So much more than video games

UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

2019
2020

Société anonyme (public limited company) with capital of 2,677,820.50 euros
Registered office: 25 rue Godot de Mauroy, 75009 Paris – France
RCS Paris 341 699 106

UNIVERSAL REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT 2019-2020

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Universal Registration Document was filed on October 28, 2020 with the Autorité des Marchés Financiers (AMF), the competent authority in this respect under Regulation (EU) 2017/1129, without any prior approval requirement, as set out in article 9 of said Regulation.

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

In accordance with Article 28 of European Commission Regulation (EC) No. 809/2004, the following information is included by reference in this Universal Registration Document:

- The consolidated financial statements and the Statutory Auditors' report relating thereto for the year ended March 31, 2019, as presented in the Universal Registration Document filed on November 8, 2019 under number D19-0931 on pages 45 to 89. (https://www.atari-investisseurs.fr/wp-content/uploads/2019/11/URD-2019-03-VDEF.pdf);
- The consolidated financial statements and the Statutory Auditors' report relating thereto for the year ended March 31, 2018, as presented in the Reference Document filed on September 7, 2018 under number D18-803 on pages 36 to 80 (https://www.atari-investisseurs.fr/wp-content/uploads/2018/09/DDR-2018-VDEF.pdf);

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

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

CONTENTS

1. GENERAL PRESENTATION

1.1 DEFINITIONS

In this Universal Registration Document, and unless stated otherwise:

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

1.2 DISCLAIMER

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

1.3 FORWARD-LOOKING STATEMENTS

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

1.4 RISK FACTORS

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

2. INFORMATION ABOUT THE ISSUER

2.1 PROFILE

Legal name of the Company: Atari, SA.

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

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

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

The Company's NAF code is 5829C.

The LEI code is 969500EY082T9MF5R336.

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

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

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

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

The Company, governed by French law, is mainly subject to articles L.225-1 and following of the French Commercial Code, as well as to its by-laws.

The Company is listed:

- on Euronext, Paris, compartment C (ISIN: FR0010478248, Ticker: ATA);
- as a secondary listing, since April 25, 2019, on the Nasdaq First North Growth segment in the form of SDRs (Swedish Depositary Receipts) (ISIN: SE0012481232, Ticker: ATA);
- on the US OTC market: affiliated to the Nasdaq International Select program on the OTC market (Ticker: PONGF).

2.2 HISTORY

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

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

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

In May 2009, Infogrames changed its name to Atari.

In early 2013, the US subsidiaries (the "US subsidiaries") were placed in court-supervised receivership (the "Chapter 11 Proceedings"). In February, the BlueBay funds sold their stakes to Ker Ventures, LLC (a holding company owned by Frédéric Chesnais) and Alden Capital Group. Frédéric Chesnais was appointed Chairman of the Board and Chief Executive Officer.

By immediately granting a €250,000 loan to Atari SA, Ker Ventures prevented the initiation of a safeguard procedure for Atari SA and its subsidiary Atari Europe SAS. The procedure had been solicited by the former management team.

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

Since then, the business has returned to growth and profitability, and the Atari Group is now completely debt free.

In March 2020, Wade J. Rosen acquired 10.46% of Atari's share capital from Ker Ventures. In early April 2020, he became Chairman of Atari's Board, with Frédéric Chesnais remaining as the Group CEO.

3 BUSINESS OVERVIEW

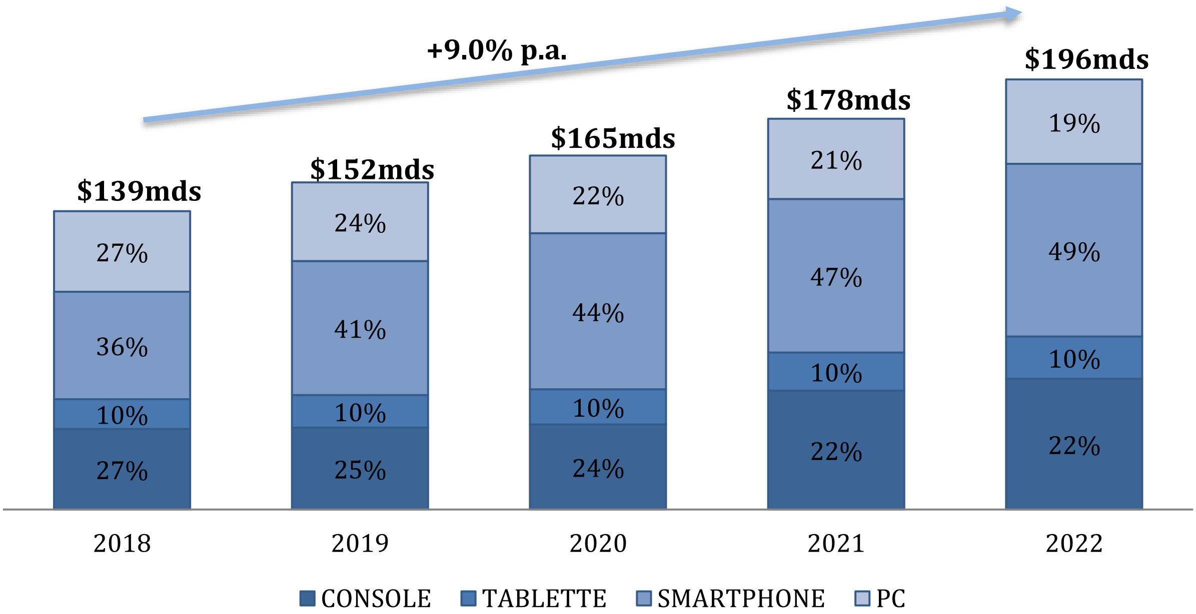
3.1 THE INTERACTIVE ENTERTAINMENT MARKET

The global games industry is one of the largest entertainment industries today. The global games market is estimated at US$165 billion in 2020. It is larger than the sales of movie tickets, music downloads and music streaming combined.

The Asia Pacific (APAC) region is the largest at US$67 billion, followed by North America at US$36 billion and Europe, Middle East & Africa (EMEA) at US$31 billion. Global annual revenue for the market is expected to grow 9% per year to reach a total market size approaching US$200 billion in 2022.

While historically console and PC games drove the majority of total revenue, 2018 marked the first year when games on smartphones and tablets accounted for nearly 50% of the global market. This segment also has the most players, with 2.2 billion, the majority of whom are gaming on their smartphone, and is expected grow by 11.3% per annum until 2022.

VIDEO GAME MARKET 2018-2022



Source: Newzoo Global Games Market Report 2019

THE MARKET FOR MOBILE GAMES, ON SMARTPHONES AND TABLETS

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

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

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

ONLINE GAMES AND CONSOLE GAMES

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

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

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

Revenue from online games is generated by the following sources:

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

CURRENT MARKET TRENDS AND DYNAMICS

Social trends:

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

Gameplay trends (changes in game consumption):

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

The end result is a much larger global audience of gamers. Another powerful trend in the way the gaming experience is changing is the emergence of E-Sports and streaming extending the gaming universe from purely active gaming to the possibility to watch and support the most skilled gamers across the world in real time. The emergence of streaming and competitive tournaments has had a huge impact in turning certain games that are particularly well suited to the format into blockbuster commercial successes like Fortnite, which is grossing over US$300M per month currently. The streaming platform Twitch boasts 15 million daily average users and over 44 billion minutes watched per month.

Technological trends (digital is overtaking physical):

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

INDUSTRY COMPETITION

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

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

Mobile and Tablet Games:

Mobile games are often "casual games" characterized by lower complexity and player involvement and shorter playing times. Mobile games are typically quicker and cheaper to develop and are easily distributed through Apple and Google online stores. Their lifecycle tends to be shorter, and due to low barriers to entry and limited upfront costs, the number of games available to play has skyrocketed. At the end of 2019, over 950,000 active game apps were available on Apple's App Store. Competition in the mobile games segment is significant, making it difficult to achieve strong levels of profitability for the average developer.

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

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

Online and Console Games:

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

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

3.2 STRATEGY

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

The company has four main business lines:

(i) video games ("**Atari Games**") make up the Group's DNA, which includes, by extension, the monetization of such games via multiple channels, multimedia production and licensing activities;

(ii) the regulated online casino games within the dedicated subsidiary "**Atari Casino**";

(iii) the "**Atari VCS**", the Group's new PC, a hybrid system combining a PC and a console-type environment;

(iv) "**Atari Partners**", which covers investments in technology companies, primarily by licensing the Atari brand and the blockchain activity / Atari Token.

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

The Atari brand is known worldwide and is associated with entertainment and digital technologies.

Atari's strategy is to develop, directly or via licensing, content and applications that blend digital entertainment and innovation, through its 4 main business lines:

- **Atari Games** ("Video games, Multimedia and Licensing"): this division covers video games, the Group's DNA, which includes, by extension the monetization of such games via multiple channels, multimedia production and licensing activities. The strategy is to develop, exploit and monetize in the best way the portfolio of over 200 Atari games with a priority focus on mobile games and digital distribution.

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

  For mobile games, Atari pursues a free-to-play or freemium strategy, where the games are downloadable for free on Apple's App Store or Google Play for Android. Revenue is generated from micro-transactions and in-game advertising and the revenues are collected globally by Apple and Google and remitted to Atari after deduction of a distribution commission.

For console and PC games, Atari's strategy focuses on digital distribution. Atari publishes its games directly on Steam (for PC), Nintendo's eShop (for Switch), Microsoft's Xbox Live Arcade (for Xbox) and Sony's PlayStation Store (for PlayStation 4). Revenues are again collected by these platforms globally and remitted to Atari after deducting a distribution commission. When Atari decides to release a game in physical format like the recent RCT Adventures for Nintendo Switch, it uses distribution partners (BigBen Entertainment in Europe, AtGames in the US) who sell directly to retailers.

- **Atari Casino** ("Game like never before"): this division covers the regulated online casino games as well as any other real-money games including e-sports. Atari Casino's strategy is to leverage the attractiveness of the brand through licensing agreements with platforms, which are suited for these types of games.
- **Atari VCS** ("Reinventing the way you game again"): this division's primary objective today is to launch and distribute the new Atari multimedia home console (VCS – Video Computer System) and to integrate a large content offering available online to attract the largest amount of users. By extension, this division is also in charge of projects like the Speaker Hat and other connected devices in development stage.
- **Atari Partners** ("Investing *in technology for the future*"): this division's objective is to take equity stakes in young growth companies led by recognized entrepreneurs, preferably through a licensing grant of the Atari brand in exchange for an equity participation. At the beginning of 2020, the Atari Group took back control of the Atari Token project and has since actively managed the project's development, with the objectives of developing multiple use cases for the token and listing the token on an exchange (www.atarichain.com).

The complementary nature of these business lines enables the optimization of synergies.

3.3 REGULATORY ENVIRONMENT

Atari Games

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

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

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

Atari Casino

Online casino games are subject to the regulations of each individual country, with two categories of regulations:

- the first category is the legal framework requiring an operator to obtain a license, which is awarded by the competent administrative authorities;
- the second category relates to the taxation of wagers and winnings.

The Group is constantly monitoring changes in the regulatory environment and has already obtained operating licenses in the course of the development of its activities on the African continent.

Atari VCS

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

The Group ensures that it complies with these regulations.

Atari Partners

This division's objective is to take equity stakes in young growth companies evolving in innovative spaces that complement the Group's activities. The regulatory environment concerned is mainly linked to investments in companies operating in the blockchain universe and, in particular, the regulation of tokens, the crypto currencies used in that space. Legislation is constantly evolving regarding crypto currencies, which can be assimilated to a traditional currency ("fiat") or seen as a virtual currency without legal rights. With respect to tokens representing "fiat" currency, a more stable regulatory environment is required to allow a risk-free operation of this activity.

3.4 KEY FIGURES

Sales totaled €24.0M for the year ended March 31, 2020, up 16.5% year-on-year at current exchange rates and 12.0% at constant exchange rates.

