interviews.

- **Friendly tender offer for Atari shares by Irata LLC - September 2022**

On September 26, 2022, Atari S.A., Wade Rosen, Atari's Chairman of the Board and Chief Executive Officer, and Irata LLC, a company controlled by Wade Rosen, announced the execution of an agreement in view of the filing by Irata LLC of a friendly tender offer on Atari's shares for EUR 0.19 per share.

- **Extension of the Roller Coaster Tycoon® license - October 2022**

On October 7, 2022, Atari announced a 10-year license extension for RollerCoaster Tycoon® with the franchise's creator, Chris Sawyer.

- **Release of Atari Mania - October 2022**

Atari announced the release of Atari Mania, a past-meets-present romp through some of the company's most beloved titles.

- **Atari reveals Akka Arrh - December 2022**

Atari revealed Akka Arrh, a hypnotic new wave shooter from legendary developer Jeff Minter.

- **Release of Caverns of Mars: Recharged - January 2023**

Atari announced the next addition to the massively popular Atari Recharged series: Caverns of Mars.

- **Information on the new token project - February 2023**

Regarding the previously announced new token project by Atari SA, Atari is aware of questions about the timing of the launch of its new token, which aims to support the development of its ecosystem. Given the current market environment surrounding the crypto currencies, Atari SA intends to conduct further review and analysis of the new token project and its characteristics. The proposed new token will not be identical to the ATRI token previously issued.

- **Atari signs with APA for representation - February 2023**

Atari has signed an agreement with one of the largest talent agencies in the United-States, APA, to develop projects around its best known IP in the live-action, animation, film and television spaces.

- **MobyGames gets a complete sit rebuild - February 2023**

The launch of the improved website comes less than one year following Atari's acquisition of MobyGames, which came with the commitment to invest in improving the platform. The support from Atari enabled the MobyGames team to accelerate the development of the new site, which adds updated functionality for ease of use.

- **Utomik and Atari - February 2023**

Cloud gaming service Utomik has announced a new partnership with Atari. The partnership will allow Utomik to offer Atari's classic and contemporary games to its subscribers and business partners, including iconic titles like RollerCoaster Tycoon® 2: Triple Thrill Pack, PONG Quest™, and Asteroids: Recharged.

- **Republic launched Atari Game Pool - March 2023**

Republic, a private investment platform, has launched the Atari Game Pool. Through the Atari Game Pool, Republic is giving individuals the opportunity to invest in the success of future Atari game projects.

- **Acquisition of Berzerk and Frenzy IP - March 2023**

Atari announced the acquisition of a portfolio of a dozen retro arcade games, including the 80s classics Berzerk and Frenzy. Atari will seek to expand digital and physical distribution of the classic titles, create new games based on the IP, and explore brand and merchandising collaborations.

- **Acquisition of Nightdive and convertible bonds issue - March 2023**

Atari announced that it has entered into an agreement to acquire 100% of Nightdive Studios Inc., a full service game development and publishing company based in Vancouver, Washington, USA (the "Acquisition").

In addition, Atari, SA also announced that it intends to proceed in the near-term with a €30 million bond issue convertible into new shares of Atari in order to meet with its capital needs in the context of the implementation of its new growth strategy and refinancing of its debt.

- **Launch of Pixel Ripped 1978 - March 2023**

Atari announced the launch of Pixel Ripped 1978, an upcoming VR game from Arvore in collaboration with Ataru. Pixel Ripped will be available on PC, PS VR2, Meta Quest 2, and PlayStation 5 in Summer 2023.

NOTE 2 – ACCOUNTING RULES AND METHODS ATARI GROUP AT MARCH 31, 2023

GENERAL PRINCIPLES

Atari's consolidated financial statements have been prepared in accordance with IFRS and interpretations published by the International Accounting Standards Board (IASB) as adopted by the European Union.

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 July 31, 2023. They will be submitted to the Annual General Shareholders' Meeting for approval.

Application of the Going Concern Principle

As at March 31, 2023, the Company reported a net loss of €9.5M (compared with €23.8M in previous year). Shareholders' equity was €7.8M, compared to €4.4M in previous year. Net debt stood at €(6.2)M compared to net debt position of €4.6M in previous year, and includes €1.7M of cash and €7.9M of financial debt.

The Company conducted a review of its liquidity risk based on projections on all of its four activities: Gaming, Hardware, Licensing and Web3, excluding any external financing. Under this assumption, the Group considers that it can meet its future obligations and that it holds sufficient liquidity to continue its activities over the next 12 months. This consideration excludes potential future inorganic growth opportunities.

The Group benefits from the flexibility provided by the proceeds raised with the convertible bonds issuance completed in June 2023 for an amount of (€30 M which comprised €16.3 M subscription by debt set-off and €12.9M in cash).

Preparation of the Financial Statements

The Group's condensed consolidated financial statements at March 31, 2023 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;

For the preparation of the financial statements as of 31 March 2023, the Group has applied the same accounting standards, interpretations and methods as those used in its financial statements for year ended March 31, 2022, with the exception of the standards and interpretations that come into force on April 1, 2022 as described in the paragraph below:

- New standards with mandatory application as of April 1, 2022
- Amendment to IAS 16 - Intangible assets - Proceeds before intended use
- Amendment to IAS 37 - Cost of Fulfilling a contract
- Amendment to IFRS 3 - Updating reference to the conceptual framework
- Annual improvements to IFRS Standards 2018-2020

The financial statements have not been impacted by the application of these amendments and improvements.

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.

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

- Intangible assets, assumptions for development costs based on projected net resources; valuation of cryptocurrencies;
- 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;

- Certain financial instruments: valuation method at fair value;
- 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" model;
- Deferred tax: estimates for the recognition of deferred tax assets.

ORGANIZATIONAL STRUCTURE

At March 31, 2023, 26 entities were consolidated, of which 12 entities are inactive or undergoing liquidation, compared with 32 entities at March 31, 2022. All of the Group entities are fully consolidated and are listed in the table below:

Company	Country	% control		% interest	
		FY23	FY22	FY23	FY22
Active subsidiaries					
Atari Partners S.A.S.	France	100%	100%	100%	100%
DeVi SA	Switzerland	100%	100%	100%	100%
Atari US Holdings Inc.	United States	100%	100%	100%	100%
Atari Inc.	United States	100%	100%	100%	100%
Atari Interactive Inc	United States	100%	100%	100%	100%
Atari Studios Inc	United States	100%	100%	100%	100%
Atari Games Corp	United States	100%	100%	100%	100%
AITD Productions LLC ¹	United States	100%	100%	100%	100%
RCTO Productions LLC ¹²	United States	100%	100%	100%	100%
Atari Connect LLC ¹¹	United States	100%	100%	100%	100%
Atari Casino LLC	United States	100%	100%	100%	100%
Atari VCS LLC	United States	100%	100%	100%	100%
Atari Hotels Corp	United States	100%	100%	100%	100%
Atari Music LLC ¹¹	United States	100%	100%	100%	100%
Atari X ²	United States	100%	100%	100%	100%
Undergoing liquidation subsidiaries					
Atari Entertainment Africa Ltd ³	Mauritius	100%	100%	100%	100%
Atari Liberia Inc	Liberia	100%	100%	100%	100%
Atari Entertainment Ghana Ltd	Ghana	90%	90%	90%	90%
Atari Entertainment Uganda Ltd	Uganda	100%	100%	100%	100%
Atari Entertainment Tanzania Ltd	Tanzania	100%	100%	100%	100%
Atari Burundi Su	Burundi	100%	100%	100%	100%
Inactive subsidiaries					
Atari Japan KK	Japan	100%	100%	100%	100%
Alpha Chain SA	France	100%	100%	100%	100%
Infogrames Entertainment GmbH	Germany	100%	100%	100%	100%

¹ Entities out of the scope of consolidation as of March 31, 2023 following the legal reorganisation

² Company name "Atari X" since May 4, 2023, formerly Atari Productions LLC

³ Holding company holding the interests of the Group's entities in Africa, whose liquidation will be initiated upon finalization of the procedures concerning its subsidiaries

Infogrames Interactive GmbH	Germany	100%	100%	100%	100%
Cubed Productions LLC	United States	91%	91%	91%	91%
Liquidated subsidiaries as at the date of the Document					
Atari Lotto Ireland Ltd	Ireland	-	100%	-	100%
Atari Capital Ireland Ltd	Ireland	-	100%	-	100%
Atari Lifestyle Ltd ⁴	Nigeria	99%	99%	99%	99%

INTERNAL TRANSACTIONS

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

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.

CONVERSION OF THE INDIVIDUAL FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The operating currency of foreign affiliates is the local currency exchange. Assets and liabilities of foreign subsidiaries are translated at the exchange rate at the end of the period and recorded at the balance sheet date. Income statement are translated at the average monthly exchange 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 consolidation perimeter. The exchange rates of the currencies used by the Group are as follows:

In euros	FY 23		FY 22	
	Closing rate	Average rate	Closing rate	Average rate
USD	1.0872	1.0447	1.1101	1.1623
CHF	0.9927	0.9971	1.0267	1.0676

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. Assets and liabilities held for sale at March 31, 2023

⁴ Entity struck off on April 17, 2023

correspond to the remaining items on the African subsidiaries in process of liquidation in accordance with IFRS 5 requirements.

OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets mainly include items such as (i) development costs for video games (ii) acquired enterprise software and license rights, as well as brands, and (iii) crypto- assets acquired.

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 license duration. The amortization expense is recorded under “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 recorded, if necessary, under Other Expense.

Development Costs of Video Games

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:

- That it is technically feasible to complete the intangible fixed asset for commissioning or sale;
- That it intends to complete the intangible fixed asset and commission or sell it;
- That it is able to commission the intangible fixed asset or sell it;
- 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;
- That there are adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset;
- 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 the above criteria.

At March 31, 2023, 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. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

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).

