



**Atari**  
**2024 Consolidated and Annual Financial**  
**Statements**

# 1. CONSOLIDATED FINANCIAL STATEMENTS

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## 1.1. Statutory Auditors' report on the Consolidated financial Statements

*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditor's report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### To the ATARI's Shareholders' Meeting

#### Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of ATARI for the year ended 31 March 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### Basis for Opinion

##### **Audit Framework**

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

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

##### **Independence**

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 April 2023 to the date of our report.

#### Justification of Assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that the assessments which, in our professional judgment, were of most significance in our audit of the financial statements addressed the appropriateness of the accounting principles used and the reasonableness of the significant estimates made and the overall presentation of the financial statements, particularly with regard to:

- the integration of acquired companies, taking into account the judgment required to determine the valuation of goodwill and earnouts;
- the amortization periods of development costs for internally developed video games and video games acquired from third parties, the terms of which were reassessed during the year;
- the unwinding of transactions linked to the ATRI Token;
- impairment tests on other intangible assets (video game development and acquisitions, licenses and intellectual property), given the judgment required to determine their recoverable amount, which is based on

an estimate of the discounted cash flows expected from the marketing of the games. This estimate requires the use of assumptions, notably concerning sales volumes and distribution and marketing costs, the realization of which is by nature uncertain.

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

### **Specific Verifications**

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

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

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

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

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

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

### **Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the

consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris-La Défense, 31 July 2023

The Statutory Auditors

*French original signed by*

**Deloitte & Associés**

Benoit Pimont

## 1.2. Consolidated financial statements for year end March 31, 2024

### 1.2.1. 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 400 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 Atari X (formerly Web3).

### 1.1.1. Consolidated financial statements

#### CONSOLIDATED BALANCE SHEET

| ASSETS (M€)                      |         | FY24        | FY23        |
|----------------------------------|---------|-------------|-------------|
| Goodwill                         | Note 3  | 28.7        | -           |
| Other intangible assets          | Note 4  | 24.1        | 7.7         |
| Property, plant and equipment    |         | 0.0         | 0.0         |
| Rights of use relating to leases | Note 5  | 1.8         | 1.3         |
| Non-current financial assets     | Note 6  | 12.3        | 7.9         |
| Deferred tax assets              | Note 7  | 1.2         | 1.2         |
| <b>Non-current assets</b>        |         | <b>68.1</b> | <b>18.1</b> |
| Inventories                      | Note 8  | 0.7         | 0.5         |
| Trade receivables                | Note 9  | 4.1         | 3.1         |
| Other current assets             | Note 10 | 2.6         | 1.8         |
| Cash and cash equivalents        | Note 11 | 2.6         | 1.7         |
| <b>Current assets</b>            |         | <b>10.0</b> | <b>7.1</b>  |
| <b>Total assets</b>              |         | <b>78.1</b> | <b>25.2</b> |

| EQUITY & LIABILITIES (M€)                           |         | FY24       | FY23       |
|---|---------|------------|------------|
| Capital stock                                       | Note 12 | 4.4        | 3.8        |
| Share premium                                       |         | 43.1       | 32.7       |
| Consolidated reserves                               |         | (27.2)     | (19.2)     |
| Net income (loss) Group share                       |         | (13.5)     | (9.5)      |
| <b>Total equity</b>                                 |         | <b>6.8</b> | <b>7.8</b> |
| Provisions for non-current contingencies and losses | Note 13 |            |            |
| Non-current financial liabilities                   | Note 14 | 38.9       | 7.7        |
| Long term lease liabilities                         | Note 15 | 1.3        | 1.0        |

|                                     |         |             |             |
|-------------------------------------|---------|-------------|-------------|
| Other non-current liabilities       | Note 16 | 17.4        | 0.7         |
| <b>Non-current liabilities</b>      |         | <b>57.5</b> | <b>9.5</b>  |
| Current financial liabilities       | Note 14 | 5.3         | 0.2         |
| Short term lease liabilities        | Note 15 | 0.6         | 0.4         |
| Trade payables                      |         | 4.3         | 2.7         |
| Other current liabilities           | Note 16 | 3.5         | 4.6         |
| Liabilities held for sale           |         | 0.0         | 0.0         |
| <b>Current liabilities</b>          |         | <b>13.8</b> | <b>7.9</b>  |
| <b>Total equity and liabilities</b> |         | <b>78.1</b> | <b>25.2</b> |

## CONSOLIDATED INCOME STATEMENT

| (M€)   |         | FY24          | FY23         |
|--|---------|---------------|--------------|
| Revenue  | Note 17 | 20.6          | 10.1         |
| Cost of goods sold                                   |         | (5.8)         | (2.2)        |
| <b>GROSS MARGIN</b>                                  |         | <b>14.9</b>   | <b>7.9</b>   |
| Research and development expenses                    | Note 18 | (12.0)        | (4.4)        |
| Marketing and selling expenses                       | Note 18 | (1.2)         | (0.7)        |
| General and administrative expenses                  | Note 18 | (7.8)         | (8.5)        |
| Other operating income (expense)                     | Note 18 | (0.6)         | (0.4)        |
| <b>CURRENT OPERATING INCOME (LOSS)</b>               |         | <b>(6.5)</b>  | <b>(6.1)</b> |
| Other income (expense)                               | Note 19 | (6.2)         | (2.5)        |
| <b>OPERATING INCOME (LOSS)</b>                       |         | <b>(12.8)</b> | <b>(8.5)</b> |
| Cost of debt   | Note 20 | (0.7)         | (0.2)        |
| Other financial income (expense)                     | Note 20 | 0.1           | 0.1          |
| Share of net operational profit of equity affiliates |         |               |              |
| Income tax   | Note 21 | (0.0)         | (0.9)        |
| <b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>  |         | <b>(13.3)</b> | <b>(9.5)</b> |
| Net income (loss) from discontinued operations       |         | (0.1)         | 0.1          |
| <b>NET INCOME (LOSS)</b>                             |         | <b>(13.5)</b> | <b>(9.5)</b> |
| Group share  |         | (13.5)        | (9.5)        |
| Minority interests                                   |         | -             | -            |
| Basic earnings per share (in euro)                   | Note 23 | (0.030)       | (0.020)      |
| Diluted earnings per share (in euro)                 | Note 23 | (0.021)       | (0.020)      |

## COMPREHENSIVE INCOME

| (M€)   | FY24          | FY23         |
|--|---------------|--------------|
| <b>CONSOLIDATED NET INCOME</b>   | <b>(13.5)</b> | <b>(9.5)</b> |
| <b>Elements directly incurred in net equity</b>                              |               |              |
| Translation adjustments  | (0.5)         | 0.2          |
| Financial assets valued at fair value through the other comprehensive income | 0.9           | -            |
| <b>Total result directly recognized in equity</b>                            | <b>0.4</b>    | <b>0.2</b>   |
| <b>COMPREHENSIVE INCOME</b>  | <b>(13.1)</b> | <b>(9.3)</b> |
| Of which: Group  | (13.1)        | (9.3)        |
| Of which: Minority interests   | -             | -            |

## CONSOLIDATED CASH FLOW

| (M€)   | FY24          | FY23         |
|--|---------------|--------------|
| <b>Net income (loss) for the year</b>  | <b>(13.5)</b> | <b>(9.5)</b> |
| <b>Non cash expenses and revenue</b>   |               |              |
| Charges (reversals) for depreciation, amortization and provisions for non current assets | 13.7          | 5.4          |
| Cost of (revenue from) stock options and related benefits                                | 0.2           | 0.8          |
| Losses (gains) on disposals  | (2.0)         | -            |
| Other non cash items   | (2.0)         | -            |
| <b>Income taxes (deferred and current)</b>   | <b>-</b>      | <b>-</b>     |
| <b>CASH FLOW BEFORE NET COST OF DEBT AND TAXES</b>                                       | <b>(3.6)</b>  | <b>(3.3)</b> |
| <b>Changes in working capital</b>  |               |              |
| Inventories  | (0.3)         | 1.7          |
| Trade receivables  | 2.9           | (0.1)        |
| Trade payables   | 0.6           | (4.5)        |
| Other current & non current assets and liabilities                                       | (4.0)         | (2.5)        |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>                               | <b>(4.3)</b>  | <b>(8.7)</b> |
| <b>Purchases of/additions to</b>   |               |              |
| Intangible assets  | (16.9)        | (5.8)        |
| Financial Investments  | (14.3)        | -            |
| <b>Disposals/repayments of</b>   |               |              |
| Intangible assets  | -             | 0.2          |
| <b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>                               | <b>(31.2)</b> | <b>(5.6)</b> |
| <b>Net funds raised from</b>   |               |              |
| Share issues   | 6.5           | 12.0         |
| Bond issuance  | 30.0          | -            |
| Loans  | 19.0          | 2.7          |
| <b>Net funds disbursed for</b>   |               |              |
| Interest and other financial charges   | (1.3)         | -            |
| Debt repayment   | (16.8)        | -            |
| Bond issuance costs  | (0.6)         | -            |

|  |             |             |
|--|-------------|-------------|
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b> | <b>36.8</b> | <b>14.7</b> |
| Impact of changes in exchange rates                        | (0.4)       | 0.2         |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>             | <b>0.9</b>  | <b>0.6</b>  |

| (M€)  | <b>FY24</b> | <b>FY23</b> |
|---|-------------|-------------|
| <b>Net opening cash balance</b>                     | 1.7         | 0.6         |
| <b>Net closing cash balance</b>                     | 2.6         | 1.7         |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>      | <b>0.9</b>  | <b>1.1</b>  |
| <b>Net closing cash balance</b>                     |             |             |
| Cash and cash equivalents                           | 2.6         | 1.7         |
| 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  |
|----------------------------------|------------|---------------|-----------------|-----------------------|------------------------------------|---------------------|--------------------|---------------|
| <b>At March 31, 2022</b>         | <b>3.1</b> | <b>21.4</b>   | <b>1.7</b>      | <b>(18.6)</b>         | <b>(3.2)</b>                       | <b>4.4</b>          | <b>-</b>           | <b>4.4</b>    |
| Net income (loss) for the period | -          | -             | -               | (9.5)                 | -                                  | (9.5)               | -                  | (9.5)         |
| Translation adjustments          | -          | -             | -               | -                     | 0.2                                | 0.2                 | -                  | 0.2           |
| Other comprehensive income       | -          | -             | -               | -                     | -                                  | -                   | -                  | -             |
| <b>Comprehensive income</b>      | <b>-</b>   | <b>-</b>      | <b>-</b>        | <b>(9.5)</b>          | <b>0.2</b>                         | <b>(9.3)</b>        | <b>-</b>           | <b>(9.3)</b>  |
| Share issues                     | 0.8        | 11.2          | -               | -                     | -                                  | 12.0                | -                  | 12.0          |
| Treasury shares transactions     | -          | -             | (1.3)           | 1.3                   | -                                  | -                   | -                  | -             |
| Others changes                   | -          | -             | -               | 0.8                   | -                                  | 0.8                 | -                  | 0.8           |
| <b>At March 31, 2023</b>         | <b>3.8</b> | <b>32.7</b>   | <b>0.4</b>      | <b>(26.1)</b>         | <b>(3.0)</b>                       | <b>7.8</b>          | <b>-</b>           | <b>7.8</b>    |
| Net income (loss) for the period | -          | -             | -               | (13.5)                | -                                  | (13.5)              | -                  | (13.5)        |
| Translation adjustments          | -          | -             | -               | -                     | (0.5)                              | (0.5)               | -                  | (0.5)         |
| Other comprehensive income       | -          | 0.9           | -               | -                     | -                                  | 0.9                 | -                  | 0.9           |
| <b>Comprehensive income</b>      | <b>-</b>   | <b>0.9</b>    | <b>-</b>        | <b>(13.5)</b>         | <b>(0.5)</b>                       | <b>(13.1)</b>       | <b>-</b>           | <b>(13.1)</b> |
| Share issues                     | 0.6        | 9.5           | -               | -                     | -                                  | 10.1                | -                  | 10.1          |
| Treasury shares transactions     | -          | -             | -               | -                     | -                                  | -                   | -                  | -             |
| Others changes                   | -          | -             | -               | 1.9                   | -                                  | 1.9                 | -                  | 1.9           |
| <b>At March 31, 2024</b>         | <b>4.4</b> | <b>43.1</b>   | <b>0.4</b>      | <b>(37.6)</b>         | <b>(3.5)</b>                       | <b>6.8</b>          | <b>-</b>           | <b>6.8</b>    |



## 1.1.2. Notes

### NOTE 1 – HIGHLIGHTS OF THE PERIOD

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

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.