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

(M€)	March 31, 2020	March 31, 2019	March 31, 2018
Revenue	**24,0**	20,6	18,0
Current operating income	**2,9**	3,1	2,3
Operating income (loss)	**2,9**	2,5	2,5
Net income (loss)	**2,0**	2,7	2,3
			-
Total assets	**43,8**	33,3	22,2
Shareholders' equity	**28,5**	22,3	13,8
Net cash (net debt)	**1,1**	7,8	2,5
Cash and cash equivalents	**1,8**	8,5	3,1
Number of employees	**22**	20	19

3.5 HIGHLIGHTS OF THE PERIOD

HIGHLIGHTS OF THE PERIOD

The highlights of the period are:

- **April 2019: Secondary listing in Stockholm**

  On April 25, 2019, Atari announced that its shares would begin trading on the Nasdaq First North segment in Stockholm, the stock exchange segment for growth companies in Nordic countries. No new shares were issued as part of this listing. As part of this process, Atari completed a retail offering of Swedish depositary receipts reserved for individuals in Sweden, Norway, Denmark, and Finland. The conditions, particularly a minimum float requirement, were met, and the listing began on April 25, 2019.

- **May 2019: Change of registered office**

  The company relocated its headquarters to 25 rue Godot de Mauroy, 75009 Paris and entered into a new renewable nine-year lease that took effect on May 1, 2019. The annual rent including charges is about €70K.

- **June 2019: Distribution agreements for the Atari VCS with Walmart and GameStop**
  Atari entered into distribution agreements with Walmart and GameStop for the Atari VCS and launched the official pre-order campaign in the United States on Walmart.com and GameStop.com. These partnerships include exclusive limited editions for these distributors.

- **September 2019: Atari VCS partnership with Antstream Arcade**

  Atari entered into a partnership with Antstream Arcade, a retro-gaming streaming platform. Through an exclusive app for the Atari VCS, this partnership will give players streaming access to over 2,000 officially licensed retro-games, as well as to the library of Atari classics in new enriched formats.

- **September 2019: Distribution agreements for the TV shows Codebreaker and Player Up**
  Atari entered into two non-exclusive distribution agreements for these TV shows for an amount of $1.7M.

- **September 2019: Expansion of the partnership with Animoca Brands**
  The Atari Group agreed to a significant expansion of its existing partnership with Animoca Brands by expanding the original licensing agreement, which covered the development of blockchain versions of the games RollerCoaster Tycoon and Goon Squad, to include 15 additional titles from the Atari catalogue.
  In exchange for the extension of this license agreement, Atari received 19,200,000 Animoca Brands shares, valued at $1.8M.

- **September 2019: Agreement with Legalist**
  Atari Interactive signed an agreement with Legalist, which agreed to pay $1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in its ongoing copyright infringement lawsuits. This amount, even though it is not recoverable from Atari even in the event of an unfavorable outcome with these lawsuits, is treated as a financial instrument in accordance with IFRS 9 and accounted for as a financial debt until the lawsuits are resolved.

- **Atari Casino: Development in Africa**
  During the financial year, the Group developed its casino activities in Africa. The objective is to set up a platform, launch the first games and use the experience acquired to subsequently enter the European market through partnerships. This development covers:
  - The complete development of a gaming platform for mobile and PC, integrating the user interface and full back-end (managing wagers, promotional activities, reporting, etc.); priority was given to the USSD format, the development for smartphones is planned prior to the launch of a European expansion;
  - The obtaining of national licenses (Kenya, Liberia, other countries in application process) or the conclusion of partnerships with owners of such licenses;
  - The creation of local subsidiaries and the set-up of a dedicated technical and commercial team in Nairobi, with local marketing support in targeted countries;
  - The launch of this platform, country by country.

- **January 2020: Licensing agreement for the development of Atari hotels in the United States**
  Atari has signed a licensing agreement with True North Studio, a US real estate developer, and GSD Group, for the development of hotels under the Atari brand in eight US cities. Under this licensing agreement, Atari received a non-refundable $0.6M advance on signing and will be entitled to 5% of the hotel revenue.

- **February 2020: €7.5M licensing agreement for an online casino using crypto currencies**
  The Atari Group signed a non-exclusive licensing agreement with the ICICB Group to launch an online casino in crypto currency. Under this agreement, the Atari Group is entitled to 50% of net

gaming revenue and the ICICB Group has guaranteed Atari a payment of €7.5M at the end of a three-year period.

- **March 2020: Launch of the Atari Token**
  The Atari Group terminated the license granted to Infinity Networks Ltd and announced the launch of the Atari Token in partnership with the ICICB Group.
- **March 2020: €3.3M capital increase**
  The capital increase was carried out by issuing 11,665,590 new shares at a price per share of €0.28 including the share issue premium, for a total of €3.3M.
- **March 2020: Arrival of a new major shareholder for Atari**
  Wade J. Rosen acquired 10.46% of Atari's share capital from Ker Ventures. In early April 2020, he became Chairman of Atari's Board, with Frédéric Chesnais remaining as Group Chief Executive Officer. The Board of Directors was reconstituted as follows: Wade J. Rosen (Chairman of the Board), Kelly Bianucci (new independent board member), Alyssa Padia Walles (independent board member) and Alexandre Zyngier. Erick Euvrard and Isabelle Andres, both independent board members, resigned from the board.
- **Impact of the Covid-19 pandemic on business activities**
  On January 30, 2020, the WHO declared an international public health emergency. During the course of March, lockdown measures became widespread in many countries and had an impact through delays with the launch dates for certain games, the renewal and extension of licensing agreements, and the deferral of the Atari VCS delivery date to fall 2020.

SUBSEQUENT EVENTS

The following events occurred after March 31, 2020:

- **Continued impact of the Covid-19 pandemic:**

  Faced with the ongoing health crisis, the Group has taken the necessary measures to ensure the safety of its employees and the continuity of operations, despite the closure of the New York offices and the continued work from home arrangements that are still in effect as of the date of this document. The duration of this crisis and its proportions are not predictable. However, the impact resulting from this situation should not affect the continuity of the business based on the information available at the date of these annual financial statements.

  Greatly varying consequences can be observed depending on the Group's different activities, with a negative impact expected for the licensing activities due to the delays with renewals of licensing agreements. A positive impact has been observed for video game revenue. As a result, the overall level of activity and profitability for the first half of the year will be lower than usual, with efforts concentrated on the second half of the financial year with the launch of the Atari VCS.

  In the United States, the Group has benefited from a $383K loan under the Paycheck Protection Program, which can be forgiven if the conditions of its utilization are approved by the relevant government agency; in France, one Casino division executive was furloughed.

  The impact of Covid-19 is being closely monitored by the Group in order to take the necessary actions according to the situation.

- **Launch of new games:**

  April 2020 in soft launch, Mob Empire, a strategy and simulation game offering a humorous take on a fight by rival gangs to take control of a city.

  July 2020, Beat Legend Avicii, a rhythm-based music game based on the works of the world-renowned artist Avicii.

  September 2020, Atari Combat: Tanks & Puzzles, a mobile game in the very popular puzzle RPG genre combing match-3 puzzles and tank combat.

3.4 FRANCHISING / LICENSING/ LICENSES

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

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

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

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

3.5 GROUP'S MATERIAL CONTRACTS

The Group's material contracts are as follows:

LICENSING AGREEMENTS

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

AGREEMENTS WITH CONSOLE MANUFACTURERS

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

AGREEMENTS WITH MOBILE AND ONLINE PLATFORMS

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

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

3.6 INVESTMENT POLICY

The Group's investments are still in a recovery phase. The amounts for the last three financial years break down as follows:

R&D expenditures	**March 31, 2020**		**March 31, 2019**		March 31, 2018	
(in M€)	**Amounts**	**% revenues**	**Amounts**	**% revenues**	Amounts	% revenues
Capitalized R&D	**9,3**	**38,9%**	**6,5**	**31,5%**	5,6	31,2%
Other R&D expenditures*	**9,8**	**40,7%**	**7,4**	**35,9%**	4,9	27,5%

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

The Group's research and development expenses for the year ended and prior years are detailed in in Notes 2.9 & 3 to the consolidated financial statements relating to intangible assets.

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

3.7 INFORMATION CONCERNING THE WORKFORCE

At March 31, 2020, the Group's workforce represented 29 people, with the following breakdown: 16 in the United States, five in France and eight in Kenya. At March 31, 2019, the Group's workforce totaled 19 people.

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

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

At the end of the financial year, the aforementioned French entities employed a total of four managers.

ORGANIZATION, WORKING TIME, AND ABSENTEEISM

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

COMPANY'S EXTERNAL WORKFORCE

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

COMPENSATION

The annual gross payroll (excluding corporate officers and trainees) for all French subsidiaries comprising the UES is €0.5M for 2020, compared with €0.3M in 2019. The Company does not pay overtime to its employees. These are recovered and take the form of compensatory time off due to the 35-hour agreement.

HEALTH AND SAFETY

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

TRAINING

The percentage spent on training was less than 1% of payroll in the 2019 calendar year.

4 ORGANIZATIONAL STRUCTURE

4.1 GROUP'S SIMPLIFIED ORGANIZATION CHART AT MARCH 31, 2020

The simplified organization chart below reflects the Group's main companies.

The subsidiaries are all 100% owned by Atari SA, either directly or indirectly through the holding companies Atari US Holdings, Inc. Atari Games, Corp. and Atari Entertainment Africa, Ltd., except in the United States for an inactive sub-subsidiary (Cubed Productions, LLC) that is 91% owned and for three subsidiaries in Africa: Atari Gaming Ltd (Kenya), Atari Lifestyle Ltd (Nigeria) and Atari Ghana Ltd (Ghana), respectively owned at 60%, 99% and 90%.

	ATARI SA			
"ATARI GAMES"	***Atari Inc*** (US)	***Atari Interactive Inc*** (US)	***Atari Studios*** (US)	***Atari Games Corp & subsidiaries*** (US)
"ATARI VCS"	***Atari VCS LLC*** (US)	***Atari Connect LLC*** (US)		
"ATARI CASINO"	***Atari Casino LLC*** (US)	***Atari Lotto Ireland Ltd*** (Ireland)	***Atari Gaming Ltd*** (Kenya)	***Atari Entertainment Africa & subsidiaries*** (Africa)
"ATARI PARTNERS"	***Atari Partners SAS*** (France)	**Atari Capital Ireland Ltd** (Ireland)		

4.2 BASIS FOR CONSOLIDATION AT MARCH 31, 2020

At March 31, 2020, 28 entities were consolidated, compared with 19 at March 31, 2019. All of the Group entities are fully consolidated. All of the consolidated companies are listed in the table below:

Company	Fiscal year end	Country	% control		% interest	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
Active subsidiairies						
Atari Partners S.A.S.	March 31	France	100,00	100,00	100,00	100,00
Atari US Holdings Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	United States	100,00	100,00	100,00	100,00
Atatri Studios Inc	March 31	United States	100,00	100,00	100,00	100,00
Atari Games Corp	March 31	United States	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	United States	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Connect LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari VCS LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Hotels Corp	March 31	United States	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00			
Atari Lotto Ireland Ltd	March 31	Ireland	100,00			
Atari Entertainment Africa Ltd	Dec 31	Mauritius	100,00	100,00	100,00	100,00
Atari Gaming Ltd	March 31	Kenya	59,90	59,90	59,90	59,90
Atari Liberia Inc	March 31	Liberia	100,00	100,00	100,00	100,00
Atari RDC Eurl	March 31	RDC	100,00		100,00	
Atari Lifestyle Ltd	March 31	Nigéria	99,00		99,00	
Atari Entertainment Ghana Ltd	March 31	Ghana	90,00		90,00	
Atari Entertainment Uganda Ltd	March 31	Uganda	100,00		100,00	
Inactive and undergoing liquidation						
Atari Music LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Burundi Su	March 31	Burundi	100,00		100,00	
Atari Japan KK	March 31	Japan	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Germany	100,00	100,00	100,00	100,00
Infogrames Interactive Gmbh	March 31	Germany	100,00	100,00	100,00	100,00

During the financial year, seven new subsidiaries were created:

- Five in Africa for the Atari Casino activity: Atari RDC Eurl (RDC), Atari Lifestyle Ltd (Nigeria), Atari Entertainment Ghana Ltd (Ghana), Atari Entertainment Uganda Ltd (Uganda) and Atari Burundi Su (Burundi);
- One in Ireland for the Atari Casino activity: Atari Lotto Ireland Ltd;
- One in Ireland for the Atari Partners activity: Atari Capital Ireland Ltd.