Digital Assets

IFRS do not currently include any specific accounting guidelines for crypto assets.

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.

The IFRIC observed that a holding of cryptocurrency meets this definition of 'IAS 38 Intangible Assets' 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.

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

For Atri Token, absent any use cases and under the performance obligation of IFRS 15, Atri Token are recognized under deferred revenue. Despite the termination of Atari Chain Joint Venture announced on April 18, 2022, and until further details on Atari's new token project are known, the accounting method retained for remaining ATRI token held by the Company remains currently unchanged.

For all other cryptocurrencies, revenue is recognised at the market value on the day on which those crypto currencies have been received in context of NFT sales, or at the counter value in euro or dollar once they are sold.

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 (i) computer equipment: 1 to 3 years; (ii) furniture and fixtures and other equipment: 3 to 10 years.

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.

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: (i) updated projection of future operating cash flows over three years (ii) 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 costs. 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.

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: (i) amortized cost, (ii) fair value through other comprehensive income (FVTOCI) and (iii) 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.

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 is recorded under “Other Income (Expense)” in the consolidated income statement.

TRADE ACCOUNTS RECEIVABLES

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.

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).

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.

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.

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 favour 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.

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.

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".

Financial Debt

The Group has concluded a co-publishing agreement with FIG, part of the Republic ecosystem, for new games based on Atari IPs. Under this agreement, Atari has received a \$450k payment from FIG in order to develop certain new games, under a revenue-sharing agreement, based on the commercial performance of the games.

Such debt is accounted for at nominal value as of March 31, 2023, as the co-publishing agreement covers certain games that are under development and yet to be launched. In accordance with IFRS 9, the fair value of the debt will be reassessed after September 30, 2023, once the performance of the games are known. The Group will then reassess the value of the debt and may therefore record a difference in the P&L at that time.

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.

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

Revenues from licenses are recorded under IFRS 15 principle, recognizing revenue when a performance obligation is satisfied.

Revenues from licensing are recorded, either at a point in time, when the performance obligation allows for non-refundable or guaranteed amounts to be included in the revenue (case of licensing contracts allowing to use the Group's intellectual property, for games for example). Or over time, where revenue from license agreement is recognised over the duration of the license, as the performance obligation is satisfied (case of brand licensing contracts).

Revenue from Web3

For Atri Token, absent any use cases and under the performance obligation of IFRS 15, Atri Token are recognized under deferred revenue. Despite the termination of Atari Chain Joint Venture announced on April 18, 2022, and until further details on Atari's new token project are known, the accounting method retained for remaining ATRI token held by the Company remains currently unchanged.

For all other crypto-currencies, revenue is recognised at the fiat counter value when possible, or otherwise, on the exchange rate of the day of the transaction.

RESEARCH AND DEVELOPMENT EXPENSES

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

- That it is technically feasible to complete the intangible fixed asset for commissioning or sale.
- That the company intends to complete the intangible fixed asset and commission or sell it.
- That the company is able to commission the intangible fixed asset or sell it.
- That this intangible fixed asset can generate future economic benefits.
- That the company has adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.

- 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.

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.

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

FINANCIAL INCOME AND EXPENSES

Cost of Debt

Atari defines net financial debt 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.

TAXES

As of March 31, 2023, the Group’s tax loss carry-forward were around \$286M in the United States. However, losses incurred before January 1, 2018 can only be carried forward for 20 years, while those incurred after January 1, 2018 can be carried forward indefinitely, in the limit of 80% of the taxable income of the year. As such, \$240M tax loss carry-forward will expire, of which around \$13M in FY 24 and approximately 44% in the next 5 years.

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: 382,534,286
- Number of shares at April 1, 2022: 382,534,286
- Number of new shares on a prorata temporis basis: 382,534,286
- Minus treasury shares: 3,253,426
- Weighted average number of shares outstanding: 379,280,861

NOTE 3 – INTANGIBLE FIXED ASSETS

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

Gross value (M€)	Games	Hardware	Licenses	Crypto Assets	Total
March 31, 2022	38.5	7.1	2.1	0.9	48.5
Acquisitions	4.8	-	0.2	0.9	5.9
Disposals	(0.9)	(7.1)	(0.3)	(1.0)	(9.4)
Translation adjustments	(5.9)	0.0	0.0	(0.1)	(5.9)
March 31, 2023	36.5	0.0	2.0	0.7	39.1

Amortization & provisions (M€)	Games	Hardware	Licenses	Crypto Assets	Total
March 31, 2022	(34.9)	(7.1)	(0.4)	-	(42.4)
Amortization / Provisions	(3.1)	-	(0.3)	(0.1)	(3.5)
Disposals	0.9	7.1	0.1	-	8.1
Translation adjustments	6.1	(0.0)	0.3	-	6.4
March 31, 2023	(31.0)	-	(0.3)	(0.1)	(31.4)

Net value (M€)	Games	Hardware	Licenses	Crypto Assets	Total
March 31, 2022	3.6	-	1.7	0.9	6.1
March 31, 2023	5.5	0.0	1.7	0.5	7.7

SUMMARY OF DIGITAL ASSETS HOLDINGS OF ATARI AS OF MARCH 31, 2023

Cryptocurrencies

Nature	Units	Value (€K)
ETHerum	29	48
WETH	7	12
SAND	503,052	267
USDC	11,000	10
CHAIN Token	430,000	10
LYM Token	670,819	2

Other digital assets

Nature	Units	Value (€K)
Sandbox Lands	972 parcels	-
ATRI Tokens	259 million	716

Atari does not intend to sell ATRI Token or parcels of land in The Sandbox within the next twelve months period starting from December 16, 2022.

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, 2023, rights of use relating to leases break down as follows:

(M€)	FY 23	FY 22
Rights of use relating to leases gross value	3.2	3.2
Rights of use relating to leases amortization	(1.9)	(1.6)
Rights of use relating to leases	1.3	1.6

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

On March 31, 2023, no investment in equity.

NOTE 6 – FINANCIAL INSTRUMENTS

NON-CURRENT FINANCIAL ASSETS

Non-current financial assets breakdown as follows at March 31, 2023:

(M€)	FY 23	FY 22
Financial assets measured at fair value through profit & loss	1.1	1.5
Financial assets measured at amortized cost	6.8	7.7
Non-current financial assets	7.9	9.2

The decrease in the non-current financial assets over the period is mainly attributable to foreign exchange effect. As of March 31, 2023, non current financial assets of €7.9M include notably: €3.2M receivables on Wish Holding agreement and €3.4M for Anstream convertible loan.

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.

The Atari non-current financial assets measured at amortized cost are primarily made up of:

- Security deposits relating to the leases for the various offices;
- Non-current trade receivables, with a maturity over one year, recognized using the effective interest rate method. At March 31, 2023, they represented €6.6M.

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. The Atari financial assets at fair value through profit and loss mainly consist of:

- Stock warrants from Roam, an innovative company specializing in audio accessories. The fair value is 0;
- Shares held in Bayside Games, representing approximately 1.8% of the capital, recorded at €0.9M. The change compared to previous period reflects the adjustment of the fair value, leading to a €0.6M impairment;
- 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 representing less than 5% of the share capital.

BALANCE SHEET INFORMATION

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.

As at March 31, 2023 (€M)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
Trade accounts receivables	9.7	3.1	6.6	-
Non-current tax assets	1.2		1.2	
Non-current financial assets	7.9	7.9		
Other current assets	1.8	1.8	-	-
Cash and cash equivalent	1.7	1.7	-	-
ASSETS	22.3	14.5	7.8	-
Lease liabilities	1.4	0.4	1.0	(0.0)
Provisions for current contingencies & losses	-	-	-	
Financial current liabilities	7.9	0.2	7.7	
Current tax liabilities	-			
Trade payables	2.7	2.7	-	-
Other current liabilities	4.6	4.6	-	-
LIABILITIES	16.6	7.9	8.7	(0.0)

NOTE 7– DEFERRED TAX ASSETS

	FY23	FY 22
Deferred tax assets	1.2	2.0

Deferred tax assets decrease from €2.0M to €1.2M, resulting from revised management estimates given the uncertainty of the Group's future taxable income.

NOTE 8 – INVENTORIES

On March 31, 2023, inventory was valued at €0.5M mainly consisting of VCS units, including an impairment of €6.4M.

NOTE 9 – TRADE ACCOUNTS RECEIVABLE

On March 31, 2023, and March 31, 2022, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days. The item "Trade accounts receivable", after deducting sales returns and other future trade discounts, is analysed as follows:

(M€)	FY 23	FY 22
Trade receivables	3.1	2.5
Provisions for impairment in value	-	(0.1)
Receivables invoices to be established		0.0
Trade receivables net value	3.1	2.4

Trade receivables for the period remain stable versus previous period at €3.1M.

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.

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 is considered to be permanently irrecoverable and is then recognized as a loss.

NOTE 10 – OTHER CURRENT ASSETS

Other current assets breakdown as follows:

(M€)	FY 23	FY 22
Prepaid and recoverable taxes	0.3	0.2
Prepaid expenses	1.5	1.5
Accrued revenue	0.0	0.0
Other current assets	1.8	1.7

Prepaid and recoverable taxes essentially correspond to VAT receivables. Prepaid expenses are stable compared to the previous period.

NOTE 11 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents include cash (cash on hand and demand deposits) for an amount €1.7M.

(M€)	FY 23	FY 22
Cash (Cash on hand and demand deposits)	1.7	0.6

NOTE 12 – SHAREHOLDERS' EQUITY

CAPITAL

Common shares

On March 31, 2023, shareholders' equity was made up of 382,534,286 fully paid-up common shares, with a par value of €0.01 each. At the date of this document shareholders' equity was made up of 421,638,709 shares, after taking into account the issuance of 38,129,423 new Atari shares in context of Nightdive acquisition on May 15th, 2023 and the issuance of 975,000 new shares from free share plans on June 10th, 2023.