#### April 2023 - Atari acquired more than 100 PC and console titles from the 80s and 90s

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. Accolade was a well-respected US-based video game developer and publisher from 1984 until 2000.

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

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 shares have been listed on US OTC Markets since October 2018 under ticker PONGF.

#### May 2023 - Launch of Mr. Run and Jump

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.

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

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. M Network was a video game division within Mattel that produced games for the Atari 2600 video game system during the 1980s. The M Network acquisition is the third expansion in 2023 that expands Atari's classic games catalog.

#### May 2023 - Acquisition of Nightdive Studios

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\$9.5M, paid in cash for US\$4.5m (€ 4.1m)<sup>1</sup> and in newly issued Atari shares for US\$5.0m (€4.5M)<sup>2</sup>, plus (ii) an earn-out of up to US\$10M, payable in cash over the next three years based on the future performance of Nightdive.

#### May 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 €30M

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 €30M, 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

<sup>1</sup> Financed by a shareholder loan made available by IRATA LLC (a company controlled by Wade Rosen), to be refinanced with the €30 million Convertibles Bonds issuance

<sup>2</sup> Based on the 20-day volume weighted average price of the Atari share on Euronext Growth as of April 28, 2023 (i.e., 0.1194 euro per share), in accordance with the transaction documentation.



on a reducible and irreducible basis (the "Offering"). The subscription price of the Convertible Bonds under the priority subscription period will be equal to the subscription price of the Convertible Bonds in the public offering and is set at €0.15. IRATA has irrevocably and unconditionally undertaken to subscribe for the Convertible Bonds.

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

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 €30M. IRATA subscribed to an amount corresponding to 97.58% of the total amount of the Offering (approx. €16.3M by debt set-off and €12.9M in cash).

#### **July 2023 - Strategic collaboration with Playmaji**

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.

#### **July 2023 - Atari acquires AtariAge**

Atari agreed to purchase AtariAge, a retro-focused online community hub and archival website founded by Albert Yarusso. The deal unites Atari with a vibrant community of retro fans, historians, and homebrew developers. Mr. Yarusso joined Atari and will continue to manage AtariAge, as well as assume a new role as the company's internal historian.

#### **August 2023 - ATARI 2600+ available for pre-order worldwide**

Atari announced global pre-order availability for the Atari 2600+ – a modern day faithful recreation of the pioneering console that first appeared in 1980. The Atari 2600+ was released on November 17, 2023 and is now available to order for €119.99 / £99.99.

#### **July - September 2023 - Update on ATRI Token and Claim**

Changes and developments in the regulatory and legal environment related to crypto currencies have caused Atari SA to modify its original plans to launch a new proprietary utility token. Instead of launching a new Atari token, Atari has provided a claim of a fixed number of third-party SAND tokens to certain eligible ATRI holder's making a proper claim and identified in the snapshot on April 18, 2022. Due to the finite number of SAND tokens, this was not a one-for-one claim. The ratio of SAND tokens to ATRI tokens has been determined based upon the total number of claims. Atari focuses its resources on growing its activities across Games, Licensing and Hardware lines of business, and in Web3, with the development of the Atari Club and continued collaborations and partnerships.

#### **September 2023 - MY ARCADE releases the Atari Gamestation Pro with 200+Games**

My Arcade teamed up with the legendary Atari brand to introduce the Atari Gamestation Pro with 200+ games. The Atari Gamestation Pro was available for pre-order at select retailers for delivery by October 31, 2023 for MSRP of \$99.99. The Atari Gamestation Pro is the first console on the market to integrate the Atari 2600, 5200, 7800, Arcade and bonus titles into a single platform. Included are the heart-pounding favorites like *Adventure*, *Missile Command*, *Asteroid*, *Centipede* and many more.

#### **October 2023 - Acquisition of Awesomenauts, Swords & Soldiers from Ronimo Games**

Atari announced the acquisition of multiple titles from Ronimo Games including Awesomenauts and Swords & Soldiers. The purchase includes the games, trademarks, and the underlying property.

#### **October 2023 - Acquisition of Digital Eclipse**

Atari entered into an agreement to acquire Digital Eclipse Entertainment Partners Co ("Digital Eclipse"), a game development studio originally founded in 1992 focused on the digital restoration of classic video games, based in Emeryville, California. Digital Eclipse is a game development studio dedicated to preserving gaming's heritage and telling the stories of gaming history through archival releases and interactive documentaries. Digital Eclipse pioneered commercial video game emulation well before it was a household concept and today Digital Eclipse is one of a select few development studios recognized as leaders in retro-focused development. On November 6, 2023 Atari

announced the closing of the acquisition of Digital Eclipse. The final purchase price of US\$6.3M consists in US\$3.8M in cash and US\$2.5M in newly issued Atari ordinary shares issued at closing date, as well as a remaining earn-out of US\$13.5M. The reserved capital increase has resulted in the issuance of 20,165,794 new ordinary shares.

The acquisition of Digital Eclipse allows Atari to expand its internal development capabilities and utilize Digital Eclipse's industry-leading experience and proprietary technology. In joining Atari, Digital Eclipse is growing its business and capabilities by expanding its development capacity and access to world-class IP and will leverage Atari's management expertise. By adding Digital Eclipse, along with Nightdive Studios in May 2023, Atari will be able to further support its retro-focused growth strategy.

### **December 2023 - January 2024 - Investment in tinyBuild**

Atari announced it had entered into an agreement with tinyBuild, Inc ("tinyBuild") to invest US\$2M as part of tinyBuild's capital increase announced on December 21, 2023. tinyBuild (AIM: TBLD) completed its US\$12M capital increase by means of the issue of new common shares on January 30, 2024. Upon completion and based on the results of the subscription, Atari holds 7.9% of tinyBuild share capital.

### **April 2024 - Acquisition of Rollercoaster Tycoon 3 from Frontier**

Atari announced that Atari will become the publisher of Rollercoaster Tycoon 3 developed by Frontier Developments plc. Released in 2004, the title is available on PC, Mac, iOS and Nintendo Switch. Atari is now the sole publisher of all major titles within the Rollercoaster Tycoon franchise. The purchase price of Roller Coaster Tycoon 3 consists of an initial consideration of US\$4M as well as potential deferred cash consideration of US\$3M. Rollercoaster Tycoon 3 is considered canon within the theme park simulation franchise.

## **NOTE 2 – ACCOUNTING RULES AND METHODS AT MARCH 31, 2024**

### **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 30, 2024. They will be submitted to the Annual General Shareholders' Meeting for approval.

### **Application of the Going Concern Principle**

As at March 31, 2024, the Company reported a net loss of €13.5M (compared with €9.5M in previous year). Shareholders' equity was €6.8M, compared to €7.8M in previous year. Net debt stood at €41.6M compared to net debt position of €6.2M in previous year, and includes €2.6M of cash and €44.2M 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 Atari X, excluding external financing. These forecasts rely on assumptions whose timing is uncertain as to their realization. The Group considers it can meet its obligations and that it can continue its activities over the next 12 months, with the support of its main shareholder IRATA LLC.

### **Preparation of the Financial Statements**

The Group's condensed consolidated financial statements at March 31, 2024 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](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 March 31, 2024, the Group has applied the same accounting standards, interpretations and methods as those used in its financial statements for year ended March 31, 2023, 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:

- The standards, interpretations and amendments to standards whose application is mandatory for the period beginning on or after April 1, 2023 did not have a material impact on Atari's consolidated financial statements at March 31, 2024. They are as follows
  - Amendment to IAS 1 - Disclosure of Accounting Policies - This amendment clarifies how to determine whether an accounting policy is significant for the preparation of financial statements;
  - Amendment to IAS 8 - Definition of an accounting estimate - This amendment clarifies the distinction between a change in accounting policy and a change in accounting estimate when applying IAS 8;
  - Amendment to IAS 12 - Deferred tax arising from a single transaction - The amendment concerns the accounting for deferred tax when an entity recognizes transactions such as leases or decommissioning obligations as both an asset and a liability;
  - IFRS 17 - Insurance Contracts - This standard amended the rules for measuring and recognizing insurance contracts that were previously set out in IFRS 4;
  - IFRS 17 and IFRS 9 - Disclosures on first-time adoption of IFRS 17 and IFRS 9.
- Standards or interpretations that are not mandatorily applicable in 2023 and which may be subject to early application.

These new standards or amendments have not been applied early by the Group or are not applicable:

- Amendments to IAS 1 - Classification of liabilities as current or non-current, mandatory from January 1, 2024;
- Amendments to IFRS 16 - Lease liabilities related to a sale and leaseback, mandatory from January 1, 2024;
- Publication of the first two IFRS sustainability reporting standards, mandatory from January 1, 2024.

## 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;
- Intangible assets - Valuation of cryptocurrencies;
- Intangible assets, Goodwill
- Intangible assets - Development costs of video games
- 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.

## CHANGES IN THE GROUP'S CONSOLIDATION SCOPE

At March 31, 2024, 25 entities were consolidated, of which 9 entities are inactive or undergoing liquidation. All of the Group entities are fully consolidated and are listed in the table below:

| Company   | Country        | % holding |      | % interest |      |
|---|----------------|-----------|------|------------|------|
|   |                | FY24      | FY23 | FY24       | FY23 |
| <b>Active subsidiaries</b>                                    |                |           |      |            |      |
| Atari Partners S.A.S.   | France         | 100%      | 100% | 100%       | 100% |
| DeVi SA   | Switzerland    | 100%      | 100% | 100%       | 100% |
| Atari US Holdings Inc.  | USA            | 100%      | 100% | 100%       | 100% |
| Atari Inc.  | USA            | 100%      | 100% | 100%       | 100% |
| Atari Interactive Inc   | USA            | 100%      | 100% | 100%       | 100% |
| Atari Studios Inc   | USA            | 100%      | 100% | 100%       | 100% |
| Atari Games Corp  | USA            | 100%      | 100% | 100%       | 100% |
| Atari Casino LLC  | USA            | 100%      | 100% | 100%       | 100% |
| Atari VCS LLC   | USA            | 100%      | 100% | 100%       | 100% |
| Atari Hotels Corp   | USA            | 100%      | 100% | 100%       | 100% |
| Nightdive Studios LLC   | USA            | 100%      | -    | 100%       | -    |
| GTI Interactive LLC   | USA            | 100%      | -    | 100%       | -    |
| Atari X LLC <sup>3</sup>                                      | USA            | 100%      | 100% | 100%       | 100% |
| Digital Eclipse Entertainment Ptnrs                           | USA            | 100%      | -    | 100%       | -    |
| Infogrames LLC  | USA            | 100%      | -    | -          | -    |
| Atari Games Private India Ltd                                 | India          | 99%       | -    | 99%        | -    |
| <b>Subsidiaries undergoing liquidation</b>                    |                |           |      |            |      |
| Atari Entertainment Africa Ltd <sup>4</sup>                   | Mauritius      | 100%      | 100% | 100%       | 100% |
| 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% |
| Atari Services Kenya  | Kenya          | 100%      | 100% | 100%       | 100% |
| <b>Inactive subsidiaries</b>                                  |                |           |      |            |      |
| Atari Japan KK  | Japan          | 100%      | 100% | 100%       | 100% |
| Infogrames Entertainment GmbH                                 | Germany        | 100%      | 100% | 100%       | 100% |
| Infogrames Interactive GmbH                                   | Germany        | 100%      | 100% | 100%       | 100% |
| Cubed Productions LLC   | USA            | 91%       | 91%  | 91%        | 91%  |
| <b>Liquidated subsidiaries as at the date of the Document</b> |                |           |      |            |      |
| Atari Liberia Inc   | Liberia        | -         | 100% | -          | 100% |
| Atari Entertainment Ghana Ltd                                 | Ghana          | -         | 90%  | -          | 90%  |
| Atari Lifestyle Ltd   | Nigeria        | -         | 99%  | -          | 99%  |
| Alpha Chain SA  | France         | 100%      | 100% | 100%       | 100% |
| <b>Non-consolidated entities</b>                              |                |           |      |            |      |
| Playmaji Inc <sup>5</sup>                                     | USA            | 53%       | -    | 53%        | -    |
| Antstream Limited   | United-Kingdom | 10%       | -    | 10%        | -    |
| tinyBuild   | USA            | 7.9%      | -    | 7.9%       | -    |

<sup>3</sup> Company name "Atari X LLC" since May 4, 2023, formerly Atari Productions LLC.