During the financial year, three entities changed their names: “Atari Game Partners Corp” to “Atari Hotels Corp”; “Warlords Productions LLC” to “Atari Music LLC”; “Atari Fit, LLC” to “Atari Productions, LLC”.

5 RISK FACTORS

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

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

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

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

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

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

RISKS RELATED TO THE COVID-19 PANDEMIC

In addition to these risks, the Atari Group is confronted, like every other company, with the generic risk represented by the Covid-19 pandemic. In this period of global crisis, the Group has taken the necessary measures to protect the health of its employees and partners, while ensuring the continuity of its operations. The Group has deployed its digital and organizational solutions and has favored systematic remote working arrangements by giving all its employees access to the necessary collaboration tools allowing remote work in the best possible conditions while maintaining the cohesion of the teams.

The impact is still difficult to quantify. Without being exhaustive, the risk factors identified are the following:

- A negative impact on the health of Group employees or those of partner studios;
- Disruption of supply chains, production and delivery of the Atari VCS and other physical products sold by our partners under Atari licenses;
- Interference with the renewal of licensing agreements, generators of profits and royalties for the Group;
- Cash-flow problems for Atari in case of potential difficulties experienced by partners;
- Interference with the development of the casino game activities in Africa.

In this uncertain context, the Atari Group is carefully monitoring the situation and its impacts and will continue to keep its clients and shareholders informed as the situation evolves.

The risk factors below are presented according to their materiality from highest to lowest as of the filing date of this Document and, when possible, quantitative information on the materiality of the risk factor is provided.

5.1 FINANCIAL RISKS

RISKS ASSOCIATED WITH EQUITY PARTICIPATIONS

As part of its licensing business, the Group may receive unlisted securities in consideration for a brand and/or gaming license. These securities are registered at their fair value.

The Company has evaluated these risks as **high**.

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

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

RISKS ASSOCIATED WITH NEW BUSINESS SECTORS

The Group is further expanding into new activities, including online casino games, multimedia production and blockchain projects. Insofar as possible, the Group seeks to grow via partnerships in order to accelerate its acquisition of expertise and to share the risks involved, but also through direct operations.

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

The Company has evaluated these risks as **high**.

Development of these new sectors requires a particular analysis of revenue potential and the contractual risk taken on, and there is a risk that, during the start-up phase, such projections by the Group will not be as accurate as desired.

More generally, the realization of the plans and their operation budget and financing plan remain inherently uncertain, while this uncertainty may be higher in the new sectors where the Group is developing, and the non-realization of these assumptions may impact the value of certain assets, notably the value of productions (games, TV shows) or equity participations, as well as Group liabilities.

LIQUIDITY RISK AND RISKS ASSOCIATED WITH GOING CONCERN

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments in time. Information on the going concern assumption and indebtedness is presented in Notes 2.1 & 12 to the consolidated financial statements included in this Document.

Since the 2012-2013 financial year, the Group has implemented a program for massive deleveraging and replenishment of equity. At March 31, 2020, net cash and shareholders' equity were positive. At March 31, 2020, gross financial debt exclusively comprised the 2003-2020 Oceane convertible bonds for an amount of €0.6M, which was fully redeemed on April 1, 2020, without taking into account the non-cash Legalist liability (€0.9M).

(M€)	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Shareholders' equity	(34,9)	(31,3)	(13,1)	(10,6)	7,4	13,8	22,3	28,5
Net cash (net debt)	(31,4)	(24,8)	(11,0)	(13,3)	(0,9)	2,5	7,8	1,1

The Company has evaluated these risks as **moderate**.

A liquidity crisis would have a very important effect on the operational capacities of the Group and its adherence to its medium-term strategic plan. The Company estimates the probability of the realization of this risk as moderate given its cash position and the cash-flow forecasts for the next 12 months.

FOREIGN EXCHANGE RISK

The parent 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 parent company and in accordance with the Group's procedures and policies.

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at the level of the parent company and, where appropriate, specific hedges are put in place according to the financing strategies envisaged. The Group has not implemented a currency hedging policy on these amounts.

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

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

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

An unfavorable change in the euro/dollar exchange rate would not have a significant impact on the overall currency position. As an indication, a 1% unfavorable variation of the US dollar against the euro would result, on the basis of the financial statements dated March 31, 2020, in a -€0.2M variation in consolidated revenue, with almost no impact on the Group's consolidated net income.

The table below shows the company's exposure to the US dollar:

(in USD million)	**March 31, 2020**	March 31, 2019
Total current assets	4,7	6,3
Total Liabilities	(11,0)	(9,7)
Net	**(6,3)**	(3,4)
Off-balance-sheet commitments	-	-
Net position	**(6,3)**	(3,4)

CREDIT RISK

On the digital distribution market, the number of clients is limited (Apple, Google, EPIC Games, etc.), but with a global distribution reach and strong financial surface. For the licensing activity, the number of clients is also low, but they are smaller with lower financial capacities, and the relationships are multi-period.

The Company has evaluated these risks as **moderate**.

The Company considers that given the quality of the counterparties, the counterparty risk for digital sales is limited. In the licensing business, the Group could be exposed to counterparty risk. To protect itself, the Group performs regular internal follow-ups in order to control and mitigate this risk; furthermore, the long-term nature of the relations with these clients also contribute towards minimizing this risk.

Client receivables at March 31, 2020 are geographically mainly located in the United States, with the exception of those related to ICICB Investments located in Gibraltar.

RISKS ASSOCIATED WITH FISCAL REGULATIONS

The Group's tax loss carry-forwards in the United States come from Atari's historic operations in the United States over the period from 1999 to 2016, and are used in the Group's US tax consolidation. All of the US companies are consolidated for tax purposes, with the scope determined by tax advisors. The method for determining the fiscal scope has been unchanged since the final exit from the Chapter 11 proceedings in June 2014. Nonetheless, there is still a risk that the tax authorities could at some future point question the balance of tax losses or their past use, whether due to how the consolidation scope was determined, how the tax was calculated, and/or the amount of losses that can be utilized.

The Company has evaluated these risks as **moderate**.

5.2 RISKS ASSOCIATED WITH THE BUSINESS MODEL AND THE GROUP ORGANIZATION

RISKS ASSOCIATED WITH THE FREEMIUM BUSINESS MODEL

The Group is evolving towards a new business model centered on mobile and online games promoting the Atari brand and Atari's intellectual property, rather than games sold in boxes in large retail stores or specialized chains. Atari derives most of its revenue from the mobile gaming activities of Apple's iOS and Google's Android platforms, and if Atari is unable to maintain good relationships with these two companies, or if Apple's App Store, Google's Play Store, or Amazon's App Store are unavailable for a significant period of time, Atari's business would suffer.

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

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

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

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

The Company has evaluated these risks as **high** given the importance of the freemium business model within the Group's value chain.

RISKS ASSOCIATED WITH THE LIFETIME AND SUCCESS OF GAMES

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

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

The Company has evaluated these risks as **high** given the importance of intellectual property and innovation within the Group's value chain.

RISKS ASSOCIATED WITH DEPENDENCY ON A LIMITED NUMBER OF GAMES AND DELAYED RELEASES OF KEY GAMES

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

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

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

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

The Company has evaluated these risks as **high** given the importance of intellectual property and innovation within the Group's value chain.

RISKS ASSOCIATED WITH LICENSES

The RollerCoaster Tycoon license accounted for approximately 34% of revenue in 2019-2020 and expires in 2022, following the renewal obtained in May 2017. In any case, the Group is working to launch new franchises. At this stage, the Group considers that the loss of a license (by non-renewal or termination of contract) such as RollerCoaster Tycoon could, on its own, have a significant impact on its business or results. In addition, the simultaneous loss of several licenses could significantly affect the Group's financial position, business, or results, since such losses would not be offset by new licenses having the same economic impact.

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

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

RISK RELATED TO THE DEPARTURE OF KEY PERSONNEL

In the event of the departure of key personnel, the Group may encounter difficulties in replacing them and its activities may be slowed down. Similarly, its financial position, results, or ability to achieve its objectives could be affected.

The success of the Group largely depends on the involvement and the expertise of its management team, as well as the leaders of the operational entities. Furthermore, the Group CEO is a shareholder of the Company (see "General information concerning the company's share capital" and "Share ownership and voting rights" in this Document).

The Company has evaluated this risk as **high** given the limited number of Group staff.

The Group has a key personnel insurance policy as well as an "Executive Liability" insurance policy.

RISK ASSOCIATED WITH HIRING NEEDS

The success of the Group is largely due to the performance of the technical teams and their management. Like most players in the video games sector, the Group faces difficulties in hiring personnel with specialized and experienced technical skills. The success of its growth strategy will depend on its ability to retain its talent and attract new talent as the long restructuring period the Group has faced has put a strain on a number of its assets and skills.

The Company has evaluated this risk as **moderate** given its operational impact is more limited than for other risks.

RISKS ASSOCIATED WITH CUSTOMER DEPENDENCY AND WITHDRAWAL FROM SALE

For the 2019-2020 financial year, ICICB is the Group's largest customer and represents 28% of the Group's net revenue; the top five and ten customers represent respectively 64% and 83% of the Group's net revenue.

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

RISKS RELATED TO NEW PLATFORMS

Thanks to the change of strategy in recent years, the Group is no longer dependent on console manufacturers.

The Group's new strategy, focused on digital games (mobile and online), involves a significant development of new titles for smartphones, tablets, and online content. If the Group cannot generate the revenue and gross margins contemplated in the budget for these games, the Group's financial position, revenue, and operating profit will suffer.

For the Group's success, management believes that the Company needs to publish more mobile games, which are widely appreciated with great commercial success on smartphones and tablets, and succeed at monetizing games, while also significantly increasing the number of users of the Group's games and their average play time. The Group's efforts to increase revenue from smartphone and tablet games may not be successful or, even if they are, the time it takes to draw significant revenue from them may be longer than expected. The risks inherent in these games for smartphones and tablets are due to the changing nature of platforms such as Apple's App Store and Google's Play Store. For this reason, it is difficult for the Group to accurately forecast sales. In addition, the direct nature of sales on these digital storefronts significantly increases competition; it also makes it more difficult to promote the Group's games.

Some of our competitors may have more resources to invest in the development and publishing of these digital games, which makes competition fiercer. In addition, this can lead to lower marketing opportunities on these platforms, complicating coordinated marketing efforts. Finally, price sensitivity is increased due to the changing nature of the mobile and digital markets.

The Company has evaluated this risk as **moderate** given its operational impact is more limited than for other risks.

5.3 LEGAL RISKS

LEGAL RISKS

In the normal course of their business, Group companies may be involved in a number of legal, arbitral, administrative and tax proceedings (the amounts involved during the course of this financial year are presented in Note 17 to the consolidated financial statements). In the event of claims made against the Group by one or more of its contracting parties, or by any other interested party, such claims, irrespective of their validity, can gravely harm the business of the Group, its operating results and its outlook. Litigation is handled by various departments within the Group, working with external counsel.

The Company has evaluated these risks as **moderate** given the fact that to the best of the Company's knowledge, as of the date of this Document, there is no claim by any part of a government, no judicial or arbitration proceedings, including any ongoing proceedings or threat of litigation, which could have a material impact on the financial position of the Group and its profitability, or has had such an impact during the last 12 months.

RISKS ASSOCIATED WITH THE GROUP'S REGULATORY ENVIRONMENT

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

Furthermore, the Group is developing new businesses, notably online casino games, multimedia production or blockchain projects, that are subject to specific regulations (the regulatory environment is described in §3.3 of the chapter relating to the business overview).