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€)	FY 23	FY 22
Shares outstanding at the beginning of the period	306,027,429	298,680,249

Capital increase	76,506,857	
Exercise of Stock Options		6,296,151
Exercise of stock warrants		1,051,029
Shares outstanding at the the end of the period	382,534,286	306,027,429

DIVIDENDS

The Group has not made dividend payments for the past three years.

TREASURY SHARES

At the Date of this Document, the Company holds 3,253,426 treasury shares and represent 0.77% of capital.

STOCK OPTION PLAN

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	30 sept. 2014	30 sept. 2014	30 sept. 2014	30 sept. 2014
Date of Board of Directors Meeting	9-May-14	26 juin 2015	4 janvier 2016	27 janvier 2016
Number of Stock Options granted	5,104,000	469,139	144,000	2,378,528
<i><u>Of which to the Board of Directors :</u></i>				
<i>Wade Rosen</i>				
Starting point to exercise stock options	9-May-15	28-Jun-16	3-Jan-17	26-Jan-17
Expiration date of stock option	29-Oct-22	31-Aug-23	3-Jan-24	31-May-24
Exercise price of stock options (in euros)	0.2000 €	0.1930 €	0.1567 €	0.1700 €
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 previous years	4,575,000	469,139	144,000	2,378,528
Stock options exercised during previous years	(2,692)	(54,260)	(144,000)	(39,013)
Stock options cancelled during previous years	(4,490,036)	(241,059)		(1,999,015)
Stock Options outstanding on March 31, 2021	82,272	173,820	-	340,500
Stock options granted during FY 2021/2022				
Stock options exercised during FY 2021/2022	(82,272)	(137,753)		(55,000)
Stock options cancelled during FY 2021/2022				
Total number of stock options outstanding on March 31, 2022	0	36,067	0	285,500
Stock options granted during FY 2022/2023				
Stock options exercised during FY 2022/2023				
Stock options cancelled during FY 2022/2023				
Total number of stock options outstanding on March 31, 2023	0	36,067	0	285,500

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	30-Sep-16	30-Sep-16	30-Sep-16	29-Sep-17	29-Sep-17	29-Sep-17
Date of Board of Directors Meeting	12-Jul-17	20-Oct-17	15-Jan-18	16-Jul-18	16-Jul-18	18-Dec-18
Number of Stock Options granted	5,935,805	316,667	2,300,000	5,935,805	316,667	370,000
<i><u>Of which to the Board of Directors :</u></i>						

Wade Rosen

Starting point to exercise stock options	12-Jul-18	20-Oct-18	15-Jan-19	16-Jul-19	16-Jul-19	18-Dec-19
Expiration date of stock option	11-Jul-25	19-Oct-25	14-Jan-26	31-Jul-26	31-Jul-26	17-Jan-27
Exercise price of stock options (in euros)	0.2800 €	0.3500 €	0.4580 €	0.3770 €	0.9770 €	0.2640 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year	1/3 per year	1/3 per year

Stock options granted during previous years	5,935,805	950,000	2,300,000	6,405,000	2,000,000	370,000
Stock options exercised during previous years	(342,491)	(950,000)	(2,100,000)	(95,000)	(1,500,000)	(20,000)
Stock options cancelled during previous years	(4,349,735)			(494,444)		(59,583)
Stock Options outstanding on March 31, 2021	1,243,579	0	200,000	5,815,556	500,000	290,417

Stock options granted during FY 2021/2022

Stock options exercised during FY 2021/2022	(1,038,340)		(200,000)	(4,480,040)		(250,000)
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Stock options cancelled during FY 2021/2022

Total number of stock options outstanding on March 31, 2022	205,239	0	-0	1,335,516	500,000	40,417
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Stock options granted during FY 2022/2023

Stock options exercised during FY 2022/2023

Stock options cancelled during FY 2022/2023

Total number of stock options outstanding on March 31, 2023	205,239	0	-0	1,335,516	500,000	40,417
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Option plan in effect	Plan N°26-1	Plan N°27-1	Plan N°28-1	Plan N°28-2	Plan N°28-3
Date of Shareholders' Meeting	30-Sep-19	30-Nov-21	30-Nov-21	30-Nov-21	30-Nov-21
Date of Board of Directors Meeting	14-Jul-20	30-Nov-21	10-June-22	8-Jul-22	17-Jan-23
Number of Stock Options granted	3,725,000	2,000,000	500,000	5,000,000	2,000,000
<u>Of which to the Board of Directors :</u>					
<i>Wade Rosen</i>				4 000 000 ⁽¹⁾	
Starting point to exercise stock options	14-Jul-21	30-Nov-22	10-Jun-22	8-Jul- 2023	17-Jan-24
Expiration date of stock option	13-Jul-18	30-Nov-29	10-Jun-23	10-Jun-23	17-Jan-27
Exercise price of stock options (in euros)	0.2240 €	0.3990 €	0.1615 €	0.1478 €	0.1882 €
Vesting of stock options granted	1/4 per year	1/4 per year	1/4 per year	1/4 per year	1/4 par an
Stock options granted during previous years	3,750,000				
Stock options exercised during previous years	(25,000)				
Stock options cancelled during previous years					

Stock Options outstanding on March 31, 2021	3,725,000	-			
Stock options granted during FY 2021/2022		2,000,000			
Stock options exercised during FY 2021/2022					
Stock options cancelled during FY 2021/2022	(2,100,000)				
Total number of stock options outstanding on March 31, 2022	1,625,000	2,000,000			
Stock options granted during FY 2022/2023			500,000	5,000,000	2,000,000
Stock options exercised during FY 2022/2023					
Stock options cancelled during FY 2022/2023	(847,951)				
Total number of stock options outstanding on March 31, 2023	777,049	2,000,000	500,000	5,000,000	2,000,000

(1) 25% vesting after one year, and monthly thereafter for 3 years until 2026.

FREE SHARES PLAN

Free share plan in effect	Plan n° 22-1	Plan n° 22-2
Date of Shareholders' Meeting	30-Nov-21	30-Nov-21
Date of Board of Directors Meeting	10-Jun-22	10-Jun-22
Number of free share granted	1,500,000	600,000
<i>Of which to the Board of Directors :</i>		
<i>Wade Rosen</i>	-	600,000
Starting point to exercise free shares	10-Jun-23	10-Jun-23
Vesting of free shares granted	1/4 each year	1 year
free shares granted during previous years		
free shares exercised during previous years		
free shares cancelled during previous years		
free shares outstanding on March 31, 2021		
free shares granted during FY 2021/2022		
free shares exercised during FY 2021/2022		
free shares cancelled during FY 2021/2022		
Total number of free shares outstanding on March 31, 2022	0	0
free shares granted during FY 2022/2023	1,500,000	600,000
free shares exercised during FY 2022/2023		
free shares cancelled during FY 2022/2023		
Total number of free shares outstanding on March 31, 2023	1,500,000	600,000

WARRANTS PLAN

Warrant plan in effect	Plan n° 1
Date of Shareholders' Meeting	30-Nov-21
Date of Board of Directors Meeting	1-Dec-21
Number of warrant granted	219,783
<i>Of which to the Board of Directors :</i>	0

Starting point to exercise warrant	1-Jan-22
Expiration date of warrant	1-Dec-29
Exercise price of warrant (in euros)	0.3990 €
Vesting of warrant granted	1/7 per month
warrants granted during previous years	219,783
warrants exercised during previous years	
warrants cancelled during previous years	
warrants outstanding on March 31, 2022	
warrants granted during FY 2022/2023	
warrants exercised during FY 2022/2023	
warrants cancelled during FY 2022/2023	
Total number of warrants outstanding on March 31, 2023	219,783

MINORITY INTERESTS

Minority interests are not material.

NOTE 13 – PROVISIONS FOR CONTINGENCIES AND LOSSES – CURRENT / NON-CURRENT

Changes in provisions for contingencies and losses are presented below:

Provisions for contingencies and losses (M€)	April 1, 2022	Charges	Reversals	March 31, 2023
Provision for contingencies	0.9		(0.9)	0.0
Non-current	0.9	-	(0.9)	0.0
Litigations	0.4		(0.4)	-
Current	0.4	-	(0.4)	-
Total provisions	1.3	-	(1.3)	0.0

Over the period, a reversal on a €0.9M provision has been recorded as a consequence of a favourable outcome on an intellectual property protection case. At the end of the period, there were no provisions for contingencies and losses.

NOTE 14 – DEBT

DEBT ANALYSIS BY TYPE

The Group's financial debt breaks down as follows:

(M€)	FY23	FY 22
Shareholders loans	(7.3)	(5.0)
Fig Funding	(0.4)	

Non current	(7.7)	(5.0)
Accrued interest on shareholder loans	(0.2)	(0.1)
Current	(0.2)	(0.1)
Financial liabilities	(7.9)	(5.2)

On March 31, 2023, total financial liabilities represented €7.9M mainly consisting of shareholder loans for a total amount of €7.3M. At the date of this document, all shareholders' loans have been redeemed in full with IRATA's subscription by debt set-off in the convertible bond issue completed on June 1, 2023.

The Group has concluded a co-publishing agreement with FIG, part of the Republic ecosystem, for new games based on Atari IPs. Under this agreement, Atari has received a €413K payment from FIG in order to develop certain new games, under a revenue-sharing agreement, based on the commercial performance of the games.

Such debt is accounted for at fair value as of March 31, 2023, as the co-publishing agreement covers certain games that are under development and yet to be launched. In accordance with IFRS 9, the fair value of the debt will be reassessed after September 30, 2023, once the performance of the games are known. The Group will then reassess the value of the debt and may therefore record a difference in the P&L at that time.