<sup>4</sup> Holding company holding the interests of the Group's entities in Africa, whose liquidation will be initiated upon finalisation of the procedures concerning its subsidiaries.

<sup>5</sup> Atari holds a non-controlling stake of 53% on a non-diluted basis and 49% on a fully diluted basis. Atari does not control the majority of the Board of Directors nor the operational decisions of the business

## BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recorded in accordance with the acquisition method as defined in IFRS 3, revised. Under this method, identifiable assets acquired and liabilities assumed of the acquiree are recorded at fair value at the acquisition date. The goodwill arising from the business combination is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and, where applicable, the fair value of any previously held interest over the acquisition date net amounts of the identifiable assets acquired and liabilities and contingent liabilities assumed. This goodwill is measured in the functional currency of the company acquired and recognized in assets in the Consolidated Statement of Financial Position. Pursuant to IFRS, goodwill is not amortized but is subject to impairment tests performed at least annually or, where appropriate, more frequently where there is evidence calling into question the net carrying amount recorded in assets in the Statement of Financial Position. Where the terms and conditions of a business combination are advantageous, negative goodwill arises. The corresponding profit is recognized in net income at the acquisition date. Acquisition-related costs are expensed in the period in which the costs are incurred and the services received. Pursuant to the provisions of IFRS 3 revised, the Group may finalize the recognition of the business combination during the measurement period. This period ends when all the necessary information has been obtained and no later than one year after the acquisition date.

## 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 statements 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 2024      |              | FY 2023      |              |
|----------|--------------|--------------|--------------|--------------|
|          | Closing rate | Average rate | Closing rate | Average rate |
| USD      | 1.0811       | 1.0870       | 1.0872       | 1.0447       |

## 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, 2024 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:

- Development costs for video games;
- Acquired enterprise software and license rights, as well as brands;
- Games and underlying properties purchased by Atari from third-parties;
- Digital 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 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 impairment for development costs (internal or external studio development expenses) if it considers that the project does not meet all the above criteria.

As of March 31, 2024, 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.

The Group has reassessed its amortization policy for development costs of video games it develops in order to better align with games commercialization cycles. Costs are now amortized over two years using a degressive amortization: 1/3 amortization during months 1 to 3 following release, 1/3 in months 4 to 12 following release and the remaining 1/3 in months 13 to 24 following release. In previous years, video game development costs were amortized on a straight-line basis over three years. The impact of this change totals -€2.8M for the fiscal year ending March 31st, 2024 (see Note 18 - Current Operating Expenses) . The impact for the next fiscal year cannot be determined at this stage based on available information at this date.

### • Games and underlying properties purchased by Atari from third parties

Games that are purchased from third-parties, for which Atari has not supported the initial development costs, are amortized over five years on a straight-line basis, given the history of such games and to align with the profile of consistent revenue generation of those purchased games.

### • Software, license rights and brands

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 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 1 and 15 years).

- **Digital Assets**

Given the absence of use cases and performance obligation under IFRS 15, certain allocations of ATRI Tokens had previously been recognized in the balance sheet, under deferred revenue. With the termination of licensing agreements with the former joint venture, and the termination of the planned token project announced in FY 2024, all income recorded in the balance sheet has been recognized in the Profit & Loss, under Other Income. At the end of fiscal year, no Atri Tokens are valued in Atari financial statements.

For cryptocurrencies received and held, revenue is recognised at the market value on the day on which those crypto currencies have been received in context of NFT sales or licensing agreements. When those crypto-currencies are sold, a gain or a loss is recognized between the value recorded in revenue and the counter value in euro or dollars 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 (IFRS 16)**

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, 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**

Financial debt includes shareholder loans granted by IRATA LLC to Atari SA and certain Group entities (notably Infogrames LLC), for operating purposes and to finance acquisitions.

Additionally, the Group has concluded a co-publishing agreement with FIG, for new games based on Atari IPs. In that context, Atari has received a €0.4M payment from FIG to finance the development of certain new games, under a revenue-sharing agreement, based on the commercial performance of the games.

Similarly, Digital Eclipse had concluded an agreement with FIG in 2021 in order to develop certain games and for which it had received a €8.9M payment.

Such payments have been recorded as debt, at their fair value for an amount of €6.9M. In accordance with IFRS 9, the fair value of the debt is reassessed at the end of each period based on the commercial performance of underlying games, available data and contractual terms of the agreement. On that basis, the difference between the nominal value and the fair value of the debt is recorded in the P&L at the end of each period, in Other Financial Income (€2.3M for FY 2024).

### **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 and Mobile 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 Work-for-Hire

Work-for-hire contracts consist of technical and development services provided by Atari and its studios (Nightdive and Digital Eclipse) to third-party intellectual property owners or video game publishers. In accordance with IFRS 15, revenue from work-for-hire contracts is recognized when the performance obligation has been fulfilled, i.e. when a contractually defined milestone of a project has been completed and approved by the customer.

### Revenue for Hardware

Atari has a licensing contract with Plaion on selected Hardware products. As per the terms of the agreements, Plaion is responsible for the distribution, shipping and fulfillment of orders placed by retailers. Atari recognizes revenues, once Plaion receives revenues from retailers based on hardware units sold in, in accordance with IFRS 15. For sales completed through atari.com, Atari recognizes revenues as sales occur. For those sales completed through atari.com, Atari is considered as a retailer to Plaion and receives a revenue share and licensing fee on the sales completed on atari.com.

### 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 Atari X

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

## 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
- Recognition of deferred income related to Atri Tokens

## 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.

## NOTE 3 - GOODWILL

Business combinations are recognized using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group in accordance with IFRS 3. IFRS 3 requires the allocation of the purchase price through the fair value measurement of assets acquired and liabilities within a period of 12 months from the acquisition date. The Group values goodwill at the acquisition date as:

- the fair value of consideration transferred, plus
- the fair value of identifiable assets acquired and liabilities taken over, as applicable

During the year, the Group acquired two studios, Nightdive and Digital Eclipse, specialized in the remaster and publish of classic video games, leveraging on their proprietary technologies to enhance and make classic video games playable on modern platforms. With these acquisitions, Atari will leverage the development and publishing capabilities of Nightdive and Digital Eclipse to support its retro-focused growth strategy. For the FY24, revenues generated by the acquisitions represent €6.7M (from acquisitions dates).

**Nightdive** - The consideration transferred comprises the purchase price for 100% of Nightdive shares consisting of i) an initial consideration of US\$9.5M, paid in cash for US\$4.5M (€4.1M) and newly issued Atari shares for US\$5.0M (€4.55M), plus ii) an earn-out of up to \$10M payable in cash over the next three years based on future performance of Nightdive. The difference between the consideration transferred (€12.4M) and Nightdive’s net assets (€3.2M) is presented under goodwill.

**Digital Eclipse** - The consideration transferred comprises the purchase price for 100% of Digital Eclipse shares consisting of an initial consideration of US\$6.3M, of which i) US\$3.8M in cash paid on the closing date and ii) US\$2.5M in newly issued Atari ordinary shares issued on the closing date, as well as a remaining earn-out of up to US\$13.5M payable in cash over the next ten years. The difference between the consideration transferred (€16.8M) and Digital Eclipse’s net assets (-€2.6M) is presented under goodwill.

The costs relating to the acquisition that the Group bears due to a business combination are recognized as expenses when they are incurred.

## NOTE 4 – OTHER INTANGIBLE FIXED ASSETS

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

| Gross value (M€)    | Games | Purchased Games | Hardware | IP and Licenses | Digital Assets | Total |
|---------------------|-------|-----------------|----------|-----------------|----------------|-------|
| March 31, 2023      | 36.5  | -               | -        | 2.0             | 0.7            | 39.1  |
| Acquisitions        | 18.2  | 8.0             | -        | 2.7             | 0.1            | 29.1  |
| Cessions/sorties    | -     | -               | -        | -               | (0.3)          | (0.3) |
| Ecart de conversion | (0.4) | (0.0)           | - .0     | (0.0)           | (0.4)          | (0.8) |
| Au 31 mars 2024     | 54.3  | 8.0             | -        | 4.7             | 0.2            | 67.2  |

Intangible assets gross value for the period increased from €39.1M to €67.2M:

- Games intangible assets increased to €54.3M, mainly attributable to the ongoing investments in new games, as well as R&D resulting from the acquisitions of NightDive and Digital Eclipse (for a total amount of €13.5M);
- Hardware intangible assets balance is nil at the end of the period;
- Licenses and IP increased to €4.7M, following the acquisitions of IP catalogues concluded during the period (M Network catalogue, and GTI catalogue, AtariAge);
- Games Purchase +€8.0M: account for the value of Games purchased during the year by Atari (RCT 3 for €6.5M) and Infogrames;
- Digital Assets: gross value decreased by €0.5M reflecting the third-party token granted in context of the claim to certain eligible ATRI Token holders, partially compensated by the digital assets received in context of Atari's Limited Edition Summer Camp Collection.

| Amortization & provisions (M€) | Games  | Purchased Games | Hardware | IP and Licenses | Digital Assets | Total  |
|--------------------------------|--------|-----------------|----------|-----------------|----------------|--------|
| March 31, 2023                 | (31.0) | -               | -        | (0.3)           | (0.1)          | (31.4) |
| Amortization / Provisions      | (9.7)  | (1.0)           | (0.0)    | (1.5)           | (0.0)          | (12.2) |
| Disposals                      | -      | -               | -        | -               | -              | -      |
| Translation adjustments        | 0.5    | -               | 0.0      | (0.1)           | 0.1            | 0.5    |
| March 31, 2024                 | (40.2) | (1.0)           | -        | (1.8)           | -              | (43.1) |

| Net value (M€) | Games | Purchased Games | Hardware | IP and Licenses | Digital Assets | Total |
|----------------|-------|-----------------|----------|-----------------|----------------|-------|
| March 31, 2023 | 5.5   | -               | -        | 1.7             | 0.5            | 7.7   |
| March 31, 2024 | 14.1  | 7.0             | -        | 2.9             | 0.2            | 24.1  |

### SUMMARY OF DIGITAL ASSETS HOLDINGS OF ATARI AS OF MARCH 31, 2024

#### Cryptocurrencies

Atari holds a portfolio composed of several crypto currencies with a total value of €0.5M as of end March 31, 2024.

Other digital assets non valued in the financial statements include 972 parcels of Sandbox lands, and 259 million ATRI Tokens.

## NOTE 5 – 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 (USA), Paris (France) and Emeryville (USA). At March 31, 2024, rights of use relating to leases break down as follows:

| (M€)  | FY24       | FY23       |
|---|------------|------------|
| Rights of use relating to leases gross value  | 4.4        | 3.2        |
| Rights of use relating to leases amortization | (2.6)      | (1.9)      |
| <b>Rights of use relating to leases</b>       | <b>1.8</b> | <b>1.3</b> |

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

## NOTE 6 – NON CURRENT FINANCIAL ASSETS

Non-current financial assets breakdown as follows at March 31, 2024:

| (M€)  | FY24        | FY23       |
|---|-------------|------------|
| Financial assets measured at fair value through OCI           | 10.8        | -          |
| Financial assets measured at fair value through profit & loss | 1.0         | 1.1        |
| Financial assets measured at amortized cost                   | 0.5         | 6.8        |
| <b>Non-current financial assets</b>                           | <b>12.3</b> | <b>7.9</b> |

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

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

As of March 31, 2024 Financial assets measured at fair value through other comprehensive income include investments in Playmaji (€4.6M); tinyBuild (€1.8M) and Antstream (€4.3M), pursuant to the conversion of convertible bonds held by Atari into shares that resulted in a gain of €0.9M in Other comprehensive income.