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

RISKS RELATED TO PIRACY

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

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

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

RISKS RELATED TO DATA SECURITY

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

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

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

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

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

5.4 MEASURES IMPLEMENTED TO SECURE THE BUSINESS

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

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

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

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

SUPPLIER DEFICIENCIES

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

INSURANCE

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

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

Policy	Amounts
Business liability Property damage Business interruption	Per occurrence limit is $1 million Annual aggregate limit is $1 million
Error & omissions/Media Security & Privacy	$1 million
Directors and Officers Liability	Ceiling of $10 million
Key Personnel Insurance	$5 million

The total amount of insurance premiums recorded for Atari and its subsidiaries under the above policies for the year ended March 31, 2020 is €0.4M.

6 ANALYSIS OF THE FINANCIAL POSITION AND FINANCIAL RESULTS

For the analysis of its financial position and results, the Group has selected the last two financial years ended March 31, 2020 and March 31, 2019.

Readers are invited to examine the following information relative to the Group's financial position and results in conjunction with the entirety of the Universal Registration Document, including the Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the financial year ended March 31, 2020, as inserted in the section "Consolidated Financial Statements at March 31, 2020" of the Universal Registration Document.

6.1 ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

(M€)	March 31,2020		March 31, 2019		Variance	
Revenue	**24,0**	**100,0%**	20,6	100,0%	**3,4**	**16,5%**
Cost of goods sold	**(2,4)**	**-10,0%**	(3,9)	-18,9%	**1,5**	
GROSS MARGIN	**21,6**	**90,0%**	16,7	81,1%	**4,9**	**29,4%**
Research and development expenses	**(9,8)**	**-40,7%**	(7,4)	-35,9%	**(2,4)**	**32,1%**
Marketing and selling expenses	**(4,2)**	**-17,6%**	(3,7)	-17,9%	**(0,5)**	**14,5%**
General and administrative expenses	**(4,7)**	**-19,4%**	(3,9)	-19,1%	**(0,7)**	**18,2%**
Other operating income (expenses)	**(0,1)**	**-0,3%**	1,4	7,0%	**(1,5)**	
CURRENT OPERATING INCOME (LOSS)	**2,9**	**12,0%**	3,1	15,1%	**(0,2)**	**-7,2%**
Other income (expense)	**0,0**	**0,0%**	(0,6)	-2,9%	**0,6**	
OPERATING INCOME (LOSS)	**2,9**	**12,1%**	2,5	12,2%	**0,4**	**15,2%**

The only changes in the consolidation scope during this financial year relate to the incorporation of five new subsidiaries in Africa for Atari Casino, and two Irish subsidiaries that have not been activated yet.

<u>Revenue</u>

At March 31, 2020, Atari is reporting consolidated revenue of €24.0M, compared with €20.6M the previous year, up 16.5% at current exchange rates and 12.0% at constant exchange rates.

Atari Games continues to be the dominating business line, with a very good performance by the games catalogue and licensing business, which strongly contributed to the Group's revenue. The Atari Games business continues to be supported by the good performances of the mobile game RollerCoaster Tycoon Touch, which is regularly updated with new content and special events and has been installed more than 30 million times as of March 31, 2020. During the year, Atari launched the mobile games Citytopia and RollerCoaster Tycoon Story, targeting progressive and profitable growth. The licensing business has been active, with the Arcade 1 Up and Atari Flashback products.

Atari has also continued to develop its other business lines to help drive the Group's long-term expansion in the world of video games, multimedia and technology. With regard to the Atari Token, the Atari Group has taken back operational control of this project and it will be launched in FY 2020-2021.

<u>Gross Margin</u>

The gross margin reached 90.0% of revenue, compared with 81.1% the previous year. The gross margin is still dependent on changes in the product mix.

<u>Research and Development Expenses</u>

Research and development expenses totaled €9.8M, compared with €7.4M the previous year. This increase, net of the amounts recorded under current intangible assets, reflects the continued production of games.

Marketing and Selling Expenses

Marketing and selling expenses came to €4.2M for FY 2019-20, compared with €3.7M for FY 2018-19. This increase reflects the development of the business and the new games launched.

General and Administrative Expenses

General and Administrative expenses represent €4.7M for the current year, compared with €3.9M the previous year. This change primarily reflects the change in exchange rates and the strengthening of the management teams.

Other Operating Income and Expenses

At March 31, 2020, the amount of other operating income and expenses is not significant.

For the previous year, other operating income and expenses included the sale of two non-strategic franchises for Atari (*Alone in the Dark* and *Act of War*), as well as the payment made to Atari concerning an Atari trademark infringement dispute.

Current Operating Income

During the period, the Group achieved its objective of profitable growth, recording €2.9M of current operating income for the year ended March 31, 2020, compared with €3.1M for the year ended March 31, 2019.

Other Income and Expenses

Other income and expenses are negligible. For the previous year, other income and expenses totaled -€0.6M, corresponding to expenses, net of compensation and legal fees, for various litigation cases against Atari.

Operating Income

Operating income for the year ended March 31, 2020 came to €2.9M, compared with €2.5M for the year ended March 31, 2019, up 15.2%.

OTHER INCOME STATEMENT ITEMS

(M€)	March 31,2020		March 31, 2019		Variance	
OPERATING INCOME (LOSS)	**2,9**	**12,1%**	2,5	12,2%	**0,4**	**15,2%**
Cost of debt	**(0,0)**	**0,0%**	(0,0)	0,0%	**(0,0)**	**101,5%**
Other financial income (expense)	**(0,8)**	**-3,5%**	(0,4)	-1,9%	**(0,4)**	**111,7%**
Income tax	**(0,1)**	**-0,3%**	0,6	3,0%	**(0,7)**	
NET INCOME (LOSS)	**2,0**	**8,2%**	2,7	13,2%	**(0,8)**	**-28,0%**
Minority interests	(0,3)	**-1,3%**	0,0	0,0%	**(0,3)**	
NET INCOME GROUP SHARE	**2,3**	**9,5%**	2,7	13,2%	**(0,4)**	**-16,2%**

Cost of Financial Debt

The Group's cost of debt is nil. Moreover, it redeemed the final instalment of the 2003-2020 OCEANE bonds on April 1, 2020.

Other Financial Income and Expenses

Other financial income and expenses primarily concern adjustments in the value of non-current financial assets.

Income Tax

At March 31, 2020, the Group's tax loss carry-forwards represented approximately €732M in France and close to $310M in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years.

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

The Group's tax loss carry-forwards in the United States come from Atari's historic operations in the United States over the period from 1999 to 2016, and are used in the Group's US tax consolidation. All of the US companies are consolidated for tax purposes, with the scope determined by tax advisors. The method for determining the fiscal scope has been unchanged since the final exit from the Chapter 11 proceedings in June 2014. Nonetheless, there is still a risk that the tax authorities could at some future point question the balance of tax losses or their past use, whether due to how the consolidation scope was determined, how the tax was calculated, and/or the amount of losses that can be utilized. Given these circumstances, to cover any potential uncertainty, an additional amount of €0.1M was provisioned.

Minority Interests

Minority interests totaled -€0.3M and correspond mainly to minority interests in Kenyan subsidiaries.

Consolidated Net Income (Group Share)

Consolidated net income (Group share) for the year came to €2.3M, compared with €2.7M the previous year.

CONTRIBUTIONS BY SEGMENT

Atari operates in one single operating segment: the sale of multimedia products (equipment, games, content) at the intersection of entertainment and digital technology, aimed at monetizing the Atari brand and its intellectual property portfolio with consumers worldwide.

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

CONSOLIDATED BALANCE SHEET AT MARCH 31, 2020 AND MARCH 31, 2019

ASSETS (M€)	March 31, 2020	March 31, 2019
Intangible assets	**17,8**	13,5
Property, plant and equipment	**0,0**	0,0
Rights of use relating to leases	**2,3**	na
Non-current financial assets	**15,7**	5,4
Deferred tax assets	**2,1**	2,0
Non-current assets	**38,0**	20,9
Inventories	**0,6**	0,2
Trade receivables	**2,8**	3,0
Current tax assets	**0,0**	0,0
Other current assets	**0,7**	0,7
Cash and cash equivalents	**1,8**	8,5
Current assets	**5,8**	12,4
Total assets	**43,8**	33,3

EQUITY & LIABILITIES (M€)	**March 31, 2020**	March 31, 2019
Capital stock	**2,7**	2,6
Share premium	**11,0**	8,0
Consolidated reserves	**12,5**	9,0
Net income (loss) Group share	**2,3**	2,7
Shareholders' equity	**28,5**	22,3
Minority interests	**(0,4)**	(0,0)
Total equity	**28,1**	22,2
Provisions for non-current contingencies and losses	**0,0**	0,7
Non-current financial liabilities	**0,9**	0,6
Long term lease liabilities	**2,1**	na
Other non-current liabilities	**0,8**	0,2
Non-current liabilities	**3,7**	1,4
Provisions for current contingencies and losses	**0,1**	0,1
Current financial liabilities	**0,6**	0,1
Short term lease liabilities	**0,3**	na
Trade payables	**5,7**	5,3
Current tax liabilities	**0,0**	-
Other current liabilities	**5,2**	4,3
Current liabilities	**11,9**	9,7
Total equity and liabilities	**43,8**	33,3

na: not applicable

IFRS 16 first application:

On April 1, 2019, the Group applied for the first time IFRS 16 – Leases, which came into effect for financial years beginning after January 1, 2019.

The Group has elected to apply the simplified retrospective method by accounting for the cumulative effect of the initial application as an adjustment to the opening shareholders' equity balance. As a consequence, figures from the previous financial years are presented according to the accounting methods applied previously, as presented in the consolidated financial statements for the financial year ended March 31, 2019.

IFRS 16 eliminates the distinction between operating leases and finance leases that existed under IAS 17, introduces a single lessee accounting model and requires lessees to account for all leases on their balance sheet by recognizing: an asset representing the right to use the leased asset over the lease term; a liability corresponding to the present value of future payments.

In the income statement, rental expense is replaced by depreciation of the right-of-use asset and interest on the lease liability. The application of IFRS 16 had a positive impact, which is not material (€45K), on current operating income.

In the cash-flow statement, only interest expenses continue to impact cash-flow from operations, the depreciation of the right-of-use asset is added back to cash-flow from operations, while investing cash-flow is not affected and the repayment of the principal of the lease liability impacts financing cash-flow.

The Group's types of lease contracts are fairly standard. The impact of this new standard only applies to property lease contracts related to the Group's operations in Paris and New York.

The Group has opted to apply the exemptions provided for short-duration lease contracts and those of low value. Lease contracts with a duration of less than or equal to 12 months, as well as those related to assets of low value are thus not being restated and the corresponding rental expenses continue to be recognized as an operating expense.

The discount rate used to calculate the lease liability is based on the Group's marginal borrowing rate. The marginal borrowing rate that has been used is 3%. This rate is applied at the commencement of the lease or at the date of the decision to renew the lease.

The following table presents the adjustments recognized for each balance sheet item according to IFRS 16:

ASSETS (M€)	Changes related to the application of IFRS 16			
	April 1st, 2019	Acquisitions	Exchange - Rents - Amortization	March 31, 2020
Intangible assets	-	-	-	-
Tangible assets gross value	-	-	-	-
Rights of use relating to leases	2,1	0,5	(0,3)	2,3
Non-current financial assets	-	-	-	-
Deferred tax assets	-	-	-	-
Non-current assets	**2,1**	**0,5**	**(0,3)**	**2,3**
Inventories	-	-	-	-
Trade receivables	-	-	-	-
Current tax assets	-	-	-	-
Other current assets	-	-	-	-
Cash and cash equivalents	-	-	-	-
Current assets	-	-	-	-
Total assets	**2,1**	**0,5**	**(0,3)**	**2,3**

(1) The column "Acquisitions" corresponds to the impact of the new lease for the new offices in Paris as of May 1, 2019

EQUITY & LIABILITIES (M€)	Changes related to the application of IFRS 16			
	April 1st, 2019	Acquisitions	Exchange - Rents - Amortization	March 31, 2020
Capital stock	-	-	-	-
Share premium	-	-	-	-
Consolidated reserves	(0,1)	-	(0,0)	(0,1)
Net income (loss) Group share	-	-	(0,0)	(0,0)
Shareholders' equity	**(0,1)**	-	**(0,0)**	**(0,1)**
Minority interests	-	-	-	-
Total equity	**(0,1)**	-	**(0,0)**	**(0,1)**
Provisions for non-current contingencies and losses		-	-	-
Non-current financial liabilities	-	-	-	-
Long term lease liabilities	1,8	0,5	(0,2)	2,1
Deferred tax liabilities	-	-	-	-
Other non-current liabilities	-	-	-	-
Non-current liabilities	**1,8**	**0,5**	**(0,2)**	**2,1**
Provisions for current contingencies and losses	-	-	-	-
Current financial liabilities	-	-	-	-
Short term lease liabilities	0,3	0,1	(0,0)	0,3
Trade payables	-	-	-	-
Current tax liabilities	-	-	-	-
Other current liabilities	-	-	-	-
Current liabilities	**0,3**	**0,1**	**(0,0)**	**0,3**
Total equity and liabilities	**2,1**	**0,5**	**(0,3)**	**2,3**

(1) The column "Acquisitions" corresponds to the impact of the new lease for the new offices in Paris as of May 1, 2019

Shareholders' Equity

Consolidated shareholders' equity totaled €28.1M at March 31, 2019, compared with €22.2M at March 31, 2019, strengthened primarily through the net income for the period and a €3.2M capital increase implemented to accelerate the development of new games with partner studios.