NOTE 15 – 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€)	FY 23	FY 22
Lease liabilities less than 1 year	0.4	0.4
Lease liabilities between 1 and 5 years	1.0	1.3
Lease liabilities after 5 years	(0.0)	0.1
Lease liabilities	1.4	1.7

NOTE 16 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(M€)	FY 23	FY 22
Other non-current liabilities	0.7	0.7
Other non-current liabilities	0.7	0.7
Trade payables	2.7	8.2
Tax liabilities	-	-
Other current liabilities	4.6	4.5
Other current liabilities	7.4	12.7

Other non-current liabilities remain stable compared to previous year, as it only includes a provision covering uncertainty over the use of historical tax-loss carry forwards in the United States.

Other current liabilities decreased by around €5.3M over the period. This decrease is primarily due to the reduction in trade payables over the period.

Other current liabilities include deferred revenues for €2.4M corresponding mainly to ATRI Tokens (unchanged versus previous period), as well as around €2.1⁵M of staff-related liabilities (salaries and related taxes).

Trade payables, which comprise trade and royalties payables represent €2.7M at the end of the period, compared to €8.2M in FY2022. This decrease is mainly due to:

- Clean up of some working capital items, including ageing payables, with the proceeds of the capital increase notably, as well as shareholder loans;
- Decrease of €2.7M resulting from the negotiated mitigation of a liability with a hardware manufacturing partner;
- €0.8M adjustments on prior year royalty accruals;

NOTE 17 – 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.

The Group's organization is structured around four lines of business: Games, Hardware, Licensing and Web3.

Atari's business is currently understood to be fully contained within a single operating segment representative of its cash-generating unit (CGU).

(M€)	FY 23	FY 22
Games	7.2	5.7
Hardware	0.7	3.1
Licensing	1.3	1.3
Web3	0.9	4.9
Total Revenue	10.1	15.0

On March 31, 2023, Atari recorded consolidated revenues of €10.1M, compared with €14.9M the previous year. The decrease, 31% at current exchange rates and 38% at constant exchange rates, is reflecting the new strategic orientations implemented by the Group over the period, across all its four lines of business and one-off revenue in FY22 that was not replicated in FY23.

NOTE 18 – CURRENT OPERATING EXPENSES

Atari presents its consolidated income statement by function.

(M€)	FY 23	FY 22
Research and development	2.3	3.7
Amortizations	2.0	3.6
Stock Options	0.1	0.2
Research and development expenses	4.4	7.5

⁵ Staff-related liabilities mainly consistent in CEO compensation for FY22 and FY23, which have been paid post year end closing.

Marketing and selling	0.7	1.2
Stock Options	0.0	0.0
Marketing and selling expenses	0.7	1.2

General and administrative expenses and director fees	7.8	5.0
Stock Options	0.6	0.5
Discontinued operations	-	(0.3)
General and administrative expenses	8.5	5.1

Other operating income (expenses)	(0.4)	(0.0)
Other operating income (expenses)	(0.4)	(0.0)

Research and Development Expenses – Research and development expenses totaled €2.3M (compared to €3.7M in previous year), demonstrating the Group's focus on new premium games development and lower expenses related to hardware projects compared to previous period.

Marketing and Selling Expenses – Marketing and selling expenses totaled €0.7M, compared with €1.2M in the previous year. This significant reduction is in line with Atari's efforts to improve profitability of its Games activity and the reduction of VCS marketing.

General and Administrative Expenses – General and administrative expenses represent €8.5M, compared with €5.1 M the previous year notably with mainly due to the increase in legal and personnel costs incurred in context of the transformation strategy and new team organization.

Other operating income (expenses) - Other operating expenses represent €0.4M and mainly comprises of changes in provisions and other miscellaneous expenses.

NOTE 19 – OPERATING INCOME (LOSS)

(M€)	FY 23	FY 22
Other income	1.3	0.6
Other expense	(3.8)	(21.4)
Other income (expense)	(2.5)	(20.7)

Other income for the period include notably €1.3M reversal in provisions for litigation.

Other expenses include notably €1.9M impairment on VCS inventories and spare parts, €1.3M impairment of Games, €0.4M impairment on financial assets, and €0.1M in cryptocurrencies impairment.

NOTE 20 – NET FINANCIAL INCOME (EXPENSE)

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

(M€)	FY 23	FY 22
Calculated expenses IFRS 16 Lease liabilities	(0.0)	(0.1)
Interests on debts	(0.3)	(0.1)
Interests on receivables	0.2	0.0
Cost of debt	(0.2)	(0.2)
Foreign exchange result	(0.2)	0.1

Impairment on non consolidated investments	0.4	(0.1)
Impairment on long term receivables	0.2	0.2
Loss on investment debts	(0.2)	(1.9)
Gain (loss) on crypto assets	0.1	-
Sales on non consolidated investments	0.2	(0.0)
Other	(0.4)	0.1
Other financial income (expense)	0.1	(1.7)
Net financial income (expense)	(0.1)	(1.9)

At March 31, 2023, the cost of debt came to -€0.2M, comprising costs calculated on lease liabilities and payment of debt interests. Other financial income and expenses comprise notably loss on investments resulting from the termination of Atari Chain for -€0.1M, negative foreign exchange result for €0.1M, and financial interests on Antstream convertible loan +€0.2M, €0.2M proceeds on the sale of an internet domain name, and €0.1M income related to certain transactions on crypto currencies.

NOTE 21 – INCOME TAX

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, 2023.

The tax charge for the year of €0.9M corresponds to the adjustments to the deferred tax assets estimates previously recorded from €2.1M in FY22 to €1.2M in FY23.

ANALYSIS OF DEFERRED TAXES

Given the uncertainty of the Group's future taxable income, it is management estimation that these tax loss carry-forwards represent a deferred tax asset of €1.2M compared to €2.0M in previous period, resulting from adjustments in estimates.

As of March 31, 2023, the Group's tax loss carry-forward were around \$286M in the United States. However, losses incurred before January 1, 2018 can only be carried forward for 20 years, while those incurred after January 1, 2018 can be carried forward indefinitely, in the limit of 80% of the taxable income of the year. As such, \$240M tax loss carry-forward will expire if unused, of which around \$13M in FY 24 and approximately 44% in the next 5 years if unused.

The Group's tax loss carry-forwards were €740M in France. The use of these tax loss carry-forwards are highly uncertain given the lack of income attributable to France in the operating group and the limitations on their use.

NOTE 22 – DISCONTINUED OPERATIONS

NET INCOME FROM DISCONTINUED OPERATIONS

For FY 2023, there were no discontinued activities.

For FY 2021-2022, there were discontinued activities: the decision to discontinue the casino activities of the African subsidiaries and to close them down was taken during the financial year, the related assets and liabilities have been presented in accordance with the IFRS 5 requirements.

ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale at March 31, 2023 correspond to the remaining items on the African subsidiaries in process of liquidation in accordance with IFRS 5 requirements.

NOTE 23 – OFF-BALANCE SHEET COMMITMENTS**COMMITMENTS GIVEN**

No commitments given as at March 31, 2023.

COMMITMENTS RECEIVED

No commitments received as at March 31, 2023.

NOTE 24 – 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.

FOREIGN EXCHANGE RISKS

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. 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, 2022, in:

- A -€0.1M variation in consolidated sales,
- Almost no variation in the Group's consolidated net income.

INTEREST RATE RISKS

In the course of FY 2023, Atari has concluded new shareholder loans with IRATA LCC, at fixed rate. At the Date of this Document, all shareholder loans have been redeemed, by way of debt set-off. Current indebtedness mainly consist in the Convertible Bond issuance bearing fixed interest rate of 6.5%.

CREDIT RISKS

Readers are invited to refer to Risk Factor in section 5.2 "Business risk" relating to Credit and Counterparty risk.

Long term receivables at March 31, 2023 are totalling €6.6M.

LIQUIDITY RISKS

Readers are invited to refer to Note 5.1 of this annual report relating to the application of the going concern principle.

NOTE 25 – 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.

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 26 – 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

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, drawn up in accordance with Article L.225-40 of the French commercial code.

The following agreements were entered into or continued to apply during the year:

Service agreements:

- Service and brand licensing agreement between Atari SA and Atari Chain Ltd, whose CEO is Frédéric Chesnais, who was also CEO of Atari at the time of signing. Agreement dated February 27, 2020, supplemented by an agreement dated March 1, 2020. This agreement was terminated on 18 April 2022.

Irata shareholder loans:

- On January 17, 2022, the Company entered into an agreement with Irata, by which Irata granted shareholder loans to Atari SA for a consideration of €1.5M, at a rate of 8% per year
- On 18 February 2022, the Company entered into an agreement with Irata, by which Irata granted shareholder loans to Atari SA for a consideration of USD1.5M at a rate of 8% per year
- On November 11, 2022, the Company entered into an agreement with Irata, by which Irata granted shareholder loans to Atari SA for a total consideration of €2.4M, at a rate of 8.75% per year.
- On February 28, 2023, the Company entered into an agreement with Irata by which Irata granted shareholder loans to Atari SA for a total consideration of €2.6M, at a rate of 8.75% per year.
- On March 31, 2023, the Company entered into an agreement with Irata by which Irata granted shareholder loans to Atari SA for a total consideration of €5M, at a rate of 8.75% per year.
- On May 5, 2023, the Company entered into an agreement with Irata by which Irata granted shareholder loans to Atari Inc. for a total consideration of \$4.5M, at a rate of 8.75%, on a two-month maturity, for the bridge financing of the cash consideration of the Nightdive acquisition.

It is specified that each of these above-mentioned shareholder loans contains an early repayment clause by way of set-off of receivable in the event of the subscription by Irata to an issuance of securities giving access to the capital. The repayment of Irata shareholder loans have therefore been made by way of set-off with Irata's subscription to the convertible bonds for an amount of 16,333,740.68 euros.

Agreements entered into in connection with the acquisition of Nightdive:

- On March 22, 2023, the Company entered into a share purchase agreement with Nightdive, by which Atari has completed the Acquisition of Nightdive.
- On May 3, the Company entered into a contribution agreement with the shareholders of Nightdive (including Wade Rosen) in the context of the Acquisition, in which the shareholders will contribute 1,912,500 shares of Nightdive to Atari.