### 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 as well as non-current trade receivables, with a maturity over one year, recognized using the effective interest rate method. At March 31, 2024, they represented €0.1M.

As of March 31, 2024, Financial assets measured at amortized cost represent €0.5M compared to €6.8M in previous year, due to the recognition of a €4.0M for bad debt loss with one licensing partner on a multi-year agreement and the conversion of Antstream convertible bond into equity (€3.4M).

### 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:

- Shares held in Bayside Games, representing approximately 1.8% of the capital, recorded at €0.7M. The change compared to previous period reflects the adjustment of the fair value, leading to a €0.2M impairment;
- Shares in PortalOne, representing approximately 0.3% of the capital and recorded at €0.2M.

**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, 2024 (€M)    | Net Value   | Schedule         |                     |                   |
|------------------------------|-------------|------------------|---------------------|-------------------|
|                              |             | Less than 1 year | Between 1 & 5 years | More than 5 years |
| Trade accounts receivables   | 4.4         | 4.1              | 0.3                 | -                 |
| Non-current tax assets       | 1.2         | -                | 1.2                 | -                 |
| Non-current financial assets | 12.3        | 12.3             | -                   | -                 |
| Other current assets         | 2.6         | 2.6              | -                   | -                 |
| Cash and cash equivalent     | 2.6         | 2.6              | -                   | -                 |
| <b>ASSETS</b>                | <b>23.0</b> | <b>21.5</b>      | <b>1.5</b>          | <b>-</b>          |
| Lease liabilities            | 1.9         | 0.6              | 1.3                 | 0.0               |
| Financial liabilities        | 39.3        | 0.4              | 38.9                | -                 |
| Trade payables               | 4.3         | 4.3              | -                   | -                 |
| Other current liabilities    | 3.5         | 3.5              | -                   | -                 |
| <b>LIABILITIES</b>           | <b>49.0</b> | <b>8.9</b>       | <b>40.2</b>         | <b>0.0</b>        |

**NOTE 7 – DEFERRED TAX ASSETS**

|                     | FY24 | FY23 |
|---------------------|------|------|
| Deferred tax assets | 1.2  | 1.2  |

Deferred tax assets for the period remain unchanged at €1.2M.

As of March 31, 2024 the Group's tax loss carry-forward were around \$280M 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, \$227M tax loss carryforward will expire, of which around \$13M in FY 25 and approximately 45% in the next 5 years. 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 8 – INVENTORIES**

On March 31, 2024, inventory was valued at €0.7M (vs €0.5M) mainly consisting of Hardware units as well as AtariAge inventories and including an impairment of €2.7M.

**NOTE 9 – TRADE ACCOUNTS RECEIVABLE**

On March 31, 2024, and March 31, 2023, 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€)                                   | FY24       | FY23       |
|--|------------|------------|
| Trade receivables                      | 7.8        | 2.8        |
| Allowance for bad debt                 | (4.4)      | -          |
| Receivables invoices to be established | 0.7        | 0.3        |
| <b>Trade receivables net value</b>     | <b>4.1</b> | <b>3.1</b> |

Trade receivables for the period increase from €3.1M to €4.1M and mainly consist in royalties yet to be received on game sales. Trade receivables evolution also includes a negative impact of €4.0M related to a bad debt loss with one licensing agreement.

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€)                          | FY24       | FY23       |
|-------------------------------|------------|------------|
| Prepaid and recoverable taxes | 0.1        | 0.3        |
| Prepaid expenses              | 2.5        | 1.5        |
| <b>Other current assets</b>   | <b>2.6</b> | <b>1.8</b> |

Prepaid and recoverable taxes essentially correspond to VAT receivables. Prepaid expenses, corresponding mainly to advance on royalties, increased from €1.5M to €2.5M over the period, due to higher royalties paid to certain IP holders by Atari and recently acquired studios.

## NOTE 11 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents include cash (cash on hand and demand deposits) for an amount €2.6M.

| (M€)                                    | FY24       | FY23       |
|---|------------|------------|
| Cash (Cash on hand and demand deposits) | 2.6        | 1.7        |
| <b>Cash and cash equivalents</b>        | <b>2.6</b> | <b>1.7</b> |

## NOTE 12 – SHAREHOLDERS' EQUITY

### CAPITAL

#### Common shares

On March 31, 2024, shareholders' equity was made up of 442,405,856 fully paid-up common shares, with a par value of €0.01 each, taking into account the issuance of 58,295,217 new shares issued in the context of Nightdive and Digital Eclipse.

At the date of this document shareholders' equity was made up of 442,804,799 shares, after taking into account the issuance of 23,943 new Atari shares resulting from conversion requests by convertible bond holders and the issuance of 375,000 new shares from free share plans on June 10th, 2024.

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€)  | FY24        | FY23        |
|---|-------------|-------------|
| Shares outstanding at the beginning of the period | 382,534,286 | 306,027,429 |
| Capital increase                                  | 58,295,217  | 76,506,857  |
| Free shares vesting                               | 975,000     | -           |
| New share issuance from Convertible Bonds         | 601,353     | -           |
| Exercise of Stock Options                         | -           | -           |
| Exercise of stock warrants                        | -           | -           |
| Shares outstanding at the the end of the period   | 442,405,856 | 382,534,286 |

## 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 0.73% of capital.

## STOCK OPTION PLAN<sup>6</sup>

| Option plans  | Plan S12     | Plan S15     | Plan S16     | Plan S17     | Plan S18     |
|---|--------------|--------------|--------------|--------------|--------------|
| Date of Shareholders' Meeting                               | 30-Sep-16    | 29-Sep-17    | 29-Sep-17    | 29-Sep-17    | 30-Sep-19    |
| Date of Board of Directors Meeting                          | 12-Jul-17    | 16-Jul-18    | 16-Jul-18    | 18-Dec-18    | 14-Jul-20    |
| Number of Stock Options granted                             | 6,006,350    | 5,935,805    | 2,000,000    | 353,182      | 3,725,000    |
| <u>Of which to the Board of Directors :</u>                 | -            | -            | -            | -            | -            |
| Wade Rosen  | -            | -            | -            | -            | -            |
| Starting point to exercise stock options                    | 12-Jul-18    | 16-Jul-19    | 16-Jul-19    | 18-Dec-19    | 14-Jul-21    |
| Expiration date of stock option                             | 11-Jul-25    | 31-Jul-26    | 31-Jul-26    | 17-Jan-27    | 13-Jul-28    |
| Exercise price of stock options (in euros)                  | 0.2720 €     | 0.3770 €     | 0.9770 €     | 0.2640 €     | 0.2240 €     |
| Vesting of stock options granted                            | 1/3 per year | 1/3 per year | 1/3 per year | 1/3 per year | 1/4 per year |
| Stock options granted during previous years                 | 6,006,350    | 6,474,039    | 2,023,063    | 370,000      | 3,750,000    |
| Stock options exercised during previous years               | (5,450,505)  | (5,009,305)  | (1,510,500)  | (311,750)    | (25,000)     |
| Stock options cancelled during previous years               | (344,407)    | (95,665)     | -            | -            | (2,100,000)  |
| Stock Options outstanding on March 31, 2022                 | 211,438      | 1,369,069    | 512,563      | 41,432       | 1,625,000    |
| Stock options granted during FY 2023                        | -            | -            | -            | -            | -            |
| Stock options exercised during FY 2023                      | -            | -            | -            | -            | -            |
| Stock options cancelled during FY 2023                      | -            | (712,600)    | -            | -            | (916,000)    |
| Total number of stock options outstanding on March 31, 2023 | 211,438      | 656,469      | 512,563      | 41,432       | 722,927      |
| Stock options granted during FY 2024                        | -            | -            | -            | -            | -            |
| Stock options exercised during FY2024                       | -            | -            | -            | -            | -            |
| Stock options cancelled during FY 2024                      | -            | -            | -            | -            | (25,450)     |
| Total number of stock options outstanding on March 31, 2024 | 211,438      | 656,469      | 512,563      | 41,432       | 751,599      |

<sup>6</sup> As of the date of this Document. Stock option features adjusted for the capital increase with preferential subscription rights completed in March 2022

| Option plan in effect  | Plan S19         | Plan S20       | Plan S21-22              | Plan S23         | Plan S24         |
|--|------------------|----------------|--------------------------|------------------|------------------|
| Date of Shareholders' Meeting                                      | 30-Nov-21        | 30-Nov-21      | 30-Nov-21                | 30-Nov-21        | 29-Sept-23       |
| Date of Board of Directors Meeting                                 | 30-Nov-21        | 10-June-22     | 8-Jul-22                 | 17-Jan-23        | 19-Jan-24        |
| Number of Stock Options granted                                    | 2,000,000        | 500,000        | 5,000,000                | 2,000,000        | 2,000,000        |
| <u>Of which to the Board of Directors :</u>                        | -                | -              | -                        | -                | -                |
| Wade Rosen   | -                | -              | 4 000 000 <sup>(1)</sup> | -                | -                |
| Starting point to exercise stock options                           | 30-Nov-22        | 10-Jun-22      | 8-Jul- 2023              | 17-Jan-24        | 19-Jan-25        |
| Expiration date of stock option                                    | 30-Nov-29        | 10-Jun-23      | 10-Jun-23                | 17-Jan-27        | 19-Jan-31        |
| Exercise price of stock options (in euros)                         | 0.3990 €         | 0.1615 €       | 0.1478 €                 | 0.1882 €         | 0.1075 €         |
| Vesting of stock options granted                                   | 1/4 per year     | 1/4 per year   | 1/4 per year             | 1/4 par an       | 1/4 par an       |
| <b>Total number of stock options outstanding on March 31, 2022</b> | <b>2,000,000</b> |                |                          |                  |                  |
| Stock options granted during FY 2023                               |                  | 500,000        | 5,000,000                | 2,000,000        | -                |
| Stock options exercised during FY 2023                             | -                | -              | -                        | -                | -                |
| Stock options cancelled during FY 2023                             | -                | -              | -                        | -                | -                |
| <b>Total number of stock options outstanding on March 31, 2023</b> | <b>2,036,000</b> | <b>500,000</b> | <b>5,000,000</b>         | <b>2,000,000</b> |                  |
| Stock options granted during FY 2024                               |                  | 500,000        | 5,000,000                | 2,000,000        | 2,000,000        |
| Stock options exercised during FY 2024                             | -                | -              | -                        | -                | -                |
| Stock options cancelled during FY 2024                             | -                | -              | -                        | -                | -                |
| <b>Total number of stock options outstanding on March 31, 2023</b> | <b>2,036,000</b> | <b>500,000</b> | <b>5,000,000</b>         | <b>2,000,000</b> | <b>2,000,000</b> |

(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        |
| <u>Of which to the Board of Directors :</u>                      |                  |                |
| Wade Rosen   | -                | 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         |
| <b>Total number of free shares outstanding on March 31, 2023</b> | <b>1,125,000</b> | <b>600,000</b> |
| free shares granted during FY 2024                               | 375,000          | 600,000        |
| free shares exercised during FY 2024                             | -                | -              |
| free shares cancelled during FY 2024                             | -                | -              |
| <b>Total number of free shares outstanding on March 31, 2024</b> | <b>750,000</b>   | <b>-</b>       |

**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                              | 223,739       |
| <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 outstanding on March 31, 2023                 | 223,739       |
| warrants granted during FY 2024                        |               |
| warrants exercised during FY 2024                      |               |
| warrants cancelled during FY 2024                      |               |
| Total number of warrants outstanding on March 31, 2024 | 223,739       |

**MINORITY INTERESTS**

Minority interests are not material.