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

Equity as at March 31, 2019 (M€)	**22,2**
Restatement IFRS 16	(0,1)
Equity as at March 31, 2019 restated IFRS 16 (M€)	**22,2**
Net income	2,0
Capital increase	3,2
Financial assets valued at fair value through other comprehensive income	(0,6)
Stock option expenses	1,0
Movement in treasury shares	(0,1)
Currency fluctuations	0,6
Other variations	(0,1)
Equity as at March 31, 2020 (M€)	**28,1**

Net Cash

At March 31, 2020, the Group has a positive net cash position of €1.1M, versus a positive net amount of €7.8M at March 31, 2019. Cash and cash equivalents totaled €1.8M, versus €8.5M at March 31, 2019.

Due to the application of IFRS 16, the Group has elected to exclude lease liabilities from the net cash/(debt) calculation. At April 1, 2019, net cash/(debt) is defined as cash and cash equivalents minus loans, and calculated as follows:

(M€)	**March 31, 2020**	March 31, 2019
Cash and cash equivalents	**1,8**	8,5
Non-current financial liabilities (1)	**-**	(0,6)
Current financial liabilities	**(0,6)**	(0,1)
Net cash (net debt)	**1,1**	7,8

(1) Gross financial debt is restated for the Legalist amount of €0.9M, which was recorded as a financial liability under IFRS 9, but will be definitively retained by the Group.

Net debt is broken down in the table below:

(M€)	**March 31, 2020**	March 31, 2019
OCEANEs 2003-2020	**-**	(0,6)
IFRS 9 : Legalist	**(0,9)**	
Non current	**(0,9)**	(0,6)
Commitments on financial instruments	**-**	(0,1)
OCEANEs 2003-2020	**(0,6)**	-
Current	**(0,6)**	(0,1)
Restatement Legalist debt non cash (1)	**0,9**	
Gross debt	**(0,6)**	(0,7)
Cash and equivalents	**1,8**	8,5
Net Cash (net debt)	**1,1**	7,8

(1) Gross financial debt is restated for the Legalist amount of €0.9M, which was recorded as a financial liability under IFRS 9, but will be definitively retained by the Group.

Intangible Assets

Intangible assets are broken down as follows:

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

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

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

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

Non-current Financial Assets

Non-current financial assets are broken down as follows:

(M€)	March 31, 2020	March 31, 2019
Financial assets measured at fair value through OCI	**0,3**	0,7
Financial assets measured at fair value through profit & loss	**3,1**	1,7
Financial assets measured at amortized cost	**12,3**	3,0
Non-current financial assets	**15,7**	5,4

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

Non-current financial assets measured at amortized cost are mainly made up of client receivables with a maturity of over one year, recognized according to the effective interest rate method. At March 31, 2020, they amounted to €12.1M, incuding €6.9M for receivables with a bank guarantee related to the ICICB agreement, €1.9M for receivables from Wish Holding and €1.6M for receivables from the Film On agreement.

CONSOLIDATED CASH FLOW

Cash and cash equivalents totaled €1.8M at March 31, 2020, versus €8.5M at the end of the previous financial year.

The cash-flow statements for the financial years ended March 31, 2020 and March 31, 2019 are summarized as follows:

(M€)	March 31, 2020	March 31, 2019
Net cash (used)/generated in operating activities	**1,1**	4,6
of which continuing operations	1,1	4,6
Net cash (used)/generated in investing activities	**(9,6)**	(7,2)
of which continuing operations	(9,6)	(7,2)
of which intangible assets and fixed assets	(9,6)	(7,1)
Net cash provided (used in) by financing activities	**1,5**	7,9
of which continuing operations	1,5	7,9
of which interest paid	-	-
Other cah flows	**0,2**	0,1
Net change in cash and cash equivalent	**(6,7)**	5,4

Net cash from operating activities of €7.0M, after a €5.8M increase in working capital requirements, allowed the business to generate €1.5M of net cash flow. Financing activities generated €1.5M. Funds were primarily used during the period for investments in games, Atari VCS production and financial assets. The change in net cash for the period represents -€6.7M.

6.2 PARENT COMPANY BUSINESS AND FINANCIAL RESULTS (ATARI S.A.)

ACTIVITY OF ATARI SA

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

The highlights of the year are described in paragraph 1 of the notes to the parent company financial statements at March 31, 2020.

COMMENTS ON THE FINANCIAL STATEMENTS OF ATARI SA

The annual financial statements have been prepared in accordance with the requirements of ANC Regulation 2016-07 of November 4, 2016 of the French Accounting Standards Authority, approved by the Decree of December 26, 2016. The accounting rules and methods applied are identical to those of the previous year. The notes recall the accounting principles applied by the Company and give details on the main balance sheet and income statement items, and their changes.

At March 31, 2020, the balance sheet totaled €36.6M, with positive shareholders' equity of €33.2M.

Net fixed assets represent €34.4M, essentially corresponding to the value of financial fixed assets. The Company's net cash position amounted to €0.1M, compared with €5.4M at March 31, 2019. A breakdown of borrowings and financial debt as well as net financial debt can be found in the notes to the individual financial statements. No debt is collateralized.

In accordance with article L. 441-6-1 of the French Commercial Code, the information relating to the payment terms of suppliers and customers is as follows:

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

- Invoices received and not yet paid: 0
- invoices issued and not yet paid: 1

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

- Number of invoices excluded: 1
- Total amount: €21K

C. Reference payment terms used:

- Suppliers:

  Contractual payment terms - France: net 15 days to net 60 days / International: variable

  Statutory payment terms - France: net 60 days / International: variable
- Customers:

  Contractual payment terms - France: net 0 to net 90 days / International: variable

  Statutory payment terms - France: net 60 days / International: variable

Operating income at March 31, 2020 shows a €957K loss, compared with a €968K loss at March 31, 2019.

As indicated in the notes to the parent company financial statements, due to a reversal of financial provisions, net financial income amounts to +€20,552K, compared with +€139K for the previous financial year.

The current profit before tax amounts to +€19,594K, compared with -€830K for the previous financial year.

Net extraordinary income amounts to -€117K, compared with -€66K for the previous financial year.

Net income before tax amounts to +€19,478K, compared with -€895K for the previous financial year.

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

As a result, net income after tax amounts to +€19,478K, compared with -€895K for the previous financial year.

6.3 RESULTS AND OTHER CHARACTERISTIC ELEMENTS OF ATARI SA IN THE LAST FIVE FINANCIAL YEARS

	Nature of information	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
I	**Share capital at end of period (en €)**					
a)	Share capital at end of period (en €)	1 831 856	2 304 088	2 414 691	2 561 093	2 677 821
b)	Number of shares outstanding	183 185 574	230 408 755	241 469 096	256 109 260	267 782 050
c)	Cumulative number of preferred shares (without voting rights) outstanding	-	-	-	-	-
d)	Maximum number of shares to be issued	8 985 338	16 623 190	18 985 342	24 086 286	24 219 036
	on conversion of bonds	*3 359 866*	*3 353 771*	-	-	-
	on exercise of stock options	*5 625 472*	*8 076 036*	*16 186 228*	*21 287 169*	*21 400 598*
	on exercise of warrants	-	*5 193 383*	*2 799 114*	*2 799 117*	*2 818 438*
	on grants of free shares	-	-	-	-	-
	Other	-	-	-	-	-
II	**Operations, income for the period (in €)**					
a)	Net revenue before tax	1 422 025	2 009 304	2 649 046	65 172	1 005 876
b)	Net income before tax, depreciation, amortization and provisions	299 782	825 083	(20 338 126)	(880 435)	(755 747)
c)	Income tax	-	14 262	-	-	-
d)	Employees' share of profit for the period (charge for the period)	-	-	-	-	-
e)	Net income after tax, depreciation, amortization and provisions	1 774 321	1 717 313	1 436 842	(36 424)	19 477 861
f)	Dividend paid	-	-	-	-	-
III	**Income (Loss) per share (in €)**					
a)	Net income after tax, but before depreciation, amortization and provisions	0,00	0,00	(0,08)	(0,00)	(0,00)
b)	Net income after tax,depreciation, amortization and provisions	0,01	0,01	0,01	(0,00)	0,07
c)	Dividend per share	-	-	-	-	-
IV	**Workforce**					
a)	Average number of employee during th	3	3	3	3	5
b)	Salary expense for the period	387 542	336 767	271 731	343 634	502 420
c)	Amounts paid for social benefits (social security, social welfare, etc.)	251 349	170 013	172 512	133 425	325 636

6.4 ACTIVITIES AND INCOME OF SUBSIDIARIES

The table below shows the activity of the Group's main subsidiaries, after elimination of intra-Group transactions:

(M€)	Revenue	Net Income
ATARI INTERACTIVE	5,9	3,5
ATARI US HOLDINGS (including subs.)	17,9	1,2
ATARI PARTNERS	0,2	(0,1)
ATARI ENTERTAINMENT AFRICA (including subs.	-	(0,1)
ATARI GAMING	0,0	(0,8)

6.5 INTERNAL CONTROL

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

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

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

Given the restructuring of the Group, the above rules have been applied to a reduced overall structure. All the teams are limited in size, which may represent a risk of segregation of duties.

6.6 COMPANY PROSPECTS

For the 2020-2021 financial year, the Atari Group set itself five short-term operational goals:

- Expanding the games portfolio, preferably through organic growth, notably with *Atari Combat: Tank Fury*;
- Continuing to develop the licensing program, which is critical to maintaining and increasing growth and profitability;
- Delivering the first units of the Atari VCS;
- Expanding the casino activities of the African subsidiaries;
- Continuing to develop the blockchain project and the Atari Token, a long-term source of profits.

For the 2020-2021 financial year, as in the previous financial year, the financial objective remains to increase profitability, with a priority to develop the value of the brand and the games portfolio. Revenue and profitability in the first half of the upcoming financial year will be a lot weaker than usual, maybe negative, mainly due to an important temporary shift of licensing activities from the first half into the second half as a result of Covid-19, as well as the upcoming launch of the Atari VCS in this second half. Nevertheless, since these important impacts on first-half results are temporary and in line with the Group’s estimates, the Group is maintaining its objective of increasing overall profitability for this financial year.

6.7 SHAREHOLDER OVERVIEW

SHARE OWNERSHIP AND VOTING RIGHTS

At March 31, 2020, the Company’s subscribed and fully paid-up capital totaled €2,677,820.50 divided into 267,782,050 shares with a par value of €0.01. At March 31, 2019, the number of voting rights assigned to the Company's shares was 267,900,840.

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

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

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

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

To the best of the Company's knowledge, at March 31, 2019, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2019					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	47 065 781	18,38%	61 156 519	22,62%	61 156 519	22,64%
Mr Alexandre Zyngier	9 951 540	3,89%	9 951 540	3,68%	9 951 540	3,68%
Arbevel	5 060 846	1,98%	5 060 846	1,87%	5 060 846	1,87%
Treasury shares	220 000	0,09%	220 000	0,08%	0	0,00%
Public (2)	193 811 093	75,68%	193 943 523	71,74%	193 943 523	71,80%
Total	**256 109 260**	**100,00%**	**270 332 428**	**100,00%**	**270 112 428**	**100,00%**

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company's CEO. 14,090,738 shares have double voting rights.