Agreements entered into in connection with the issuance of the convertible bonds:

- On May 23, 2023, Irata has irrevocably undertaken to subscribe to the Offering during the priority subscription period of the proposed issuance of the Convertible Bonds, on an irreducible basis, up to the amount of its stake in the Company's share capital (i.e. a total number of 55,460,000 Convertible Bonds) and on a reducible basis, up to the balance of the total amount of the Offering not subscribed by it on an irreducible basis, i.e. up to a maximum total amount (including issue premium) of 21,681,000 euros (i.e., up to 144,540,000 Convertible Bonds). Moreover, in the event that at the end of the subscription period of the Offering, the subscriptions do not represent 100% of the amount of the Offering, Irata has irrevocably and unconditionally undertaken to subscribe for the Convertible Bonds which will have not been fully paid by the subscribers allowing for full subscription of this threshold of 100% of the principal amount of this convertible bonds issuance, i.e. up to a maximum of 200,000,000 Convertible Bonds for an amount of 30 million euros. The amount of the Subscription Commitment will be paid, in priority, by way of set-off against certain, determined in quantity and due claims that Irata holds on the Company in respect of all of the outstanding shareholders' loans previously granted for an aggregate amount of around €16,333,740.68 and the balance in cash.

All the agreements listed above will be subject to the approval at the next general meeting of shareholders under the regulated agreements procedure.

Compensation for the Chairman and Chief Executive Officer

The following table includes, the compensation and benefits of any kind due and paid to Mr Wade Rosen in connection with his appointment, by the Company and by the companies controlled in the United States, within the meaning of Article L233-16 of the French Commercial Code.

Wade ROSEN	FY 2023		FY 2022	
	Amount due ⁶	Amount paid ⁷	Amount due	Amount paid
Fixed compensation ⁸	\$558,000	-	\$558,000	-
Directors' compensation	€20,000	€20,000	€20,000	€30,000
Chairman's compensation ⁹	€60,000	€60,000	€60,000	-
Stock-options	€82,442-	-	-	-
Free-shares	€98,400	-	-	-
Benefits in-kind	-	-	-	-

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. Mr. Wade Rosen has elected to waive any benefits to cover health, death and disability risks. Mr. Wade Rosen 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.

⁶ For the current fiscal year

⁷ During the fiscal year (including in respect of the previous fiscal year)

⁸ The Board of Directors on October 15, 2021 decided to award US\$46,500 of monthly compensation for Mr. Wade Rosen in assuming the operational games producer role in the American subsidiaries. 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.

⁹ 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.

FREE SHARES ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

<i>Board Meeting date</i>	<i>Plan</i>	<i>Number of shares</i>	<i>Final Vesting</i>	<i>Performance conditions</i>
June 10, 2022	2022-2	600,000	June 10, 2023	<ul style="list-style-type: none"> 600,000 bonus shares after one year after being awarded, with a holding commitment for a further year;

STOCK OPTIONS ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

<i>Board Meeting date</i>	<i>Plan</i>	<i>Number of shares</i>	<i>Final Vesting</i>	<i>Conditions</i>
July 8, 2022	28-2	4,000,000	July 8, 2026	<ul style="list-style-type: none"> 25% vesting after 1 year and monthly thereafter for 3 years

OTHER INDEMNITIES OR BENEFITS GRANTED TO DIRECTORS

	<i>Employment contract</i>	<i>Supplemental pension plan</i>	<i>Severance payments / benefits due or likely to become due in the event of termination of office</i>	<i>Severance payment in relation to non-compete</i>
Wade Rosen	Yes	No	No	No

Compensation for Directors

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.

	<i>FY 2023</i>		<i>FY 2022</i>	
	<i>Amount due</i>	<i>Amount paid</i>	<i>Amount due</i>	<i>Amount paid</i>
Kelly Bianucci	€40,000	€40,000	€40,000	€30,000
Alyssa Padia Walles ¹⁰	-	€30,000	€30,000	€30,000
Alexandre Zyngier ¹¹	€58,716	€57,024	€56,586	€56,586
Jessica Tams	€30,000	-	-	-

¹⁰ Mrs Alyssa Padia Walles resigned from her position on the Company's Board of Directors on May 10, 2022

¹¹ Includes annual compensation received by Alexandre Zyngier for his employment contract in the United-States with Atari Inc for his position as Project Manager

TOTAL	€128,716	€127,024	€126,586	€116,586
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NOTE 27– EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

- Partnership between **Porsche Cars Australia and Atari** - April 2023

Porsche Cars Australia recently released a campaign featuring two Porsche Taycan electric sports cars playing an intense, high-speed, real-life version of Pong, a 1970's Atari classic. Along with the video, Porsche Cars Australia have also created Taycan Arcade, an interactive web-based game inspired by Pong.

- Atari announces **acquisition of more than 100 PC** and console titles for the 80s and 90s - April 2023

The collection includes notable games from the Bubsy, Hardball, Demolition Racer series, as well as the 1942: Pacific Air War, F-117A, and F-14 air combat series. Atari will seek to expand digital and physical distribution of the classic titles, create new games based on the IP, and explore brand and merchandising collaborations. Atari also acquired the trademark to the Accolade and GTI brands.

- Atari announces an update with regards to its listing status on over-the-counter markets in the United States of America - April 2023

After review of new rules and regulations adopted in the United States of America and the OTC Markets listing requirements, Atari SA announces that it has received approval from the OTC Markets Group on its application to move to the OTC Pink Current market, effective as of April 26, 2023. Atari is now current with required mandatory filings.

- Launch of Mr Run and Jump** - May 2023

Atari announced the launch for the year 2023 of the action-platformer game Mr. Run and Jump. The game will be available on PlayStation, Xbox, Switch, Steam, Epic Stores and on the Atari VCS.

- Atari announces **acquisition of M Network Atari 2600 titles** and related trademarks - May 2023

Atari announced the acquisition of more than a dozen Atari 2600 games published originally under the M Network label. The collection includes fan favorites Armor Ambush, Astroblast, Frogs And Flies, Space Attack, and Star Strike. Atari intends to develop digital and physical distribution of the classic titles, create new games based on the IPs, and explore brand and merchandising collaborations. Atari also acquired the corresponding rights to the M Network brand.

- Atari closes the **acquisition of Nightdive Studios** - May 2023

Atari announced the closing of the acquisition of Nightdive Studios Inc. ("Nightdive"), a full service game development and publishing company based in Vancouver, Washington, USA and organized under the laws of the same state, announced on March 22, 2023.

- Atari launches an offering of bonds convertible into new ordinary shares of Atari maturing in 2026 with a 6.50% coupon for a nominal amount of approximately 30 million euros - May 2023

Atari announced the launch of an offering of senior unsecured bonds convertible into new ordinary shares maturing on July 31, 2026, for a nominal amount of approximately 30 million euros, without shareholders' preferential subscription rights, by way of a public offering in France and with a priority subscription period for shareholders to subscribe for the bonds on a reducible and irreducible basis.

- Success of the **€30 million convertible bonds** issue - June 2023

Atari announced the success of its offering of senior unsecured bonds convertible into new ordinary shares due July 31, 2026, for a nominal amount of 30 million euros. Irata subscribed to an amount corresponding to 97.58% of the total amount of the Offering (approx. €16.3 M by debt set-off and €12.9 M in cash).

- Strategic collaboration with Playmaji Inc.** - July 2023

Atari announced a strategic collaboration with Playmaji Inc, the company behind the modular multi-system game console Polymega®. The collaboration included strategic initiatives that will provide support for Atari games on Polymega hardware and software and integration between Polymega and the Atari VCS. Atari has also completed a minority investment into Playmaji.

NOTE 28 – STATUTORY AUDITORS' FEES

The fees for the financial years ended March 31, 2023, and March 31, 2022 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 2023			
	Deloitte	%	Exponens	%
Statutory audit (certification, review of statutory and consolidated accounts)				
- ATARI SA	81	32.2%	-	-
- Fully-consolidated subsidiaries	80	31.8%	-	-
Other services				
- ATARI SA	90	36.0%	10	100.0%
- Fully-consolidated subsidiaries	-	0.0%	-	-
TOTAL	250	100.0%	10	100.0%

Amounts in K€	FY 22					
	Deloitte	%	Exponens	%	Patrick Soussana Audit	%
Statutory audit (certification, review of statutory and consolidated accounts)						
- ATARI SA	81	50.3%	43	62.0%	-	0.0%
- Fully-consolidated subsidiaries	80	49.7%	26	38.0%	5	100.0%
Other services						
- ATARI SA	-	0.0%	-	0.0%	-	0.0%
- Fully-consolidated subsidiaries	-	0.0%	-	0.0%	-	0.0%
TOTAL	160	100.0%	69	100.0%	5	100.0%

(1) Services other than the certification of the accounts provided by the Statutory Auditors in the course of FY 2023 mainly consisted in the review of the Prospectus for the Capital Increase completed in April 2022.

2. ANNUAL FINANCIAL STATEMENTS

Atari SA is a limited company (société anonyme) under French law, whose registered office is located at: 25 rue Godot de Mauroy 75009 Paris – France. The Company is registered in the Paris Trade and Companies Register under number 341 699 106

The financial statements as of March 31, 2023 were approved by the Board of Directors on July 31, 2023 and will be submitted for approval at the next General Meeting. The Company is listed on Euronext Growth Paris.