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

At the end of the period, there were no provisions for contingencies and losses, unchanged versus previous period.

**NOTE 14 – DEBT****DEBT ANALYSIS BY TYPE**

The Group's financial debt breaks down as follows:

| (M€)                                  | FY24        | FY23       |
|---------------------------------------|-------------|------------|
| Shareholders loans                    | 4.9         | 7.3        |
| Convertible bond                      | 27.0        | -          |
| Fig Funding                           | 6.9         | 0.4        |
| <b>Non current</b>                    | <b>38.9</b> | <b>7.7</b> |
| Shareholders loans                    | 4.9         | -          |
| Accrued interest on shareholder loans | 0.1         | -          |
| Accrued interest on convertible bonds | 0.3         | 0.2        |
| <b>Current</b>                        | <b>5.3</b>  | <b>0.2</b> |
| <b>Financial liabilities</b>          | <b>44.2</b> | <b>7.9</b> |

As of March 31, 2024, total financial debt stood at €44.2M, compared to €7.9M as of March 31, 2023. This evolution is due to:

- The redemption of all loans granted by IRATA to Atari which have been redeemed in full by way of debt set-off in the context of the issuance of the convertible bonds in June 2023 for a total amount of €16.3M. This included two shareholder loans concluded after year end close, i) €5M loan agreement concluded on March

31, 2023 and ii) US\$4.5M loan agreement concluded on May 5, 2023 for the financing of Nightdive acquisition.

- €9.8M loans have been concluded between Atari SA, Infogrames LLC and IRATA in the course of FY 2024;
- The issuance on June 1, 2023 of bonds convertible into new ordinary Atari shares for a nominal amount of €30M. In accordance with IAS 32, this convertible bond was divided into a shareholders' equity component, amounting to €3.6M (corresponding to the fair value of the underlying call option) and a debt component of €27.0M;
- The Group has concluded a co-publishing agreement with FIG, part of the Republic ecosystem, for new games based to be developed by Atari and Digital Eclipse. Under this agreement, Atari and Digital Eclipse have received a total €9.3M payment from FIG in order to develop certain new games, under a revenue-sharing agreement, based on the commercial performance of the games. This amount received has been recorded as a debt, at its fair value as of March 31, 2024. In accordance with IFRS 9, the fair value of the debt has been reassessed based on the game performance of the underlying games. As of March 31, 2024, this debt is now estimated at €6.9M. The difference of €2.3M is recorded in P&L under other financial income.

## 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€)                                    | FY24       | FY23       |
|---|------------|------------|
| Lease liabilities less than 1 year      | 0.6        | 0.4        |
| Lease liabilities between 1 and 5 years | 1.3        | 1.0        |
| Lease liabilities after 5 years         | 0.0        | -          |
| <b>Lease liabilities</b>                | <b>1.9</b> | <b>1.4</b> |

## NOTE 16 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

| (M€)                                 | FY24        | FY23       |
|--------------------------------------|-------------|------------|
| Other non-current liabilities        | 17.4        | 0.7        |
| <b>Other non-current liabilities</b> | <b>17.4</b> | <b>0.7</b> |
| Trade payables                       | 4.3         | 2.7        |
| Other current liabilities            | 3.5         | 4.6        |
| <b>Other current liabilities</b>     | <b>7.8</b>  | <b>7.4</b> |

Other non-current liabilities increase from €0.7M to €17.4M over the period given the recognition of €16.6M earn-out related to acquisitions concluded during the year (Nightdive, Digital Eclipse and RCT3 game), as per the terms of the acquisitions. Other non-current liabilities also include a provision covering uncertainty over the use of historical tax-loss carry forwards in the United-States.

Trade payables increase from €2.7M to €4.3M due to royalties payables by Atari, Nightdive and Digital Eclipse to certain IP holders.

Other current liabilities represent €3.5M compared to €4.6M and include, €1.0M estimated earn-out for the current year. The decrease is primarily due to the recognition in Other Income, of deferred income previously recorded for an amount of €2.2M, corresponding to ATRI Tokens awarded or granted. Given the termination of the agreements with the former joint venture and termination of planned token project, the amounts previously recorded in liabilities have been recognized for the fiscal year ending March 31, 2024, in Other Income in P&L. ATRI Tokens held are not valued in the financial statements.

**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 Atari X (formerly Web3).

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

| (M€)                 | FY24        | FY23        |
|----------------------|-------------|-------------|
| Games                | 14.4        | 7.2         |
| Hardware             | 4.2         | 0.7         |
| Licensing            | 1.8         | 1.3         |
| Atari X              | 0.2         | 0.9         |
| <b>Total Revenue</b> | <b>20.6</b> | <b>10.1</b> |

On March 31, 2024, Atari recorded consolidated revenues of €20.6M, compared with €10.1M the previous year, an increase of 104% at current exchange rates and 103% at constant exchange rates. Revenues for the period include notably the contribution of Nightdive Studios (since May 11, 2023) and Digital Eclipse (since October 31, 2023), for a total amount of €6.7M.

**NOTE 18 – CURRENT OPERATING EXPENSES**

Atari presents its consolidated income statement by function.

| (M€)  | FY24         | FY23         |
|---|--------------|--------------|
| Research and development                              | 4.4          | 2.3          |
| Amortizations   | 7.5          | 2.0          |
| Stock Options   | 0.1          | 0.1          |
| <b>Research and development expenses</b>              | <b>12.0</b>  | <b>4.4</b>   |
| Marketing and selling                                 | 1.1          | 0.7          |
| Stock Options   | 0.1          | 0.0          |
| <b>Marketing and selling expenses</b>                 | <b>1.2</b>   | <b>0.7</b>   |
| General and administrative expenses and director fees | 7.7          | 7.8          |
| Stock Options   | 0.1          | 0.6          |
| <b>General and administrative expenses</b>            | <b>7.8</b>   | <b>8.5</b>   |
| Other operating income (expenses)                     | (0.6)        | (0.4)        |
| <b>Other operating income (expenses)</b>              | <b>(0.6)</b> | <b>(0.4)</b> |

**Research and Development expenses** – Research and development expenses during the period totaled €12.0M over the period, an increase compared to previous period, given the consolidation of Nightdive Studios as from May

11, 2023 and Digital Eclipse as from October 31st, 2023 (+€2.6M). The increase is also due to the change in amortization policy for fiscal year 2024 leading to higher amortization charges (+€2.8M).

**Marketing and Selling Expenses** – Marketing and selling expenses totalled €1.2M, compared with €0.7M in the previous period, the increase versus previous period mainly consisting in Nightdive Studios and Digital Eclipse marketing and selling expenses.

**General and Administrative Expenses** – General and administrative expenses represent €7.8M against €8.5M in previous year.

**Other operating income (expenses)** - Other operating expenses represent €0.6M and mainly comprises changes in provisions.

## NOTE 19 – OTHER INCOME (EXPENSE)

| (M€)                          | FY24         | FY23         |
|-------------------------------|--------------|--------------|
| Other income                  |              | 1.3          |
| Deferred income recognition   | 2.2          | -            |
| Other expense                 | (8.4)        | (3.8)        |
| <b>Other income (expense)</b> | <b>(6.2)</b> | <b>(2.5)</b> |

Deferred Revenue Recognition for the period of +€2.2M relates to the recognition of income on Atri Tokens sales previously recorded under deferred income in the balance sheet (Note 15 - Other Current and Non current liabilities).

Other expenses include notably €3.6M impairment on selected games, as well as a €4.0M bad debt related to one licensing contract.

## NOTE 20 – NET FINANCIAL INCOME (EXPENSE)

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

| (M€)  | FY24         | FY23         |
|---|--------------|--------------|
| Calculated expenses IFRS 16 Lease liabilities | (0.1)        | (0.0)        |
| Interests on debts                            | (0.6)        | (0.3)        |
| Interests on receivables                      | 0.0          | 0.2          |
| <b>Cost of debt</b>                           | <b>(0.7)</b> | <b>(0.2)</b> |
| Foreign exchange result                       | (0.0)        | (0.2)        |
| Impairment on non consolidated investments    | 0.0          | 0.4          |
| Impairment on long term receivables           | 0.3          | 0.2          |
| Loss on investment debts                      | -            | (0.2)        |
| Gain (loss) on crypto assets                  | 0.0          | 0.1          |
| Sales on non consolidated investments         | 0.0          | 0.2          |
| Amortization of bond costs                    | (2.6)        | -            |
| Other   | 2.4          | (0.4)        |
| <b>Other financial income (expense)</b>       | <b>0.1</b>   | <b>0.1</b>   |
| <b>Net financial income (expense)</b>         | <b>(0.6)</b> | <b>(0.1)</b> |

Net financial expense for the period stood at €0.6M compared to €0.1M in the previous period. Cost of debt came at -€0.7M for the period, comprising notably interest expenses on convertible bonds since issuance on June 1, 2023, as well as interests on shareholder loans.

Other financial expense include, notably, the amortization of bond costs for €2.6M as per IFRS 9 guidelines.

Other financial income also include a positive impact of €2.3M related to the adjustment of FIG payment received in FY 2023 and FY 2024 as part of the co-publishing agreement and aiming at developing certain new games with Atari and Digital Eclipse (see Note 14 - Financial Debt).

## 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, 2024.

## NOTE 22 – DISCONTINUED OPERATIONS

### NET INCOME FROM DISCONTINUED OPERATIONS

For FY 2024, there were no discontinued activities.

### ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale at March 31, 2024 correspond to the remaining items on the African subsidiaries in process of liquidation in accordance with IFRS 5 requirements.

## NOTE 23 – EARNINGS PER SHARE

### 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: 422,717,449
- Number of shares at April 1, 2023: 382,534,286
- Minus treasury shares: 3,253,426
- Weighted average number of shares outstanding: 422,717,449

## NOTE 24 – OFF-BALANCE SHEET COMMITMENTS

### COMMITMENTS GIVEN

**Operating lease commitments** - The Company has entered into a lease agreement for its offices in Paris (renewable 3-year term starting May 1, 2019, for which the annual rent is approximately €73K) and New-York (starting September 25, 2017, for an annual rent of \$395K). Digital Eclipse, acquired during the fiscal year 2024 has entered into a lease agreement for its offices located at Emeryville, California starting January 1st, 2023, for a 5-year period, renewable 2 years, and for which the annual rent is approximately \$276K.

### COMMITMENTS RECEIVED

Atari has received a commitment from its principal shareholder, IRATA LLC, the holding company owned by Wade Rosen, Chairman and CEO of Atari, to support the Company until the Shareholder Meeting approving results for the fiscal year ending March 31, 2025.

## NOTE 25 – MARKET RISK MANAGEMENT

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

## 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, 2024, in:

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

## INTEREST RATE RISKS

In the course of FY 2024, Atari has concluded new shareholder loans with IRATA LCC, at fixed rate. Current indebtedness also consists 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, 2024 are totalling €0.1M.

## LIQUIDITY RISKS

Readers are invited to refer to Note 2 of this annual report relating to the application of the going concern principle.

## NOTE 26 – PROVISIONS AND CONTINGENT LIABILITIES

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

To the Company's best knowledge no proceedings have been brought by a government, and there are no judicial or arbitral proceedings, including any ongoing proceedings or threat of action that could have a significant impact on the Group's financial position and profitability or that have had such an impact in the last 12 months.

## NOTE 27 – RELATED-PARTY TRANSACTIONS

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

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

## 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:

#### **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 €30M. 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.