(2) 132,430 shares have double voting rights.

Registered shares may benefit from a double voting right if held for at least two years. At March 31, 2020, 118,790 shares were entitled to double voting rights.

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

At March 31, 2020, Ker Ventures and Frédéric Chesnais hold 7.49% of the capital and the exercisable voting rights. The existence of independent directors and the regular operation of the corporate governance bodies protect the Company against any improper exercising of company control.

CHANGES IN THE SHAREHOLDING STRUCTURE DURING THE PERIOD

Under the terms of its Articles of Incorporation, any person, whether acting alone or in concert, who begins to own or ceases to own, directly or indirectly, at least 2% of the Company's capital or voting rights, is required to inform the Company. On March 27, 2020, the Company was notified that the Wade J. Rosen Revocable Trust had purchased 28,000,000 shares from Ker Ventures LLC.

TRADING BY THE COMPANY IN ITS OWN SHARES

Treasury Shares

At March 31, 2020, the Company held 279,589 of its own shares (0.1% of the share capital).

Liquidity Contract

No liquidity contract is in place to date.

SHARE BUYBACK PROGRAM

The General Meeting on September 28, 2018 authorized, in its ninth resolution, for a period of 18 months, the Board to purchase Company shares for up to 10% of the shares comprising the Company's capital. During the financial year, the Company made use of this authorization by purchasing 2,554,871 shares on Euronext Paris to resell 2,495,282 shares on the secondary listing place, Nasdaq First North in Stockholm.

STATEMENT OF EMPLOYEE SHARE OWNERSHIP

At March 31, 2020, employees did not own any shares in the Company's capital through a Company Savings Plan.

6.8 APPROPRIATION OF THE NET RESULT

At the next General Shareholders' Meeting, it will be proposed to allocate Atari S.A.'s profit for the financial year, equal to €19,477,860.56, to retained earnings, which will therefore go from -€895,347.13 to €18,582,513.43.

DIVIDENDS FOR THE LAST THREE FINANCIAL YEARS

The Company has not distributed dividends in the last three years and does not contemplate proposing any dividend payments for the 2019-2020 financial year.

NON-DEDUCTIBLE EXPENSES

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

6.9 STOCK OPTION PLANS / STOCK OPTIONS

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

RETENTION OBLIGATIONS FOR CORPORATE OFFICERS

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

SUMMARY OF THE MAIN FEATURES OF THE OPTION PLANS

The Company may award stock options to its executives and senior management, as well as to other employees, for their contribution to the Group's performance. On the award date, the exercise price set for the option will be close to the price at which the Company's shares are trading. The options awarded generally have a life of eight years and a vesting period of 0-3 years.

At March 31, 2020, three stock option plans were in effect:

- Plan No. 23 approved by the Shareholders' Meeting on September 30, 2014, with 6,816,165 subscription options awarded net of cancellations;
- Plan No. 24 approved by the Shareholders' Meeting on September 30, 2014, with 5,570,167 subscription options awarded net of cancellations;
- Plan No. 25 approved by the Shareholders' Meeting on September 29, 2017, with 8,755,000 subscription options awarded net of cancellations.

At March 31, 2020, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 8.0% of the Company's share capital at that date. The main characteristics of all outstanding Atari stock options are summarized in the three tables below.

Option plan in effect	**Plan N°23-1**	**Plan N°23-2**	**Plan N°23-3**	**Plan N°23-4**
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
Of which to the Top Executive Management and Board of Directors	*4 000 000*			*1 650 000*
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options granted during FY 2017/2018	-	-	-	-
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Stock options exercised during FY 2019/2020	-	-	-	-
Stock options cancelled during FY 2019/2020	(1 657)	(939)	-	(461)
Total number of stock options outstanding on March 31,2020	**4 180 000**	**220 000**	**144 000**	**2 272 166**

(1) The exercise price of the options is determined based on the weighted average market price of the last twenty trading days prior to the award of the options, with or without a discount.

Option plan in effect	**Plan N°24-1**	**Plan N°24-2**	**Plan N°24-3**
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
Of which to the Top Executive Management and Board of Directors	*3 680 000*		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	(459)	-	-
Total number of stock options outstanding on March 31,2020	**5 370 167**	**0**	**200 000**

(1) The exercise price of the options is determined based on the weighted average market price for the last 20 trading days prior to the options being awarded, with or without a discount.

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	September 29, 2017		
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
Of which to the Top Executive Management and Board of Directors	*3 680 000*		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2018/2019	-	-	-
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Total number of stock options outstanding on March 31,2020	**6 405 000**	**2 000 000**	**350 000**

(1) The exercise price of the options is determined based on the weighted average market price for the last 20 trading days prior to the options being awarded, with or without a discount, except for Plan No.25-2, whose exercise price is €1.

STOCK OPTIONS GRANTED TO AND EXERCISED BY ATARI'S CORPORATE OFFICERS DURING THE 2019-2020 FINANCIAL YEAR

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

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

In January 2017, as announced, Atari replaced these warrants with new warrants exercisable in new shares in the same quantities and under the same terms as the warrants issued on July 12, 2016. However, as the shares delivered if these new warrants are exercised are new shares, the exercising of these new warrants will therefore lead to additional dilution. Concurrently with this new issue of warrants, Ker Ventures and Alexandre Zyngier relinquished the old warrants awarded in July 2016, which were in effect canceled.

In February 2018, Ker Ventures exercised 2,386,590 stock warrants by paying the sum of €0.17 per warrant exercised, in exchange for the creation of 2,420,000 new Atari SA shares.

At March 31, 2020, taking into account this partial exercising of stock warrants, Ker Ventures still holds 1,731,057 warrants, with Alexandre Zyngier holding 1,029,412 warrants. The potential dilution of all the warrants, given the conversion ratios, would be 1.05% based on the capital at March 31, 2019.

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

During the past three financial years, no options were exercised.

STOCK OPTIONS AWARDED BY THE COMPANY AND ITS SUBSIDIARIES TO EMPLOYEES, AND OPTIONS EXERCISED BY THE LATTER

During the financial year, the Company did not award any stock options to Company employees, who are not corporate officers.

During the financial year, no stock options were exercised by employees, who are not corporate officers.

7 BOARD OF DIRECTOR'S SPECIAL REPORT ON SHARE SUBSCRIPTION AND PURCHASE OPTIONS TO THE GENERAL SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS AT MARCH 31, 2020

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

Dear Shareholders,

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

We inform you that, during the period, the Company did not grant any stock options.

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

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

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

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

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

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

During the financial year, no stock options were exercised by corporate officers.

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

During the financial year, no stock options were granted to Group employees.

5. Shares acquired by Company employees through the exercising of stock options granted by the Company or its subsidiaries to the 10 Company employees, other than corporate officers, who subscribed for the largest number of options

During the financial year, no stock options were exercised by Group employees.

Paris, October 28, 2020 - The Board of Directors

Société anonyme (public limited company) with capital of €2,677,820.50
Registered office: 25 rue Godot de Mauroy - 75009 Paris – France
RCS Paris 341 699 106

8 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2020

CONTENTS

CONSOLIDATED INCOME STATEMENT

(M€)		March 31, 2020	March 31, 2019
Revenue	*Note 2.22*	**24,0**	20,6
Cost of goods sold		**(2,4)**	(3,9)
GROSS MARGIN		**21,6**	16,7
Research and development expenses	*Note 16*	**(9,8)**	(7,4)
Marketing and selling expenses	*Note 17*	**(4,2)**	(3,7)
General and administrative expenses	*Note 18*	**(4,7)**	(3,9)
Other operating income (expense)	*Note 17*	**(0,1)**	1,4
CURRENT OPERATING INCOME (LOSS)		**2,9**	3,1
Other income (expense)	*Note 18*	**0,0**	(0,6)
OPERATING INCOME (LOSS)		**2,9**	2,5
Cost of debt	*Note 20*	**(0,0)**	(0,0)
Other financial income (expense)	*Note 20*	**(0,8)**	(0,4)
Income tax	*Note 21*	**(0,1)**	0,6
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**2,0**	2,7
Net income (loss) from discontinued operations	*Note 22*	-	-
NET INCOME (LOSS) FOR THE YEAR		**2,0**	2,7
Group share		**2,3**	2,7
Minority interests		**(0,3)**	0,0
Basic earnings per share (in euro)	*Note 2.28*	**0,009**	0,011
Diluted earnings per share (in euro)	*Note 2.28*	**0,008**	0,010

(M€)	March 31, 2020	March 31, 2019
CONSOLIDATED NET INCOME	**2,0**	2,7
Elements directly incurred in net equity:		
Translation adjustments	0,6	1,3
Financial assets valued at fair value through the other comprehensive income	(0,6)	(3,0)
Other transactions	-	0,2
Total result directly recognised in equity	0,0	(1,5)
COMPREHENSIVE INCOME	**2,0**	1,2
Of which: Group	2,3	1,2
Of which: Minority interests	(0,3)	0,0

CONSOLIDATED BALANCE SHEET

ASSETS (M€)	March 31, 2020	March 31, 2019
Intangible assets	**17,8**	13,5
Property, plant and equipment	**0,0**	0,0
Rights of use relating to leases	**2,3**	na
Non-current financial assets	**15,7**	5,4
Deferred tax assets	**2,1**	2,0
Non-current assets	**38,0**	20,9
Inventories	**0,6**	0,2
Trade receivables	**2,8**	3,0
Current tax assets	**0,0**	0,0
Other current assets	**0,7**	0,7
Cash and cash equivalents	**1,8**	8,5
Current assets	**5,8**	12,4
Total assets	**43,8**	33,3

EQUITY & LIABILITIES (M€)	March 31, 2020	March 31, 2019
Capital stock	**2,7**	2,6
Share premium	**11,0**	8,0
Consolidated reserves	**12,5**	9,0
Net income (loss) Group share	**2,3**	2,7
Shareholders' equity	**28,5**	22,3
Minority interests	**(0,4)**	(0,0)
Total equity	**28,1**	22,2
Provisions for non-current contingencies and losses	**0,0**	0,7
Non-current financial liabilities	**0,9**	0,6
Long term lease liabilities	**2,1**	na
Other non-current liabilities	**0,8**	0,2
Non-current liabilities	**3,7**	1,4
Provisions for current contingencies and losses	**0,1**	0,1
Current financial liabilities	**0,6**	0,1
Short term lease liabilities	**0,3**	na
Trade payables	**5,7**	5,3
Current tax liabilities	**0,0**	-
Other current liabilities	**5,2**	4,3
Current liabilities	**11,9**	9,7
Total equity and liabilities	**43,8**	33,3

na: not applicable

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

CONSOLIDATED CASH FLOW

(M€)	March 31, 2020	March 31, 2019
Net income (loss) for the year	**2,0**	2,7
Non cash expenses and revenue	**-**	-
Charges to (reversals of) depreciation, amortization and provisions for non current assets	**6,2**	4,1
Cost of (revenue from) stock options and related benefits	**1,0**	0,8
Losses (gains) on disposals	**-**	0,2
Other non cash items	**(2,2)**	(1,1)
Cost of debt	**-**	-
Income taxes (deferred and current)	**(0,0)**	(1,3)
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	**7,0**	5,4
Income taxes paid	**(0,0)**	(0,1)
Changes in working capital	**-**	-
Inventories	**(0,5)**	0,0
Trade receivables	**0,5**	0,6
Trade payables	**2,7**	(0,4)
Other current & non current assets and liabilities	**(8,5)**	(0,9)
NET CASH USED IN OPERATING ACTIVITIES	**1,1**	4,6
Purchases of / additions to :		
Intangible assets	**(9,6)**	(7,1)
Property, Plant & equipment	**(0,0)**	-
Non current financials assets	**(0,1)**	(0,3)
Disposals / repayments of :		
Intangible assets	**-**	-
Property, Plant & equipment	**-**	-
Non current financials assets	**0,2**	0,2
NET CASH USED IN INVESTING ACTIVITIES	**(9,6)**	(7,2)
Net funds raised from :		
Share issues	**0,9**	**7,7**
Issue of Oceane bonds	**0,9**	**-**
Changes in treasury shares	**-**	**0,4**
Net funds disbursed for :		
Interest and other financial charges	**-**	**-**
Debt repayment	**(0,1)**	**-**
Changes in treasury shares	**(0,1)**	
Changes in loans or other financial items	**-**	**0,0**
Other cash flows from financing activities	**-**	**(0,2)**
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	**1,5**	7,9
Impact of changes in exchange rates	**0,2**	0,1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(6,7)**	5,4