BALANCE SHEET

ASSETS (K€)		FY 23	FY 22
Intangible assets	Note 3	-	-
Property, plant and equipment	Note 3	1	3
Financial assets	Note 4	16,078	77,767
Total fixed assets		16,079	77,770
Down payments and advances made		-	-
Trade receivables	Note 5	256	793
Other receivables	Note 6	260	166
Financial futures instruments & Tokens	Note 7	290	859
Cash and cash equivalents		639	132
Total current assets		1,444	1,949
Accruals	Note 8	1,119	563
Total assets		18,642	80,282

EQUITY & LIABILITIES (K€)		FY 23	FY 22
Capital stock		3,825	3,060
Share premium		32,652	21,430
Legal reserve		946	946
Retained earnings		42,202	47,381
Net income (loss) for the year		(75,886)	(5,179)
Equity	Note 9	3,739	67,638
Provisions for contingencies and losses	Note 10	775	1,026
Bond debt		-	-
Bank debt		-	-
Other financial liabilities	Note 11	8,447	5,670
Trade payables	Note 12	900	959
Operating liabilities	Note 13	479	751
Liabilities		9,826	7,380
Accruals	Note 8	4,301	4,239
Total shareholders' equity and liabilities		18,642	80,282

INCOME STATEMENT

(K€)		FY 23	FY 22
Revenue		535	486
Other income		110	310
Reversals of provisions and depreciation, transfers of expenses		507	-
Operating revenue	<i>Note 14</i>	1,151	797
Purchase of goods		-	-
Other purchases and expenses	<i>Note 15</i>	(1,692)	(1,905)
Taxes		(19)	(19)
Payroll expenses	<i>Note 16</i>	(1,019)	(852)
Other expenses	<i>Note 17</i>	(216)	(159)
Depreciation, amortization and provisions	<i>Note 18</i>	(1,258)	(351)
Operating expenses		(4,205)	(3,285)
Operating income		(3,054)	(2,489)
Financial income		1,762	3,673
Financial expense		(74,502)	(6,475)
Net Financial income and expense	<i>Note 19</i>	(72,740)	(2,802)
Current income before taxes		(75,794)	(5,291)
Non-recurring income		34	118
Non-recurring expenses		(127)	(6)
Non-recurring income and expense	<i>Note 20</i>	(92)	112
Income Tax	<i>Note 21</i>	-	-
Net income (loss) for the Year		(75,886)	(5,179)

1.1.1. Notes

The individual financial statements for the financial years ended March 31, 2023 and March 31, 2022 each cover a 12-month period.

NOTE 1 - KEY DEVELOPMENTS IN FY 2023

- Success of a **capital increase of c. €12.5M** - April 2022

Atari announces the success of the capital increase with preferential subscription rights launched on March 15, 2022 in the amount of €12.5M.

- **Planned creation of new token and termination of Joint Venture - April 2022**

Atari announced the termination of all license agreements with ICICB Group and its subsidiaries ("ICICB"). The license agreements between Atari and ICICB, including the Atari Chain license (the "Joint Venture") and the related licenses including hotel and casino licenses, have been terminated effective April 18, 2022

- **Shareholder approval on the transfer project on Euronext Growth - April 2022**

Following the approval of its admission's application by the Euronext Admissions Committee, Atari announced that the transfer of its shares to Euronext Growth Paris market would take place on June 30, 2022.

- **Effective transfer of Atari's shares to Euronext Growth Paris - June 2022**

Following the approval of its admission's application by the Euronext Admissions Committee, Atari announced that the transfer of its shares to Euronext Growth Paris market would take place on June 30, 2022.

- **Friendly tender offer for Atari shares by Irata LLC - September 2022**

On September 26, 2022, Atari S.A., Wade Rosen, Atari's Chairman of the Board and Chief Executive Officer, and Irata LLC, a company controlled by Wade Rosen, announced the execution of an agreement in view of the filing by Irata LLC of a friendly tender offer on Atari's shares for EUR 0.19 per share.

- **Information on the new token project - February 2023**

Regarding the previously announced new token project by Atari SA, Atari is aware of questions about the timing of the launch of its new token, which aims to support the development of its ecosystem. Given the current market environment surrounding the crypto currencies, Atari SA intends to conduct further review and analysis of the new token project and its characteristics. The proposed new token will not be identical to the ATRI token previously issued.

- **Acquisition of Nightdive and convertible bonds issue - March 2023**

Atari announced that it has entered into an agreement to acquire 100% of Nightdive Studios Inc., a full service game development and publishing company based in Vancouver, Washington, USA (the "Acquisition").

In addition, Atari, SA also announced that it intends to proceed in the near-term with a €30 million bond issue convertible into new shares of Atari in order to meet with its capital needs in the context of the implementation of its new growth strategy and refinancing of its debt.

SUBSEQUENT EVENTS

- **Atari announces an update with regards to its listing status on over-the-counter markets in the United States of America - April 2023**

After review of new rules and regulations adopted in the United States of America and the OTC Markets listing requirements, Atari SA announces that it has received approval from the OTC Markets Group on its application to move to the OTC Pink Current market, effective as of April 26, 2023. Atari is now current with required mandatory filings.

- **Atari closes the acquisition of Nightdive Studios - May 2023**

Atari announced the closing of the acquisition of Nightdive Studios Inc. ("Nightdive"), a full service game development and publishing company based in Vancouver, Washington, USA and organized under the laws of the same state, announced on March 22, 2023.

The purchase price of Nightdive consists of (i) an initial consideration of US\$9.5 million, paid in cash for US\$4.5m (€ 4.1M) and in newly issued Atari shares for US\$5.0m (€4.55M), plus (ii) an earn-out of up to US\$10 million, payable in cash over the next three years based on the future performance of Nightdive.

- **Atari launches an offering of bonds convertible into new ordinary shares of Atari maturing in 2026 with a 6.50% coupon for a nominal amount of approximately 30 million euros - May 2023**

Atari announced the launch of an offering of senior unsecured bonds convertible into new ordinary shares maturing on July 31, 2026, for a nominal amount of approximately 30 million euros, without shareholders' preferential subscription rights, by way of a public offering in France and with a priority subscription period for shareholders to subscribe for the bonds on a reducible and irreducible basis, at a subscription price of €0.15 euro per convertible bond.

- **Success of the €30 million convertible bonds issue - June 2023**

Atari announced the success of its offering of senior unsecured bonds convertible into new ordinary shares due July 31, 2026, for a nominal amount of 30 million euros. Irata subscribed to an amount corresponding to 97.58% of the total amount of the Offering (approx. €16.3 M by debt set-off and €12.9 M in cash).

NOTE 2 - ACCOUNTING RULES AND METHOD

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 notably the principles of prudence, lawfulness, true and fair view, permanence of the methods from one period to another, and independence of reporting periods.

ACCOUNTING PRINCIPLES

The accounts have been prepared on a historical cost basis. The main accounting principles applied are listed below.

Assessment of going concern principle

As at March 31, 2023, the Group reported a net loss of €9.5M (compared with €23.8M in previous year). Shareholders' equity was €7.8M, compared to €4.4M in previous year. Net debt stood at €(6.2)M compared to net debt position of €4.6M in previous year, and includes €1.7M of cash and €7.9M of financial debt.

The Company conducted a review of its liquidity risk based on projections on all of its four activities: Gaming, Hardware, Licensing and Web3, excluding any external financing. Under this assumption, the Group considers that it can meet its future obligations and that it holds sufficient liquidity to continue its activities over the next 12 months, excluding potential external growth opportunities.

The Group benefits from the flexibility provided by the proceeds raised with the convertible bonds issuance completed in June 2023 for an amount of (€30 M which comprises €16.3 M subscription by debt set-off and €12.9M in cash).

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 are determined in function of the nature of the fixed assets:

- Software 1 to 3 years
- Equipments 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 – Gross value of equity securities is valued at acquisition cost. Impairment is recognized when the inventory value is lower than the gross value of the assets. Recoverable value is assessed using multiple criteria, including those used at time of the acquisition (notably market multiples), the market value, discounted cash flow and revalued equity. If necessary, when the recoverable amount is negative, in addition to the impairment, other assets held are impaired and, if necessary, a provision for risks is recognized.

Receivables – Receivables are valued at their nominal value. Receivables are depreciated, if necessary, a provision for impairment is made when the inventory amount is less than the asset's gross book value.

Atari Token transactions – Atari SA holds 214 million Atri Tokens. No transactions on ATRI Token occurred during FY 2023. 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, tokens held by Atari SA are recorded as "Cash instruments and tokens held" under current assets. In the absence of development and new use cases, the tokens remain, as for previous fiscal year, accounted for as cash instruments. The amounts collected in connection with these services in previous periods are recognized in deferred revenue.

Foreign currency transactions – Expenses and income in foreign currencies are recorded based on the exchange rate as at the transaction date. Foreign currency debt, receivables, and cash equivalents on balance sheet are recorded using the exchange rate as of year-end. The difference resulting from the discounting of debts and receivables in foreign currencies using year-end exchange rate is recorded under "Translation differences" In the balance sheet. Unrealized foreign exchange losses are subject to a provision for risks.

Stock options – Stock options are recognized once exercised as a capital increase, for an amount equal to the subscription price paid by their holders. The difference between the subscription price and par value of the share is recorded under share premium.

Provisions – Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where Atari SA expects the impact of a provision to be neutralized, a separate asset is recognized when it is certain. If the effect of the time value of money is material, provisions are determined by discounting the future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Where discounting is used, the change of the provision due to the time value of money is recognized in the lines “Financial income” or “Financial expense” in the P&L.

Tax consolidation – Atari SA, the parent company benefits from a tax consolidation regime with the following subsidiary Atari Partners SAS. Each company calculates its tax expense as if it was not consolidated. The tax savings resulting from use of the tax losses of the beneficiary companies are recognized as 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.

Use of estimates – The preparation of the individual financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions made by the Company’s management and affecting the amounts of assets and liabilities on 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.

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.