#### **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 on June 1st, 2024 for an amount of 16,333,740.68 euros.

- On January 22, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$2.0M, at a rate of 10% per year;
- On January 31, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of €1.2M, at a rate of 10% per year;
- On March 4, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$2.0M, at a rate of 10% per year;
- On March 14, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$4.0M, at a rate of 11% per year;
- On April 10, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$4.5M, at a rate of 10% per year;
- On July 22, 2024, 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 10% per year;
- On July 31, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of €0.9M, at a rate of 10% per year;

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.

|                                      | FY 2024           |                                | FY 2023           |                    |
|--------------------------------------|-------------------|--------------------------------|-------------------|--------------------|
|                                      | <i>Amount due</i> | <i>Amount paid<sup>7</sup></i> | <i>Amount due</i> | <i>Amount paid</i> |
| Fixed compensation <sup>8</sup>      | \$370,997         | \$1,171,720                    | \$558,000         | -                  |
| Directors' compensation              | -                 | €20,000                        | €20,000           | €30,000            |
| Chairman's compensation <sup>9</sup> | €60,000           | €60,000                        | €60,000           | €60,000            |
| Stock-options                        | €17,511           | €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.

### FREE SHARES ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

| Board Meeting | Plan   | Number of shares | Final Vesting | Performance conditions  |
|---------------|--------|------------------|---------------|---|
| June 10, 2022 | 2022-2 | 600,000          | June 10, 2023 | 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

| Board Meeting | Plan | Number of shares | Final Vesting | Performance conditions                                      |
|---------------|------|------------------|---------------|---|
| July 8, 2022  | S22  | 4,000,000        | July 8, 2026  | 25% vesting after 1 year and monthly thereafter for 3 years |

### OTHER INDEMNITIES OR BENEFITS GRANTED TO DIRECTORS

|  | Employment contract | Supplemental pension plan | Severance payments / benefits due or likely to become due in the event of termination of office | Severance payment in relation to non-compete |
|--|---------------------|---------------------------|---|--|
|  |                     |                           |   |  |

<sup>7</sup> During the fiscal year (including in respect of the previous fiscal year)

<sup>8</sup> 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.

<sup>9</sup> The Board of Directors on October 15, 2021, as recommended by the Nomination and Compensation Committee, decided to award, for the position of Chairman of the Board of Directors, €60,000 of gross annual compensation for Atari SA.

|            |     |    |    |    |
|------------|-----|----|----|----|
| 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.

|                                   | FY 2024                  |                           | FY 2023    |             |
|-----------------------------------|--------------------------|---------------------------|------------|-------------|
|                                   | Amount due <sup>10</sup> | Amount paid <sup>11</sup> | Amount due | Amount paid |
| Kelly Bianucci                    | €45,000                  | €40,000                   | €40,000    | €40,000     |
| Alyssa Padia Walles <sup>12</sup> | -                        | -                         | -          | €30,000     |
| Alexandre Zyngier                 | €58,716                  | €58,716                   | €57,024    | €57,024     |
| Jessica Tams                      | €35,000                  | €30,000                   | €30,000    | -           |
| Total                             | €138,716                 | €127,716                  | €127,024   | €127,024    |

## NOTE 27 – EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

### April 2024 - Atari revives Infogrames as a publishing label

Atari announced it has established a new publishing label under the Infogrames brand. In launching the new label, Atari is reviving a legacy brand known for game development and global distribution from the early 1980s to the early 2000s. Infogrames' purpose is to acquire IP and publish games, across multiple genres, that fall outside the core portfolio of IP associated with the Atari brand. Over time, the portfolio may also include some of the legacy titles first published by Infogrames. Interested developers and IP holders can reach out at [contact@infogrames.com](mailto:contact@infogrames.com). Infogrames intends to actively manage its catalog of titles by expanding digital and physical distribution, and developing new collections and sequels. Consistent with Atari's approach, Infogrames sees game preservation as core component of its mission.

### April 2024 - Infogrames purchase Totally Reliable Delivery Services from tinyBuild LLC

Infogrames also announced today its first IP acquisition with the purchase of the Totally Reliable Delivery Service games, trademarks and underlying property from tinyBuild LLC<sup>1</sup>. First released in 2019, Totally Reliable Delivery Service is an all-ages multiplayer sendup of the package delivery world, set in an open sandbox full of absurd gadgets, unlikely delivery vehicles and a healthy dose of chaos.

### May 2024 - Acquisition of Intellivision brand

Atari announced it has purchased the Intellivision brand and certain games from Intellivision Entertainment LLC. Intellivision Entertainment LLC will rebrand and continue its business of developing and distributing the Amico brand game console with a license from Atari to continue to distribute new versions of the Intellivision games on the Amico console. Atari will seek to expand digital and physical distribution of legacy Intellivision games, potentially create new games, and explore brand and licensing opportunities as part of a long-term plan to create value from the Intellivision properties.

<sup>10</sup> For the current fiscal year

<sup>11</sup> During the fiscal year (including in respect of the previous fiscal year)

<sup>12</sup> Mrs Alyssa Padia Walles resigned from her position on the Company's Board of Directors on May 10, 2022

### June 2024 - Infogrames acquires Surgeon Simulator franchise from tinyBuild

Infogrames, a game publishing and distribution subsidiary of Atari announced the acquisition of the Surgeon Simulator franchise in an agreement with tinyBuild Inc. The popular medical operation sim combines first-person transplants, life-saving heroics, and dark humor with unexpected surgical theaters (a moving ambulance, hospital hallways, and even zero-gravity space).

### NOTE 28 – STATUTORY AUDITORS' FEES

The fees for the financial years ended March 31, 2024, and March 31, 2023 in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements are listed below.

|                              | FY 2024         | FY 2023         |
|------------------------------|-----------------|-----------------|
| <i>in €K</i>                 | <b>Deloitte</b> | <b>Deloitte</b> |
| Statutory Audit              | 161             | 161             |
| Other Services <sup>13</sup> | 105             | 90              |
| <b>Total</b>                 | <b>266</b>      | <b>250</b>      |

<sup>13</sup> Services other than the certification of the accounts provided by the Statutory Auditors in the course of FY 2024 mainly consisted in the review of the Prospectus for the Convertible Bond issuance completed in June 2023

## 2. ANNUAL FINANCIAL STATEMENTS

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### 2.1. Auditors Report on Atari S.A Financial Statements to the ATARI Shareholders' Meeting

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*

*This statutory auditor's report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.*

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

#### **Opinion**

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of ATARI for the year ended 31 March 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### **Basis for Opinion**

##### ***Audit Framework***

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

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

##### ***Independence***

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 April 2023 to the date of our report.

#### **Justification of Assessments**

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that the assessments which, in our professional judgment, were of most significance in our audit of the financial statements addressed the appropriateness of the accounting principles used and the reasonableness of the significant estimates made and the overall presentation of the financial statements, particularly with regard to the valuation of investments in subsidiaries and affiliates and the unwinding of transactions relating to the ATRI Token.

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

#### **Specific Verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

### ***Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders***

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of board of directors and in the other documents with respect to the financial position and the financial statements provided to shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

### ***Report on corporate governance***

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code (code de commerce).

### ***Other Information***

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The financial statements were approved by the board of directors.

### **Statutory Auditors' Responsibilities for the Audit of the Financial Statements**

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

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the

financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris-La Défense, le 31 July 2023

The Statutory Auditor

*French Original signed by*

**Deloitte & Associés**

Benoit PIMONT

## 2.2. Annual Financial Statements

Atari SA is a limited company (société anonyme) under French law, with a capital of 4,216,387.09 euros, 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, 2024 were approved by the Board of Directors on July 30, 2024 and will be submitted for approval at the next General Meeting. The Company is listed on Euronext Growth Paris.

### BALANCE SHEET

| ASSETS (K€)                            |               | FY 24         | FY 23         |
|--|---------------|---------------|---------------|
| Intangible assets                      | <i>Note 3</i> | -             | -             |
| Property, plant and equipment          | <i>Note 3</i> | 1             | 1             |
| Financial assets                       | <i>Note 4</i> | 51,482        | 16,078        |
| <b>Total fixed assets</b>              |               | <b>51,483</b> | <b>16,079</b> |
| Down payments and advances made        |               | -             | -             |
| Trade receivables                      | <i>Note 5</i> | 1,120         | 256           |
| Other receivables                      | <i>Note 6</i> | 87            | 260           |
| Financial futures instruments & Tokens | <i>Note 7</i> | 84            | 290           |
| Cash and cash equivalents              |               | 555           | 639           |
| <b>Total current assets</b>            |               | <b>1,846</b>  | <b>1,444</b>  |
| Accruals                               | <i>Note 8</i> | 820           | 1,119         |
| <b>Total assets</b>                    |               | <b>54,149</b> | <b>18,642</b> |



| <b>EQUITY &amp; LIABILITIES (K€)</b>              |                | <b>FY 24</b>  | <b>FY 23</b>  |
|---|----------------|---------------|---------------|
| Capital stock                                     |                | 4,424         | 3,825         |
| Share premium                                     |                | 38,554        | 32,652        |
| Legal reserve                                     |                | 946           | 946           |
| Retained earnings                                 |                | (33,685)      | 42,202        |
| Net income (loss) for the year                    |                | (242)         | (75,886)      |
| <b>Equity</b>                                     | <i>Note 9</i>  | <b>9,998</b>  | <b>3,739</b>  |
|   |                |               |               |
| <b>Provisions for contingencies and losses</b>    | <i>Note 10</i> | <b>1,139</b>  | <b>775</b>    |
| Bond debt   |                | 30,229        | -             |
| Bank debt   |                | -             | -             |
| Other financial liabilities                       | <i>Note 11</i> | 9,603         | 8,447         |
| Trade payables                                    | <i>Note 12</i> | 230           | 900           |
| Operating liabilities                             | <i>Note 13</i> | 469           | 479           |
| <b>Liabilities</b>                                |                | <b>40,531</b> | <b>9,826</b>  |
| Accruals  | <i>Note 8</i>  | 2,482         | 4,301         |
| <b>Total shareholders' equity and liabilities</b> |                | <b>54,149</b> | <b>18,642</b> |

## INCOME STATEMENT

| (K€)  |         | FY 24          | FY 23           |
|---|---------|----------------|-----------------|
| Revenue   |         | 508            | 535             |
| Other income  |         | 2,326          | 110             |
| Reversals of provisions and depreciation, transfers of expenses |         | -              | 507             |
| <b>Operating revenue</b>  | Note 14 | <b>2,833</b>   | <b>1,151</b>    |
| Purchase of goods   |         | -              | -               |
| Other purchases and expenses                                    | Note 15 | (1,402)        | (1,692)         |
| Taxes   |         | (12)           | (19)            |
| Payroll expenses  | Note 16 | (572)          | (1,019)         |
| Other expenses  | Note 17 | (397)          | (216)           |
| Depreciation, amortization and provisions                       | Note 18 | (1)            | (1,258)         |
| <b>Operating expenses</b>                                       |         | <b>(2,384)</b> | <b>(4,205)</b>  |
| <b>Operating income</b>   |         | <b>449</b>     | <b>(3,054)</b>  |
| Financial income  |         | 2,142          | 1,762           |
| Financial expense   |         | (3,702)        | (74,502)        |
| <b>Net Financial income and expense</b>                         | Note 19 | <b>(1,560)</b> | <b>(72,740)</b> |
| <b>Current income before taxes</b>                              |         | <b>(1,111)</b> | <b>(75,794)</b> |
| Non-recurring income  |         | 7,830          | 34              |
| Non-recurring expenses  |         | (6,961)        | (127)           |
| <b>Non-recurring income and expense</b>                         | Note 20 | <b>869</b>     | <b>(92)</b>     |
| Income Tax  | Note 21 | -              | -               |
| <b>Net income (loss) for the Year</b>                           |         | <b>(242)</b>   | <b>(75,886)</b> |

### 1.1.1. Notes

The individual financial statements for the financial years ended March 31, 2024 and March 31, 2023 each cover a 12-month period.

#### NOTE 1 - KEY DEVELOPMENTS IN FY 2024

- **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\$9.5M, 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\$10M, 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 €30M - 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 €30M, 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 €30M 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 €30M. IRATA subscribed to an amount corresponding to 97.58% of the total amount of the Offering (approx. €16.3M by debt set-off and €12.9M in cash).