(M€)	March 31, 2020	March 31, 2019
Net opening cash balance	**8,5**	3,1
Net closing cash balance	**1,8**	8,5
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(6,7)**	5,4
Net closing cash balance		
Cash and cash equivalents	**1,8**	8,5
Bank overdrafts (including current financial debts)	**-**	-

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(M€)	Capital	Share premium	Treasury shares	Consolidated reserves	Cumulative translation adjustments	Shareholders equity	Minority interests	Total equity
At March 31, 2018	**2,4**	**11,6**	**(0,1)**	**4,6**	**(4,7)**	**13,7**	**0,0**	**13,8**
IFRS 15 restatement				(1,1)		(1,1)		**(1,1)**
At March 31, 2018 restated IFRS15	**2,4**	**11,6**	**(0,1)**	**3,5**	**(4,7)**	**12,7**	**0,0**	**12,7**
Net income (loss) for the period				2,7		2,7	0,0	**2,7**
Translation adjustments					1,3	1,3	-	**1,3**
Other comprehensive income				(2,8)		(2,8)		**(2,8)**
Comprehensive income				**(0,1)**	**1,3**	**1,2**	**0,0**	**1,2**
Retained earnings allocation	-	(10,9)	-	10,9	-	-		**-**
Share issues	0,1	7,3	-	-	-	7,5		**7,5**
Treasury shares transactions	-	-	0,1	0,0	-	0,1	-	**0,1**
Others changes	-	-	-	0,8	-	0,8		**0,8**
At March 31, 2019	**2,6**	**8,0**	**(0,1)**	**15,2**	**(3,4)**	**22,2**	**0,0**	**22,2**
IFRS 16 restatement				(0,1)		(0,1)		**(0,1)**
At March 31, 2019 restated IFRS16	**2,6**	**8,0**	**(0,1)**	**15,1**	**(3,4)**	**22,2**	**0,0**	**22,2**
Net income (loss) for the period				2,3		2,3	(0,3)	**2,0**
Translation adjustments					0,6	0,6	-	**0,6**
Other comprehensive income				(0,6)		(0,6)		**(0,6)**
Comprehensive income				**1,7**	**0,6**	**2,3**	**(0,3)**	**2,0**
Share issues	0,1	3,0	-	-	-	3,2		**3,2**
Treasury shares transactions	-	-	(0,1)	(0,1)	-	(0,2)		**(0,2)**
Others changes	-	-	1,0	-	-	1,0		**1,0**
At March 31, 2020	**2,7**	**11,0**	**0,8**	**16,7**	**(2,8)**	**28,4**	**(0,3)**	**28,1**

GROUP PRESENTATION

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

Atari Group (www.atari.com) is an interactive entertainment production group that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games and intellectual property assets and licenses such as RollerCoaster Tycoon. The Group has four main business lines: (i) video games (**"Atari Games"**), the Group's DNA, which includes, by extension, the monetization of such games via multiple channels, multimedia production, and licensing activities; (ii) the regulated online casino games within the dedicated company "**Atari Casino**"; (iii) the "**Atari VCS**", the Group's new PC; and (iv) "**Atari Partners**", which covers investments in technology companies.

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

NOTE 1 – HIGHLIGHTS OF THE PERIOD

The highlights of the period are:

- **April 2019: Secondary listing in Stockholm**

  On April 25, 2019, Atari announced that its shares would begin trading on the Nasdaq First North segment in Stockholm, the stock exchange segment for growth companies in Nordic countries. No new shares were issued as part of this listing. As part of this process, Atari completed a retail offering of Swedish depositary receipts reserved for individuals in Sweden, Norway, Denmark, and Finland. The conditions, particularly a minimum float requirement, were met, and the listing began on April 25, 2019.

- **May 2019: Change of registered office**

  The company relocated its headquarters to 25 rue Godot de Mauroy, 75009 Paris and entered into a new renewable nine-year lease that took effect on May 1, 2019. The annual rent including charges is about €70K.

- **June 2019: Distribution agreements for the Atari VCS with Walmart and GameStop**

  Atari entered into distribution agreements with Walmart and GameStop for the Atari VCS and launched the official pre-order campaign in the United States on Walmart.com and GameStop.com. These partnerships include exclusive limited editions for these distributors.

- **September 2019: Atari VCS partnership with Antstream Arcade**

  Atari entered into a partnership with Antstream Arcade, a retro-gaming streaming platform. Through an exclusive app for the Atari VCS, this partnership will give players streaming access to over 2,000 officially licensed retro-games as well as to the library of Atari classics in new enriched formats.

- **September 2019: Distribution agreements for the TV shows Codebreaker and Player Up**

  Atari entered into two non-exclusive distribution agreements for these TV shows for $1.7M.

- **September 2019: Expansion of the partnership with Animoca Brands**

  The Atari Group agreed to a significant expansion of its existing partnership with Animoca Brands by expanding the original licensing agreement, which covered the development of blockchain versions of the games RollerCoaster Tycoon and Goon Squad, to include 15 additional titles from the Atari catalogue.

  In exchange for the extension of this license agreement, Atari received 19,200,000 Animoca Brands shares valued at $1.8M.

- **September 2019: Agreement with Legalist**

  Atari Interactive has signed an agreement with Legalist, which agreed to pay $1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in its ongoing copyright infringement lawsuits. This amount, even though it is not recoverable from Atari even in the event of an unfavorable outcome of these lawsuits, is treated as a financial instrument in accordance with IFRS 9 and accounted for as a financial debt until the lawsuits are resolved.

- **Atari Casino: Development in Africa**

  During the financial year, the Group developed its casino activities in Africa. The objective is to set up a platform, launch the first games and use the experience acquired to subsequently enter the European market through partnerships. This development covers:

  - The complete development of a gaming platform for mobile and PC, integrating the user interface and full back-end (managing wagers, promotional activities, reporting, etc.); priority was given to the USSD format, the development for smartphones is planned prior to the launch of a European expansion;
  - The obtaining of national licenses (Kenya, Liberia, other countries in application process) or the conclusion of partnerships with owners of such licenses;
  - The creation of local subsidiaries and the set-up of a dedicated technical and commercial team in Nairobi, with local marketing support in targeted countries;
  - The launch of this platform, country by country.

- **January 2020: Licensing agreement for the development of Atari hotels in the United States**
  Atari has signed a licensing agreement with True North Studio, a US real estate developer, and GSD Group, for the development of hotels under the Atari brand in eight US cities. Under this licensing agreement, Atari received a non-refundable $0.6M advance on signing and will be entitled to 5% of the hotel revenue.
- **February 2020: €7.5M licensing agreement for an online casino using crypto-currencies**
  The Atari Group has signed a non-exclusive licensing agreement with the ICICB Group to launch an online casino in crypto-currency. Under this agreement, the Atari Group is entitled to 50% of net gaming revenue and the ICICB Group has guaranteed Atari a payment of €7.5M at the end of a three-year period.
- **March 2020: Launch of the Atari Token**
  The Atari Group terminated the license granted to Infinity Networks Ltd and announced the launch of the Atari Token in partnership with the ICICB Group.
- **March 2020: €3.3M capital increase**
  The capital increase was carried out by issuing 11,665,590 new shares at a price per share of €0.28 including the share issue premium, for a total of €3.3M.
- **March 2020: Arrival of a new major shareholder for Atari**
  Wade J. Rosen acquired 10.46% of Atari's share capital from Ker Ventures. In early April 2020, he became Chairman of Atari's Board, with Frédéric Chesnais remaining as Group Chief Executive Officer. The Board of Directors was reconstituted as follows: Wade J. Rosen (Chairman of the Board), Kelly Bianucci (new independent board member), Alyssa Padia Walles (independent board member) and Alexandre Zyngier. Erick Euvrard and Isabelle Andres, both independent board members, resigned from the board.
- **Impact of the Covid-19 pandemic on business activities**
  On January 30, 2020, the WHO declared an international public health emergency. During the course of March, lockdown measures became widespread in numerous countries and had an impact through delays with the launch dates for certain games, the renewal and extension of licensing agreements, and the deferral of the Atari VCS delivery date to fall 2020.

NOTE 2 – ACCOUNTING RULES AND METHODS

2.1. GENERAL PRINCIPLES

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

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

The consolidated financial statements were approved by the Board of Directors on October 28, 2020. They will be submitted to the Annual General Shareholders' Meeting for approval.

Application of the Going Concern Principle

In recent years, the Group has significantly improved its financial position. Since the 2012-2013 financial year, the Group has implemented a program for massive deleveraging and replenishment of equity. At March 31, 2020, the debt comprised the OCEANE 2003-2020 (€0.6M), repaid in full as of April 1,2020, and shareholders' equity had moved into positive territory. Thus:

- At March 31, 2013, shareholders' equity (Group share) amounted to -€34.9M. At the same date, net debt amounted to €31.4M and the Group did not have drawdown capacity on its credit facility
- At March 31, 2014, shareholders' equity (Group share) amounted to -€31.3M. At the same date, net debt amounted to €24.8M.
- At March 31, 2015, shareholders' equity (Group share) amounted to -€13.1M. At the same date, net debt amounted to €11.0M.
- At March 31, 2016, shareholders' equity (Group share) amounted to -€10.2M. At the same date, the net debt amounted to €13.3M.
- At March 31, 2017, shareholders' equity (Group share) amounted to +€7.4M. At the same date, net debt amounted to €0.9M.
- At March 31, 2018, shareholders' equity (Group share) amounted to +13.8M. At the same date, the net cash position amounted to +€2.5M.
- At March 31, 2019, shareholders' equity (Group share) amounted to +€22.2M. At the same date, the net cash position amounted to €7.8M.
- At March 31, 2020, shareholders' equity (Group share) amounted to +€28.5M. At the same date, the net cash position totaled €1.1M.

For the 2020-2021 financial year, as in the previous financial year, the financial objective remains to increase profitability, with a priority to develop the value of the brand and of the games portfolio. Revenue and profitability in the first half of the upcoming financial year will be a lot weaker than usual, maybe negative, mainly due to an important temporary shift of licensing activities from the first half into the second half as a result of Covid-19, as well as the upcoming launch of the Atari VCS in this second half. Nevertheless, since these important impacts on first-half results are temporary, the Group is maintaining its objective to increase overall profitability for this financial year.

The Group has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments.

Taking into account the investments required for the Atari VCS and the change in working capital requirements, the cash position has decreased over the course of the financial year, going from €8.5M on March 31, 2019 to €1.8M on March 31, 2020 and to €1.2M on September 30, 2020. The cash-flow projections prepared by the Group rely on:

- the absence of short-term debt maturities over the next 12 months,
- forecasts for the business activities (games, licensing, multimedia production, Atari VCS and Atari Token) generating positive cash-flows,
- the exercise of stock options in the months of July and September for a total amount of €1.3M.

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

In the event that actual results should differ negatively from the forecasts, the Board of Directors has unanimously agreed, that the Company would in this case rely on external financing sources if needed, with terms and conditions to be determined at the relevant time depending on market conditions. As of this date, the Company believes that any market operation, were it to occur, would be of a nature to bridge any shortfall caused by a potential delay in actual cash-flow generation relative to current forecasts.

Preparation of the Financial Statements

The Group’s condensed consolidated financial statements at March 31, 2019 have been prepared:

- in accordance with IAS/IFRS and their interpretations as adopted by the European Union. These standards are available on the European Commission website: http://ec.europa.eu/finance/company-reporting/index_fr.htm;
- in accordance with IFRS as published by the IASB;
- applying the same principles and accounting methods as those applied as of March 31, 2018, except for standards, amendments, and interpretations which applied for the first time to financial years beginning after April 1, 2018.