NOTE 3 - INTANGIBLE AND TANGIBLE FIXED ASSETS

INTANGIBLE FIXED ASSETS

(K€)	FY 22	Acquisitions / Depreciation	Disposals / Reversals	FY 23
Software	1	-	-	1
Total gross value	1	-	-	1
Total amortization	(1)	-	-	(1)
Total net value	-	-	-	-

TANGIBLE FIXED ASSETS

(K€)	FY 22	Acquisitions / Depreciation	Disposals / Reversals	FY 23
Office equipment and computers	7	-	2	5
Total gross value	7	-	2	5
Total amortization	(4)	2	(2)	(4)
Total net value	3	2	-	1

NOTE 4 - FINANCIAL FIXED ASSETS**CHANGES IN FINANCIAL FIXED ASSETS**

(K€)	FY 22	Increases	Decreases	Currency impact	FY 23
Investments in subs. and associates	804,190	-	-	-	804,190
Receivables from subs. and associates	35,190	12,914	(2,692)	22	45,434
Accrued interest on receivables	195	199	(195)	-	199
Atari Partners Loan	6,451	262	-	-	6,713
Antstream Loan	3,153	165	-	61	3,379
Other fixed assets	17	-	-	-	17
Total gross value	849,196	13,541	(2,887)	83	859,934
Provisions	(771,429)	(73,004)	578	-	(843,855)
Total net value	77,767	(59,463)	(2,309)	83	16,078

For the fiscal year ended March 31, 2023, the investment in subsidiaries and affiliates remains unchanged at €804,190K.

The change in receivables from subsidiaries mainly corresponds to changes in the advances granted by Atari SA to US group entities and the cancellation of receivables on African entities closed during the year.

The change in accrued interest on receivables mainly corresponds to accrued interest on loans. It includes accrued interest of Atari Partners Loan and interests on convertible loan granted to Antstream. The Antstream convertible loan has been converted into Antstream ordinary shares in June 2023.

“Atari Partners Loan” corresponds to the redemption value by Atari SA of the former “Alden Loan” plus the capitalization of the annual interest.

PROVISION FOR IMPAIRMENT OF FINANCIAL ASSETS

(K€)	FY 22	Increases	Decreases	Currency impact	FY 23
Investments in subs. and associates	757,025	43,688	-	-	800,713
Receivables from subs. and associates	7,788	28,885	(413)	-	36,260
Accrued interest on receivables	165	168	(165)	-	168
Atari Partners Loan	6,451	262	-	-	6,713
Total provisions	771,429	73,004	(578)	-	843,855

The net variation of provisions for impairment of financial assets of €72,426K reflect:

- An increase in provision for investment in US subsidiaries for €43,688K, an increase in provision for Atari VCS (€2,697K), Atari Casino (€6K) and provisions on African subsidiaries (€16K)
- An increase in provision for receivables from €28,885K notably from US subsidiaries and cancellation of receivables granted to Atari entities in Ireland (€79K), African subsidiaries (€86K), Atari Partners (€64K) and Atari Chain Limited (€75K);
- A decrease in provision for Atari Japan receivables for €194K
- €262K increase in provision on corresponding to interests on Atari Partners loan, given Atari Partners negative net situation
- The provision for accrued interest on receivables corresponds to a reversal on previous year provision and a new provision recognition of €168K. Due to Atari Partners negative net position, an additional provision has been recorded covering the annual interest on Atari Partners loan for €262K.

NOTE 5 - TRADE ACCOUNT RECEIVABLES AND OTHER RECEIVABLES

(K€)	FY 22-23			FY 21-22
	Gross	Impairment	Net	Net
External Trade	-	-	-	-
Intra-group	1,335	(1,171)	164	666
Accrued	92	-	92	126
Total net value	1,427	(1,171)	256	793

External trade receivables correspond to intra-group receivables with Atari Partners and management fees invoiced to Atari subsidiaries, Atari Inc, Atari Games Corp and Atari Interactive. Accrued corresponds to an invoice to the audit fees to be established to subsidiaries.

NOTE 6 - OTHER RECEIVABLES

(K€)	FY 22-23	FY 21-22
Corporate income tax	11	11
Sales taxes	216	155
Other receivables	33	-
Total	260	166

All these receivables have a maturity of less than one year.

NOTE 7 - FINANCIAL INSTRUMENTS AND TOKEN

(K€)	FY 23	FY 22
Atari Tokens	202	318
Other Tokens	87	540
Total	290	859

Atari Tokens - As of March 31, 2023, Atari SA held in total 214 million ATRI Token. 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, tokens held by Atari SA are recorded as "Cash instruments and tokens held" under current assets.

At March 31, 2023, 30.5 million ATRI Token, allocated in context of bonus token, are valued at €0.2M, in application of IFRS 13 definition. The other remaining ATRI Token held are not valued in financial statements, in absence of active market and the termination of Atari Chain former joint venture.

Other Tokens - The other tokens held represent €87K and comprise notably 0.4 million Chain Games tokens, 0.7M Lympo tokens and 11 Ethereum.

During FY23, Atari has proceeded with an exchange with its subsidiary Atari Studios of 570K Chain tokens, 2,456K Tower tokens and 4M Lym tokens previously held. Those tokens were valued in Atari SA financial statements at their historical value of €464K.

NOTE 8 - ACCRUALS

(K€)	FY 23	FY 22
Prepaid expenses	715	304
Unrealized foreign exchange losses	404	259
Total accruals (assets)	1,119	563

(K€)	FY 23	FY 22
Deferred revenue	2,356	2,472
Unrealized foreign exchange gains	1,945	1,767
Total accruals (liabilities)	4,301	4,239

Translation differences between assets and liabilities mainly relate to changes in the euro/dollar exchange rate for receivables and debts from US subsidiaries denominated in US dollars. ATRI token sold or awarded during previous periods are recorded under Deferred revenue.

NOTE 9 - SHAREHOLDERS EQUITY

(K€)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity 03/31/2022	306,027,429	3,060	21,430	946	47,381	(5,179)	67,638
Capital increase	76,506,857	765	11,223				11,988
Exercise of stock options							
Appropriation of 2022 Profit					(5,179)	5,179	-
Profit (loss) for the year ended 03/31/2023						(75,886)	(75,886)
Shareholders' equity 03/31/2023	382,534,286	3,825	32,653	946	42,202	(75,886)	3,739

As of March 31, 2023, shareholders' equity is made up 382,534,286 fully paid-up common shares, with a par value of €0.01 each, including the 76 506 857 newly issued shares at the occasion of the capital increase in April 2022.

As the date of this Document, equity is made up of 421,638,709 shares, including 38 129 423 new shares issued in context of the acquisition of Nightdive Studios completed on May 15, 2023 and 975 000 new shares resulting from the vesting of free shares.

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.

There is no Company Savings Plan (Plan d'épargne entreprise, PEE) or performance shares.

NOTE 10 - PROVISIONS FOR CONTINGENCIES AND LOSSES

(K€)	FY 22	Additions	Reversal		FY 23
			utilized	surplus	
Provisions for losses on investments in subsidiaries	417	-	-	(45)	372
Provisions for exchange rate	259	404	(259)	-	404
Other provisions	350	85	(435)	-	0
Total	1,026	489	(694)	(45)	775
o/w operating		85	(435)	(45)	
o/w financing		404	(259)	-	
o/w non-recurring			-	-	

At March 31, 2022, provisions for foreign exchange risks represent €404K, compared with €259K in the previous financial year. The provisions for risks with respect to subsidiaries correspond to the provision for negative shareholders' equity of Atari Partners.

NOTE 11 - BORROWINGS AND OTHER FINANCIAL LIABILITIES

(K€)	FY 23	FY 22
Liabilities to Group subsidiaries	955	481
Liabilities to shareholders	7,326	5,045
Other	166	144
Total other financial liabilities	8,447	5,670
<i>o/w due in more than one year</i>	<i>8,281</i>	<i>5,525</i>
<i>o/w due in less than one year</i>	<i>166</i>	<i>144</i>

At March 31, 2022, liabilities to Group subsidiaries related to a debt on a dormant subsidiary of the Group, Infogrames Interactive, for €0.5M and a debt with Atari Studio for an amount of €0.4 M, corresponding to a crypto currency exchange transaction with Atari SA.

Liabilities to shareholders relate mainly to loans concluded during the year between IRATA LLC and Atari SA for a total of €6.8M. Other financial liabilities relate to the accrual interests on shareholders loans for €0.1M.

NOTE 12 - TRADE ACCOUNT PAYABLE

(K€)	FY 23	FY 22
Trade payables Group	-	41
Trade payables External	655	618
Accrued	245	300
Total trade payables	900	959

All trade payables have a maturity of less than one year. Accrued payables of €245K includes mainly legal and audit fees for the year.

NOTE 13 - OPERATING LIABILITIES

(K€)	FY 23	FY 22
Personnel	115	101
Personnel Token allocation	40	154
Employee benefits	89	195
Corporate income tax	59	88
Other liabilities	177	213
Total operating liabilities	479	751

All operating liabilities have a maturity of less than one year.

NOTE 14 - OPERATING REVENUE

(K€)	FY 23	FY 22
Management Fees	535	486
Revenue	535	486
Expenses reinvoyed to subsidiaries	109	230
Miscellaneous	-	81
Other operating income	109	310
Reversal of impairments	507	-
Reversal of operating provisions	507	-
Total operating revenue	1,151	797

Revenue consists mainly of management fees charged to some subsidiaries of the Group. Costs incurred by Atari SA and charged back to some Group subsidiaries are booked under other income for €109K.

NOTE 15 - OTHER PURCHASES AND EXPENSES

(K€)	FY 23	FY 22
Purchases not included in inventories	3	17
Rents (including services and maintenance charges)	83	80
Cleaning, maintenance and repairs	12	15
Insurance	6	7
Fees	1,424	1,623
Advertising, publications, public relations	49	67
Travel, assignments and entertainment	7	25
Postage and communications	2	3
Bank charges and securities fees	95	58
Other expenses	12	9
Total other purchases and expenses	1,692	1,905

The decrease in Other purchases and expenses is notably due to the decrease in legal and audit costs incurred in the course of the year.