- **Acquisition of Digital Eclipse - October / November 2023**

Atari has entered into an agreement to acquire Digital Eclipse Entertainment Partners Co (“Digital Eclipse”), a game development studio originally founded in 1992 focused on the digital restoration of classic video games, based in Emeryville, California. The final purchase price of US\$6.3M consists in US\$3.8M in cash and US\$2.5M in newly issued Atari ordinary shares issued at closing date, as well as a remaining earn-out of US\$13.5M. The reserved capital increase has resulted in the issuance of 20,165,794 new ordinary shares. On November 6, 2023 Atari announced the closing of the acquisition of Digital Eclipse.

- **December 2023 - January 2024 - Investment in tinyBuild**

Atari has announced it has entered into an agreement with tinyBuild, Inc (“tinyBuild”) to invest US\$2M as part of tinyBuild’s announced capital increase announced on December 21, 2023. tinyBuild (AIM: TBLD) has completed its US\$12M capital increase by means of the issue of new common shares on January 30, 2024. Upon completion and based on the results of the subscription, Atari holds 7.9% of tinyBuild share capital.

## 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, 2024, the Company reported a net loss of €13.5M (compared with €9.5M in previous year). Shareholders’ equity was €6.8M, compared to €7.8M in previous year. Net debt stood at €41.6M compared to net debt position of €6.2M in previous year, and includes €2.6M of cash and €44.2M 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 Atari X, excluding external financing. These forecasts rely on assumptions whose timing is uncertain as to their realization. The Group considers it can meet its obligations and that it can continue its activities over the next 12 months, with the support of its main shareholder IRATA LLC.

**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.

**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 23      | Acquisitions /<br>Depreciation | Disposals /<br>Reversals | FY 24      |
|---------------------------|------------|--------------------------------|--------------------------|------------|
| Software                  | 1          | 120                            | 120                      | 1          |
| <b>Total gross value</b>  | <b>1</b>   | <b>120</b>                     | <b>120</b>               | <b>1</b>   |
| <b>Total amortization</b> | <b>(1)</b> | <b>-</b>                       | <b>-</b>                 | <b>(1)</b> |
| <b>Total net value</b>    | <b>-</b>   | <b>120</b>                     | <b>120</b>               | <b>0</b>   |

## TANGIBLE FIXED ASSETS

| (K€)                           | FY 23      | Acquisitions /<br>Depreciation | Disposals /<br>Reversals | FY 24      |
|--------------------------------|------------|--------------------------------|--------------------------|------------|
| Office equipment and computers | 5          | 1                              | 1                        | 7          |
| <b>Total gross value</b>       | <b>5</b>   | <b>1</b>                       | <b>1</b>                 | <b>5</b>   |
| <b>Total amortization</b>      | <b>(4)</b> | <b>1</b>                       | <b>(1)</b>               | <b>(4)</b> |
| <b>Total net value</b>         | <b>1</b>   | <b>1</b>                       | <b>(1)</b>               | <b>1</b>   |

## NOTE 4 - FINANCIAL FIXED ASSETS

## CHANGES IN FINANCIAL FIXED ASSETS

| (K€)                                  | FY 23            | Increases     | Decreases     | Currency<br>impact | FY 24            |
|---------------------------------------|------------------|---------------|---------------|--------------------|------------------|
| Investments in subs. and associates   | 804,190          | 13,230        | 6,948         | -                  | 810,472          |
| Receivables from subs. and associates | 45,434           | 37,545        | 6,467         | 1,312              | 77,824           |
| Accrued interest on receivables       | 199              | 173           | 199           | -                  | 173              |
| Atari Partners Loan                   | 6,713            | 267           | -             | -                  | 6,981            |
| Antstream Loan                        | 3,379            | 185           | 3,564         | -                  | -                |
| Other fixed assets                    | 17               | 1             | -             | -                  | 18               |
| <b>Total gross value</b>              | <b>859,934</b>   | <b>51,400</b> | <b>17,178</b> | <b>1,312</b>       | <b>895,468</b>   |
| <b>Provisions</b>                     | <b>(843,855)</b> | <b>(734)</b>  | <b>604</b>    | <b>-</b>           | <b>(843,986)</b> |
| <b>Total net value</b>                | <b>16,078</b>    | <b>50,666</b> | <b>17,781</b> | <b>1,312</b>       | <b>51,482</b>    |

For the fiscal year ended March 31, 2024, the investment in subsidiaries and affiliates represented €810,472K compared to €804,190K in the previous year.

Financial assets include notably Atari's stake in tinyBuild which was concluded in January 2024, for an amount of €1,847K, and in Antstream following the conversion into equity of convertible bonds for €4,351 K in June 2023.

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.

"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 23          | Increases  | Decreases    | Currency<br>impact | FY 24          |
|---------------------------------------|----------------|------------|--------------|--------------------|----------------|
| Investments in subs. and associates   | 800,713        | -          | -            | -                  | 800,713        |
| Receivables from subs. and associates | 36,260         | 294        | (435)        | -                  | 36,119         |
| Accrued interest on receivables       | 168            | 173        | (168)        | -                  | 173            |
| Atari Partners Loan                   | 6,713          | 267        | -            | -                  | 6,981          |
| Antstream Loan                        | -              | -          | -            | -                  | -              |
| Other fixed assets                    | -              | -          | -            | -                  | -              |
| <b>Total provisions</b>               | <b>843,855</b> | <b>734</b> | <b>(604)</b> | <b>-</b>           | <b>843,986</b> |

The net variation of provisions for impairment of financial assets of €123K reflect:

- An increase in provision for investment in US subsidiaries, notably Atari VCS (€291K) and Atari Casino (€3K);

- A cancellation of provision on African subsidiaries from €123K;
- A decrease in provision for Atari Japan receivables (€212K) and Atari Partners (€91K)
- The provision for accrued interest on receivables corresponds to a reversal on previous year provision and a new provision recognition of €173K.
- Due to Atari Partners negative net position, an additional provision has been recorded covering the annual interest on Atari Partners loan for €267K.

## NOTE 5 - TRADE ACCOUNT RECEIVABLES AND OTHER RECEIVABLES

| (K€)                   | FY 24        |                |              | FY 23      |
|------------------------|--------------|----------------|--------------|------------|
|                        | Gross        | Impairment     | Net          | Net        |
| External Trade         | -            | -              | -            | -          |
| Intra-group            | 1,874        | (1,171)        | 703          | 164        |
| Accrued                | 417          | -              | 417          | 92         |
| <b>Total net value</b> | <b>2,291</b> | <b>(1,171)</b> | <b>1,120</b> | <b>256</b> |

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 for insurance premium for €234K and audit fees for €183K to be established to subsidiaries.

## NOTE 6 - OTHER RECEIVABLES

| (K€)                 | FY 24     | FY 23      |
|----------------------|-----------|------------|
| Corporate income tax | 11        | 11         |
| Sales taxes          | 72        | 216        |
| Other receivables    | 4         | 33         |
| <b>Total</b>         | <b>87</b> | <b>260</b> |

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

## NOTE 7 - FINANCIAL INSTRUMENTS AND TOKEN

| (K€)         | FY 24     | FY 23      |
|--------------|-----------|------------|
| Atari Tokens | -         | 202        |
| Others       | 84        | 87         |
| <b>Total</b> | <b>84</b> | <b>290</b> |

**Atari Tokens** - As of March 31, 2024, no Atari Tokens were valued in the financial statements of Atari S.A, given the termination of all agreements with the former joint venture and the termination of planned token project. The evolution between 2023 and 2024 corresponds to the cancellation of Atri Tokens held.

**Other Cryptocurrencies** - As of end of March 2024, Atari SA held a portfolio of several crypto-currencies for a total amount of €74K.

**NOTE 8 - ACCRUALS**

| (K€)                               | FY 24      | FY 23        |
|------------------------------------|------------|--------------|
| Prepaid expenses                   | 270        | 715          |
| Unrealized foreign exchange losses | 550        | 404          |
| <b>Total accruals (assets)</b>     | <b>820</b> | <b>1,119</b> |

| (K€)                                | FY 24        | FY 23        |
|-------------------------------------|--------------|--------------|
| Deferred revenue                    | 195          | 2,356        |
| Unrealized foreign exchange gains   | 2,287        | 1,945        |
| <b>Total accruals (liabilities)</b> | <b>2,482</b> | <b>4,301</b> |

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 Tokens previously awarded or granted were recognized in the balance sheet, under deferred revenue, given the absence of use cases and performance obligation under IFRS 15. With the termination of licensing agreements with the former joint venture, and the termination of planned token project announced in FY 2024, all income related to transactions completed on Atri Tokens in previous years, have been recognized in P&L, under Other Income. At the end of fiscal year, no Atri Tokens are valued in Atari SA financial statements.

**NOTE 9 - SHAREHOLDERS EQUITY**

| (K€)  | Number of shares   | Capital stock | Other paid in capital | Legal reserve | Retained earnings | Profit (Loss)   | Total        |
|---|--------------------|---------------|-----------------------|---------------|-------------------|-----------------|--------------|
| <b>Shareholders' equity 03/31/2023</b>      | <b>382,534,286</b> | <b>3,825</b>  | <b>32,653</b>         | <b>946</b>    | <b>42,202</b>     | <b>(75,886)</b> | <b>3,739</b> |
| Capital increase                            | 59,871,570         | 599           | 5,902                 |               |                   |                 | 6,501        |
| Exercise of stock options                   |                    |               |                       |               |                   |                 |              |
| Appropriation of 2023 Profit                |                    |               |                       |               | (75,886)          | 75,886          | -            |
| Profit (loss) for the year ended 03/31/2024 |                    |               |                       |               |                   | (242)           | (242)        |
| <b>Shareholders' equity 03/31/2024</b>      | <b>442,405,856</b> | <b>4,424</b>  | <b>38,555</b>         | <b>946</b>    | <b>(33,685)</b>   | <b>(242)</b>    | <b>9,998</b> |

On March 31, 2024, shareholders' equity was made up of 442,405,856 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 442,804,799 shares, after taking into account the issuance of 23,943 new Atari shares resulting from conversion requests by convertible bond holders and the issuance of 375,000 new shares from free share plans on June 10th, 2024.

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.

At the Date of this Document, the Company holds 3,253,426 treasury shares and represent 0.73% of capital.

## NOTE 10 - PROVISIONS FOR CONTINGENCIES AND LOSSES

| (K€)   | FY 23      | Additions  | Reversal     |          | FY 24        |
|--|------------|------------|--------------|----------|--------------|
|  |            |            | utilized     | surplus  |              |
| Provisions for losses on investments in subsidiaries | 372        | 217        | -            | -        | 588          |
| Provisions for exchange rate                         | 404        | 550        | (404)        | -        | 550          |
| Other provisions                                     | -          | -          | -            | -        | -            |
| <b>Total</b>   | <b>775</b> | <b>767</b> | <b>(404)</b> | <b>-</b> | <b>1,139</b> |
| o/w operating  |            | 217        | -            | -        |              |
| o/w financing  |            | 550        | (404)        | -        |              |
| o/w non-recurring                                    |            |            | -            | -        |              |

At March 31, 2024, 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 24             | FY 23        |
|--|-------------------|--------------|
| Bank overdrafts                          | <b>30,228,508</b> | -            |
| Liabilities to Group subsidiaries        | <b>907</b>        | 955          |
| Liabilities to shareholders              | <b>8,608</b>      | 7,326        |
| Other                                    | <b>89</b>         | 166          |
| <b>Total other financial liabilities</b> | <b>30,238,111</b> | <b>8,447</b> |
| o/w due in more than one year            | 34,516            | 8,281        |
| o/w due in less than one year            | 5,315             | 166          |

At March 31, 2024, total other financial liabilities represent a total amount of €39,832K comprising (i) €30,229K convertible bond issued in June 2023, including €319K accrued interests (ii) €8,608K of shareholders loans concluded between Atari SA and IRATA LLC throughout the year.

Liabilities to Group subsidiaries related to a debt on a dormant subsidiary of the Group, for €481K and a debt with Atari Studio for an amount of €426K, 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 €8,608K. Other financial liabilities relate to the accrual interests on shareholders loans for €89K.

## NOTE 12 - TRADE ACCOUNT PAYABLE

| (K€)                        | FY 24      | FY 23      |
|-----------------------------|------------|------------|
| Trade payables Group        | -          | -          |
| Trade payables External     | <b>88</b>  | 655        |
| Accrued                     | <b>142</b> | 245        |
| <b>Total trade payables</b> | <b>230</b> | <b>900</b> |

All trade payables have a maturity of less than one year. Accrued payables of €142K includes mainly legal and audit fees for the year.



**NOTE 13 - OPERATING LIABILITIES**

| (K€)                               | FY 24      | FY 23      |
|------------------------------------|------------|------------|
| Personnel                          | 107        | 115        |
| Personnel Token allocation         | -          | 40         |
| Employee benefits                  | 87         | 89         |
| Corporate income tax               | 98         | 59         |
| Other liabilities                  | 177        | 177        |
| <b>Total operating liabilities</b> | <b>469</b> | <b>479</b> |

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

**NOTE 14 - OPERATING REVENUE**

| (K€)                                    | FY 24        | FY 23        |
|---|--------------|--------------|
| Management Fees                         | 508          | 535          |
| Licensing                               | -            | -            |
| <b>Revenue</b>                          | <b>508</b>   | <b>535</b>   |
| Expenses invoiced to subsidiaries       | 92           | 109          |
| Miscellaneous                           | 2,233        | -            |
| <b>Other operating income</b>           | <b>2,326</b> | <b>109</b>   |
| Reversal of impairments                 | -            | 507          |
| <b>Reversal of operating provisions</b> | <b>-</b>     | <b>507</b>   |
| <b>Total operating revenue</b>          | <b>2,833</b> | <b>1,151</b> |

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 €92K.

Other income corresponds to the recognition in the income statement of allocations and grants of Atri tokens made in previous years, which had been previously accounted for deferred revenues in the balance sheet for an amount of €2,194K.

**NOTE 15 - OTHER PURCHASES AND EXPENSES**

| (K€)   | FY 24        | FY 23        |
|--|--------------|--------------|
| Purchases not included in inventories              | 2            | 3            |
| Rents (including services and maintenance charges) | 88           | 83           |
| Cleaning, maintenance and repairs                  | 17           | 12           |
| Insurance  | 41           | 6            |
| Fees   | 1,066        | 1,424        |
| Advertising, publications, public relations        | 41           | 49           |
| Travel, assignments and entertainment              | 19           | 7            |
| Postage and communications                         | 1            | 2            |
| Bank charges and securities fees                   | 122          | 95           |
| Other expenses                                     | 5            | 12           |
| <b>Total other purchases and expenses</b>          | <b>1,402</b> | <b>1,692</b> |

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

## NOTE 16 - PERSONNEL EXPENSES

| (K€)   | FY 24      | FY 23        |
|--|------------|--------------|
| Salaries & Wages                             | 384        | 764          |
| <b>Personnel expenses</b>                    | <b>384</b> | <b>764</b>   |
| Social expenses                              | 188        | 255          |
| <b>Social expenses</b>                       | <b>188</b> | <b>255</b>   |
| <b>Total Personnel &amp; social expenses</b> | <b>572</b> | <b>1,019</b> |

Workforce on March 31, 2024 is composed of one executive.

## NOTE 17 - OTHER EXPENSES

| (K€)                        | FY 24      | FY 23      |
|-----------------------------|------------|------------|
| Royalties                   | 253        | 0          |
| Director fees               | 143        | 142        |
| Bad debt losses             | -          | 72         |
| Miscellaneous expenses      | 1          | 2          |
| <b>Total Other expenses</b> | <b>397</b> | <b>216</b> |

Royalties of €253K correspond to the cancellation of prepaid expenses previously recognized, relating to royalties due in respect of Atri Tokens transactions carried out in previous years.

## NOTE 18 - REVERSALS, DEPRECIATION / AMORTIZATION AND OPERATING PROVISIONS

| (K€)  | FY 24    | FY 23        |
|---|----------|--------------|
| Provisions for contingencies and losses         | -        | 435          |
| Provisions for the impairment of current assets | -        | 72           |
| <b>Total reversals</b>                          | <b>-</b> | <b>507</b>   |
| Depreciation and amortization:                  | -        | -            |
| - Intangible assets                             | -        | -            |
| - Tangible assets                               | 1        | 2            |
| Provisions for risks and charges                | -        | 85           |
| Provisions for the impairment of current assets | -        | 1,171        |
| <b>Total depreciation and amortization</b>      | <b>1</b> | <b>1,258</b> |

In fiscal 2024, additions to and reversals of provisions for contingencies and charges were nil, in the absence of any pending litigation.

**NOTE 19 - NET FINANCIAL INCOME AND EXPENSES**

| (K€)  | FY 24          | FY 23           |
|---|----------------|-----------------|
| <b>Financial income</b>                         |                |                 |
| - Foreign exchange gain                         | 184            | 61              |
| - Interests income                              | 948            | 819             |
| - Reversals of provisions and expense transfers | 1,008          | 882             |
| - Other financial income                        | 2              | -               |
| - Proceeds from the sale of securities          | -              | -               |
| <b>Total financial income</b>                   | <b>2,142</b>   | <b>1,762</b>    |
| <b>Financial expenses</b>                       |                |                 |
| - Foreign exchange losses                       | (202)          | (201)           |
| - Interests expense                             | (1,860)        | (293)           |
| - Depreciation, amortization and provisions     | (1,502)        | (73,408)        |
| - Loss on receivables from equity investments   | (103)          | (159)           |
| - Other financial expenses                      | (36)           | (441)           |
| <b>Total financial expenses</b>                 | <b>(3,702)</b> | <b>(74,502)</b> |
| <b>Net financial income and expense</b>         | <b>(1,560)</b> | <b>(72,740)</b> |

For the financial year ended March 31, 2023, Financial income includes: i) €184K in foreign exchange gains, ii) €948K income from loans and advances to subsidiaries, i) a €1,008K reversal of provisions of which €345K on receivables from subsidiaries, €404K foreign exchange loss and €168K.

Financial expenses include i) €202K on foreign exchange losses, ii) €1,860 interest expense on convertible bonds and shareholder loans, iii) €1,502K provision for impairment on financial assets, including €734K provisions for foreign exchange losses and €217K provision for Atari Partners net equity, and iv) €103K loss on receivables on African entities.

**NOTE 20 - NON-RECURRING INCOME AND EXPENSES**

| (K€)                                    | FY 24          | FY 23        |
|---|----------------|--------------|
| <b>Non-recurring income</b>             |                |              |
| - Operating activities                  | -              | 34           |
| - Investing activities                  | 7,830          | -            |
| - Amortization and provisions           | -              | -            |
| <b>Total non-recurring expenses</b>     | <b>7,830</b>   | <b>34</b>    |
| <b>Non-recurring expenses</b>           |                |              |
| - Operating activities                  | (50)           | (127)        |
| - Investing activities                  | (6,911)        | -            |
| - Amortization and provisions           | -              | -            |
| <b>Total non-recurring expenses</b>     | <b>(6,961)</b> | <b>(127)</b> |
| <b>Non-recurring income and expense</b> | <b>869</b>     | <b>(92)</b>  |

Non-recurring income of €7,830K corresponds mainly to the transfer of shares held in Nightdive and Digital Eclipse, from Atari SA to Atari US Holding.

## 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, 2024, the Group's tax loss carryforwards represented approximately €740M. At March 31, 2023, the consolidated taxable income is nil.

## NOTE 22 - ACCRUED INCOME AND EXPENSES

| (K€)  | FY 24      | FY 23      |
|---|------------|------------|
| Financial debt - Accrued interests : current account      | 89         | 166        |
| Financial debt - Accrued interests : bond loan            | 319        | -          |
| Trade payables - pending invoices                         | 142        | 245        |
| Tax and employee-related liabilities:                     | -          | -          |
| - Provision for bonuses, paid leave, working time credits | 92         | 84         |
| - Other employee benefits payable                         | 41         | 37         |
| - Tax liabilities   | 2          | 1          |
| - Other employee benefits payable                         | 177        | 177        |
| <b>Total accrued expenses</b>                             | <b>861</b> | <b>710</b> |

Financial debt corresponds to the accrued interests for €89K on new shareholder's loan granted in the course of the year as well as on convertible bonds for €319K. Accrued trade payables relate mostly to invoices received at the end of March 24.

| (K€)                                 | FY 24      | FY 23      |
|--------------------------------------|------------|------------|
| Financial assets - accrued interests | 173        | 199        |
| Trade receivables - pending invoices | 417        | 92         |
| Other receivables - accrued income   | -          | -          |
| <b>Total accrued income</b>          | <b>590</b> | <b>291</b> |

Interest accrued at March 31, 2024 relates to interest on the "Atari Partners Loan" for €173K. Trade receivables correspond to re-invoicing of audit and insurance fees.

## NOTE 23 - OFF BALANCE SHEET COMMITMENTS

### COMMITMENTS GIVEN

**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 €73K.

**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.

### COMMITMENTS RECEIVED

Atari has received a commitment from its principal shareholder, IRATA LLC, the holding company owned by Wade Rosen, Chairman and CEO of Atari, to support the Company until the Shareholder Meeting approving results for the fiscal year ending March 31, 2025.

## NOTE 24 – POST CLOSING EVENTS

Non Applicable.

**NOTE 25 – STATUTORY AUDITORS' FEES**

The fees for the financial years ended March 31, 2024 are €266K, of which €161K in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements and €105K in respect for services other than the certification of the accounts provided during the fiscal year (notably for the review of the prospectus for the convertible bond issuance completed in June 2023).

**NOTE 26 - 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 27 - CONSOLIDATING COMPANIES**

The Company publishes consolidated financial statements.

**NOTE 28 - REGULATED AGREEMENTS**

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

**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.

**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 on June 1st, 2024 for an amount of 16,333,740.68 euros.

- On January 22, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$2.0M, at a rate of 10% per year;
- On January 31, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of €1.2M, at a rate of 10% per year;
- On March 4, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$2.0M, at a rate of 10% per year;
- On March 14, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$4.0M, at a rate of 11% per year;
- On April 10, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of \$4.5M, at a rate of 10% per year;
- On July 22, 2024, 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 10% per year;
- On July 31, 2024, the Company entered into an agreement with IRATA, by which IRATA granted shareholder loans to Atari SA for a consideration of €0.9M, at a rate of 10% per year;

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

## NOTE 29 - SUBSIDIARIES AND INVESTMENTS

| Amounts in K€                  | Capital stock | Shareholders' equity (excluding capital) | Ownership interest (%) | Carrying amount of securities held:         |       | Loans and avances outstanding | Revenue for the last fiscal year | Profit (loss) for the last fiscal year |
|--------------------------------|---------------|--|------------------------|---|-------|-------------------------------|----------------------------------|--|
|                                |               |  |                        | Gross                                       | Net   |                               |                                  |  |
|                                |               |  |                        | <b>A Subsidiaries (more than 50%-owned)</b> |       |                               |                                  |  |
| Atari Partners SAS             | 200           | (16,217)                                 | 100%                   | 325,870                                     | -     | 8,774                         | -                                | (398)                                  |
| DeVi SA                        |               | (209)                                    | 100%                   | 96  | 96    | 60                            |                                  |  |
| Atari US Holdings Inc.         | -             | 3,466                                    | 100%                   | 432,594                                     | 3,154 | 300                           | -                                | (613)                                  |
| Atari Interactive Inc.         | -             | (34,020)                                 | 100%                   | 43,738                                      | 120   | 34,768                        | 12,120                           | (7,713)                                |
| Atari Entertainment Africa Ltd | -             | (426)                                    | 100%                   | -   | -     | 431                           | -                                | (20)                                   |
| Infogrames Interactive GmbH    | 26            | 292                                      | 100%                   | 189   | 189   | -                             | -                                | -                                      |
| Atari Japan KK                 | 274           | (2,385)                                  | 100%                   | 328   | -     | 1,651                         | -                                | -                                      |

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.