NOTE 16 - PERSONNEL EXPENSES

(K€)	FY 23	FY 22
Salaries & Wages	764	514
Personnel expenses	764	514
Social expenses	255	338
Social expenses	255	338
Total Personnel & social expenses	1,019	852

Workforce on March 31, 2023 is composed of three executives. Increase in salaries and wages is attributable to payments made in context of a contract termination.

NOTE 17 - OTHER EXPENSES

(K€)	FY 23	FY 22
Royalties	0	3
Director fees	142	155
Bad debt losses	72	-
Miscellaneous expenses	2	1
Total Other expenses	216	159

Compensation for directors, including changes in provisions, totaled €142K for the year ended March 31, 2023, compared with €155K the previous year. Bad debt losses correspond to a receivable that was fully provisioned for in previous periods.

NOTE 18 - REVERSALS, DEPRECIATION / AMORTIZATION AND OPERATING PROVISIONS

(K€)	FY 23	FY 22
Provisions for contingencies and losses	435	-
Provisions for the impairment of current assets	72	-
Total reversals	507	-
Depreciation and amortization:	-	-
- Tangible assets	2	1
Provisions for risks and charges	85	350
Provisions for the impairment of current assets	1,171	-
Total depreciation and amortization	1,258	351

During the FY 2023, the provisions for contingencies and losses for €435K and €72K corresponds to provision for litigations that have been concluded in the course of the year.

NOTE 19 - NET FINANCIAL INCOME AND EXPENSES

(K€)	FY 23	FY 22
Financial income		
- Foreign exchange gain	61	184
- Interests income	819	578
- Reversals of provisions and expense transfers	882	2,883
- Proceeds from the sale of securities	-	27
Total financial income	1,762	3,673
Financial expenses		
- Foreign exchange losses	(201)	(26)
- Interests expense	(293)	(144)
- Depreciation, amortization and provisions	(73,408)	(4,363)
- Loss on receivables from equity investments	(159)	(1,942)
- Other financial expenses	(441)	-
Total financial expenses	(74,502)	(6,475)
Net financial income and expense	(72,740)	(2,802)

For the financial year ended March 31, 2022, Financial income includes: i) a €882K reversal of provisions of which €413K on receivables from subsidiaries, €259K foreign exchange loss and €165K accrued interests on receivables, and ii) Income from loans and advances to subsidiaries for an amount of €819K and iii) foreign exchange gains for €61K.

Financial expenses include i) €73,408K provision for impairment on financial assets ii) a €159K loss on receivables Irish entities and iii) €293K interest expense on shareholders loans.

Other financial expenses include notably a €432K loss on the exchange and sale of Tokens with Atari Studios.

NOTE 20 - NON-RECURRING INCOME AND EXPENSES

(K€)	FY 23	FY 22
Non-recurring income		
- Operating activities	34	113
- Investing activities	-	5
Total non-recurring expenses	34	118
Non-recurring expenses		
- Operating activities	(127)	(1)
- Investing activities	-	(5)
Total non-recurring expenses	(127)	(6)
Non-recurring income and expense	(92)	112

NOTE 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, Atari Partners SAS. At March 31, 2023, the Group's tax loss carryforwards represented approximately €740M. At March 31, 2023, the consolidated taxable income corresponds to a €1,652K loss.

NOTE 22 - ACCRUED INCOME AND EXPENSES

(K€)	FY 23	FY 22
Financial debt - accrued interests	166	144
Trade payables - pending invoices	245	300
Tax and employee-related liabilities:	-	-
- Provision for bonuses, paid leave, working time credits	84	46
- Other employee benefits payable	37	21
- Tax liabilities	1	1
- Other employee benefits payable	177	180
Total accrued expenses	710	692

Financial debt corresponds to the accrued interests for €166K on new shareholder's loan granted in the course of the year. Accrued trade payables relate mostly to invoices received at the end of March 23. Variation on the provision for bonuses, paid leave and working time credits variation is due to employees leaving the Company.

(K€)	FY 23	FY 22
Financial assets - accrued interests	199	195
Trade receivables - pending invoices	92	126
Other receivables - accrued income	-	-
Total accrued income	291	321

Interest accrued at March 31, 2023 relates to interest on the “Atari Partners Loan” for €169K and €30K for interest on the convertible loan to Antstream. Trade receivables at March 31, 2022 relate to the pending invoices for €108K.

NOTE 23 - OFF BALANCE SHEET COMMITMENTS

COMMITMENTS GIVEN / RECEIVED

Guarantees granted by Atari – No security or guarantee has been granted to third parties.

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 circa €67K.

Financing Lease Contracts – There are no significant financing lease arrangements.

Retirement bonuses – Given the Company’s reduced workforce, the commitments relating to retirement lump-sum payments are not material.

There is no commitment received.

NOTE 24 - LITIGATION

In the normal course of business, the Company may be involved in a number of legal, arbitral, administrative, and tax proceedings. At the date of this Document, the Company is not aware of any litigation that could have a material impact on its financial position and consolidated results.

NOTE 25 - CONSOLIDATING COMPANIES

The Company publishes consolidated financial statements.

NOTE 26 - REGULATED AGREEMENTS

The regulated agreements that were entered to or continued to apply during the year are described hereafter:

Service agreements:

- Service and brand licensing agreement between Atari SA and Atari Chain Ltd, whose CEO is Frédéric Chesnais, who was also CEO of Atari at the time of signing. Agreement dated February 27, 2020, supplemented by an agreement dated March 1, 2020. This agreement was terminated on 18 April 2022.

Irata shareholder loans:

- On January 17, 2022, the Company entered into an agreement with Irata, by which Irata granted shareholder loans to Atari SA for a consideration of €1.5M, at a rate of 8% per year¹².
- On 18 February 2022, the Company entered into an agreement with Irata, by which Irata granted shareholder loans to Atari SA for a consideration of USD1.5M at a rate of 8% per year.

¹² This loan has been partially reimbursed by way of set off of receivables as part of the capital increase of the Company completed in April 2022, the remaining nominal amount being \$369K.

- On November 11, 2022, the Company entered into an agreement with Irata, by which Irata granted shareholder loans to Atari SA for a total consideration of €2.4M, at a rate of 8.75% per year.
- On February 28, 2023, the Company entered into an agreement with Irata by which Irata granted shareholder loans to Atari SA for a total consideration of €2.6M, at a rate of 8.75% per year.
- On March 31, 2023, the Company entered into an agreement with Irata by which Irata granted shareholder loans to Atari SA for a total consideration of €5M, at a rate of 8.75% per year.
- On May 5, 2023, the Company entered into an agreement with Irata by which Irata granted shareholder loans to Atari Inc. for a total consideration of \$4.5M, at a rate of 8.75%, on a two-month maturity, for the bridge financing of the cash consideration of the Nightdive acquisition.

It is specified that each of these above-mentioned shareholder loans contains an early repayment clause by way of set-off of receivable in the event of the subscription by Irata to an issuance of securities giving access to the capital. The repayment of Irata shareholder loans have therefore been made by way of set-off with Irata's subscription to the convertible bonds in June 5, 2023 for an amount of 16,333,740.68 euros.

Agreements entered into in connection with the acquisition of Nightdive:

- On March 22, 2023, the Company entered into a share purchase agreement with Nightdive, by which Atari has completed the Acquisition of Nightdive.
- On May 3, the Company entered into a contribution agreement with the shareholders of Nightdive (including Wade Rosen) in the context of the Acquisition, in virtue of which the shareholders will contribute 1,912,500 shares of Nightdive to Atari.

Agreements entered into in connection with the issuance of the convertible bonds:

- On May 23, 2023, Irata has irrevocably undertaken to subscribe to the Offering (the "Subscription Commitment") during the priority subscription period of the proposed issuance of the Convertible Bonds, on an irreducible basis, up to the amount of its stake in the Company's share capital (i.e. a total number of 55,460,000 Convertible Bonds) and on a reducible basis, up to the balance of the total amount of the Offering not subscribed by it on an irreducible basis, i.e. up to a maximum total amount (including issue premium) of 21,681,000 euros (i.e., up to 144,540,000 Convertible Bonds). Moreover, in the event that at the end of the subscription period of the Offering, the subscriptions do not represent 100% of the amount of the Offering, Irata has irrevocably and unconditionally undertaken to subscribe for the Convertible Bonds which will have not been fully paid by the subscribers allowing for full subscription of this threshold of 100% of the principal amount of this convertible bonds issuance, i.e. up to a maximum of 200,000,000 Convertible Bonds for an amount of 30 million euros. The amount of the Subscription Commitment will be paid, in priority, by way of set-off against certain, determined in quantity and due claims that Irata holds on the Company in respect of all of the outstanding shareholders' loans previously granted for an aggregate amount of around €16,333,740.68 and the balance in cash.

All the agreements listed above will be subject to the approval at the next general meeting of shareholders under the regulated agreements procedure.

NOTE 27 - SUBSIDIARIES AND INVESTMENTS

Amounts in K€	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	(337,043)	100%	325,870	-	8,917	-	(413)	-
Alpha Chain SA	37	(32)	100%	37	37	-	-	(0)	Stated Feb 2021
DeVi SA		(103)	100%	96	96	60			Stated Feb 2022
Atari US Holdings Inc.	-	(14,654)	100%	432,594	3,154	296	-	(5,329)	-
Atari Interactive Inc.	-	(34,020)	100%	43,618	-	27,907	7,243	(592)	-
Atari Entertainment Africa Ltd	-	(426)	100%	-	-	449	-	(16)	-
Infogrames Interactive GmbH	26	292	100%	189	189	-	-	-	(a)
Atari Japan KK	274	(2,385)	100%	328	-	1,863	-	-	(a)
B Investments (ownership interest of between 10% and 50%)									
Infinity Network Limited	-	(3,554)	30%	668	-	-	62	(3,554)	FY ended 31/03/2019

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 at financial year end;
- for net revenue and net income, on the basis of the monthly average exchange rate for the financial year.