In particular, effective from April 1, 2019, the Atari Group has applied two new accounting standards, IFRS 16 and IFRIC 23.

- **IFRS 16 – Leases:** this standard eliminates the current distinction between operating leases and finance leases and requires for virtually all leases the recognition of an asset (“right-of-use asset”) and of a liability representing the discounted future lease payments. These changes are presented in more detail in note 2.2. Change in Accounting methods.

- **IFRIC 23 – Uncertainty over Income Tax Treatments**: this standard clarifies the application of the recognition and measurement provisions of IAS 12 “Income Taxes”, when there is uncertainty over income tax treatments under that standard. The application of this standard had no impact on the effect of current or deferred taxes.

2.2. CHANGE IN ACCOUNTING METHODS

IFRS 16

On April 1, 2019, the Group applied for the first time IFRS 16 – Leases, which came into effect for financial years beginning after January 1, 2019.

The Group has elected to apply the simplified retrospective method by accounting for the cumulative effect of the initial application as an adjustment to the opening shareholders’ equity balance. As a consequence, figures from the previous financial years are presented according to the accounting methods applied previously, as presented in the consolidated financial statements for the financial year ended March 31, 2019.

IFRS 16 eliminates the distinction between operating leases and finance leases that existed under IAS 17, introduces a single lessee accounting model and requires lessees to account for all leases on their balance sheet by recognizing: an asset representing the right to use the leased asset over the lease term; a liability corresponding to the present value of future payments.

In the income statement, rental expense is replaced by depreciation of the right-of-use asset and interest on the lease liability. The application of IFRS 16 had a positive impact, which is not material (€45K), on current operating income.

In the cash-flow statement, only interest expenses continue to impact cash-flow from operations, the depreciation of the right-of-use asset is added back to cash-flow from operations and investing cash-flow is not affected, while the repayment of the principal of the lease liability impacts financing cash-flow.

The Group's types of lease contracts are fairly standard. The impact of this new standard only applies to property lease contracts related to the Group’s operations in Paris and New York.

The Group has opted to apply the exemptions provided for short-duration lease contracts and those of low value. Lease contracts with a duration of less than or equal to 12 months, as well as those related to assets of low value are thus not being restated and the corresponding rental expenses continue to be recognized as an operating expense.

The discount rate used to calculate the lease liability is based on the Group's marginal borrowing rate. The marginal borrowing rate that has been used is 3%. This rate is applied at the commencement of the lease or at the date of the decision to renew the lease.

The following table presents the adjustments recognized for each balance sheet item according to IFRS 16:

ASSETS (M€)	Changes related to the application of IFRS 16			
	April 1st, 2019	Acquisitions	Exchange - Rents - Amortization	March 31, 2020
Intangible assets	-	-	-	-
Tangible assets gross value	-	-	-	-
Rights of use relating to leases	2,1	0,5	(0,3)	2,3
Non-current financial assets	-	-	-	-
Deferred tax assets	-	-	-	-
Non-current assets	**2,1**	**0,5**	**(0,3)**	**2,3**
Inventories	-	-	-	-
Trade receivables	-	-	-	-
Current tax assets	-	-	-	-
Other current assets	-	-	-	-
Cash and cash equivalents	-	-	-	-
Current assets	**-**	**-**	**-**	**-**
Total assets	**2,1**	**0,5**	**(0,3)**	**2,3**

(1) The column "Acquisitions" corresponds to the impact of the new lease for the new offices in Paris as of May 1, 2019

EQUITY & LIABILITIES (M€)	Changes related to the application of IFRS 16			
	April 1st, 2019	Acquisitions	Exchange - Rents - Amortization	March 31, 2020
Capital stock	-	-	-	-
Share premium	-	-	-	-
Consolidated reserves	(0,1)	-	(0,0)	(0,1)
Net income (loss) Group share	-	-	(0,0)	(0,0)
Shareholders' equity	**(0,1)**	**-**	**(0,0)**	**(0,1)**
Minority interests	-	-	-	-
Total equity	**(0,1)**	**-**	**(0,0)**	**(0,1)**
Provisions for non-current contingencies and losses		-	-	-
Non-current financial liabilities	-	-	-	-
Long term lease liabilities	1,8	0,5	(0,2)	2,1
Deferred tax liabilities	-	-	-	-
Other non-current liabilities	-	-	-	-
Non-current liabilities	**1,8**	**0,5**	**(0,2)**	**2,1**
Provisions for current contingencies and losses	-	-	-	-
Current financial liabilities	-	-	-	-
Short term lease liabilities	0,3	0,1	(0,0)	0,3
Trade payables	-	-	-	-
Current tax liabilities	-	-	-	-
Other current liabilities	-	-	-	-
Current liabilities	**0,3**	**0,1**	**(0,0)**	**0,3**
Total equity and liabilities	**2,1**	**0,5**	**(0,3)**	**2,3**

(1) The column "Acquisitions" corresponds to the impact of the new lease for the new offices in Paris as of May 1, 2019

IFRIC 23

In June 2017, the IASB published IFRIC 23 "Uncertainty Over Income Tax Treatments". This interpretation clarifies the application of the recognition and measurement provisions of IAS 12 "Income Taxes", when there is uncertainty over income tax treatments under that standard. When uncertainty is evaluated, an entity must determine if it is likely that the tax treatment will be accepted by the tax authorities, assuming that they have complete knowledge of all pertinent information.

The Group has applied IFRIC 23 as of April 1, 2019 by adopting the cumulative effect method from the initial application date, without restating information from previous financial years. The Group has not recognized any impact on its consolidated shareholders' equity from the first application of IFRIC 23. However, liabilities for tax uncertainties previously included in non-current provisions have been reclassified as non-current financial liabilities related to corporate income tax for €0.6M.

2.3. METHODS AND BASIS FOR CONSOLIDATION

Full consolidation

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

Basis for Consolidation

During the financial year, seven subsidiaries were created:

- Five in Africa for Atari Casino: Atari RDC Eurl (DRC), Atari Lifestyle Ltd (Nigeria), Atari Entertainment Ghana Ltd (Ghana), Atari Entertainment Uganda Ltd (Uganda) and Atari Burundi Su (Burundi);
- One in Ireland for Atari Casino: Atari Lotto Ireland Ltd;
- One in Ireland for Atari Partners: Atari Capital Ireland Ltd.

During the financial year, three subsidiaries changed their corporate name: "Atari Game Partners Corp" into "Atari Hotels Corp"; "Warlords Productions LLC" into "Atari Music LLC"; "Atari Fit, LLC" into "Atari Productions, LLC".

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

Company	Fiscal year end	Country	% contrôl		% intérest	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
Active subsidiairies						
Atari Partners S.A.S.	March 31	France	100,00	100,00	100,00	100,00
Atari US Holdings Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Inc.	March 31	United States	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	United States	100,00	100,00	100,00	100,00
Atatri Studios Inc	March 31	United States	100,00	100,00	100,00	100,00
Atari Games Corp	March 31	United States	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	United States	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Connect LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari VCS LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Hotels Corp	March 31	United States	100,00	100,00	100,00	100,00
Atari Lotto Ireland Ltd	March 31	Ireland	100,00			
Atari Lotto Ireland Ltd	March 31	Ireland	100,00			
Atari Entertainment Africa Ltd	Dec 31	Mauritius	100,00	100,00	100,00	100,00
Atari Gaming Ltd	March 31	Kenya	59,90	59,90	59,90	59,90
Atari Liberia Inc	March 31	Liberia	100,00	100,00	100,00	100,00
Atari RDC Eurl	March 31	RDC	100,00		100,00	
Atari Lifestyle Ltd	March 31	Nigéria	99,00		99,00	
Atari Entertainment Ghana Ltd	March 31	Ghana	90,00		90,00	
Atari Entertainment Uganda Ltd	March 31	Uganda	100,00		100,00	
Inactive and undergoing liquidation						
Atari Music LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Productions LLC	March 31	United States	100,00	100,00	100,00	100,00
Atari Burundi Su	March 31	Burundi	100,00		100,00	
Atari Japan KK	March 31	Japan	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Germany	100,00	100,00	100,00	100,00
Infogrames Interactive Gmbh	March 31	Germany	100,00	100,00	100,00	100,00

2.4. INTERNAL TRANSACTIONS

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

2.5. FOREIGN CURRENCY TRANSACTIONS

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

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

2.6. CONVERSION OF THE INDIVIDUAL FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

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

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

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

	March 31, 2020		March 31, 2019	
In euros	**Closing rate**	**Average rate**	**Closing rate**	**Average rate**
USD	**1,0956**	**1,1113**	**1,1235**	**1,1576**
MUR	**40,0000**	**40,0000**	**40,0000**	**40,0000**
KES	**114,0000**	**114,0000**	**112,3596**	**112,3596**

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

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

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

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

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

2.8. USE OF ESTIMATES

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

Estimates may be revised if the circumstances on which they were based change, or as a result of new information. Actual results may differ from these estimates and assumptions.

The estimates and assumptions prepared on the basis of the information available as of the balance sheet date relate in particular to: valuations of non-current assets, recoverable amounts of deferred tax assets, provisions for risks.

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

2.9. OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets mainly include items such as acquired enterprise software and license rights, brands and development costs for video games, the Atari VCS, and audiovisual productions.

Atari has not capitalized any financial interest incurred during the acquisition period of the intangible assets, as the impact was not material to the Group's consolidated financial statements.

Licenses

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

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

The Group regularly checks the recoverable amount of the amounts capitalized and conducts an impairment test, as described in paragraph 2.11, as soon as indicators of impairment appear. An impairment is, if necessary, recorded under "Cost of Sales" if the game to which this license is attached has been marketed, and under "Research and Development Expenses" if not.

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

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

(a) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.

(b) That it intends to complete the intangible fixed asset and commission or sell it.

(c) That it is able to commission the intangible fixed asset or sell it.

(d) The way in which the intangible fixed asset will generate probable future economic benefits. The entity will demonstrate, among other things, that there is a market for the production resulting from the intangible fixed asset, or for the intangible fixed asset itself or, if it is to be used internally, that it is useful.

(e) That there are adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.

(f) That it is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

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

At March 31, 2019, there were various projects that met these criteria. At each financial year-end, the Group assesses the future economic benefits it will receive from that asset by using the principles set out in IAS 36 — *Impairment of Assets*. These assets are valued according to a minimum budget. If a deviation from this budget is identified, and depending on how significant this deviation is, the amortization plan is accelerated or the asset is impaired in full.

Video game development costs are, in principle, amortized over three years on a straight-line basis from the launch of the product; the engines, tools, and developments related to the information system are amortized over five years since the 2016-2017 financial year.

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

At the financial year-end, the residual net book value is compared with future sales projections to which the contract's conditions are applied. If those sales projections fall short, a provision for additional impairment is recognized as a result.

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

For the Atari VCS, the same amortization principles shall be applied from the release date, based on an evaluation of the console's various components, which include hardware, engines, tools, and developments related to the information system, as well as the content developed for the console.

Other Intangible Fixed Assets

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

2.10. TANGIBLE FIXED ASSETS

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

The estimated useful lives of fixed assets are as follows:

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

2.11. RIGHTS OF USE RELATING TO LEASES

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

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

A right-of-use asset is amortized over the contractual period which was determined to calculate the corresponding lease liability.

2.12. IMPAIRMENT TEST

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

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

When the fair value of an intangible fixed asset (excluding goodwill) 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 goodwill and other intangible fixed assets with an undetermined useful life and intangible fixed assets in progress, an impairment test is systematically performed each year on the basis of the highest of the following values and each time an indicator of impairment is observed:

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

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

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

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

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

2.13. NON-CURRENT FINANCIAL ASSETS

Financial assets consist of securities of non-consolidated companies, investments in related companies, derivative instruments not designated as hedges, deposits and loans, marketable securities, 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.

In accordance with IFRS 9 – *Financial Instruments*, financial assets held by the Group are classified based on the business model and its objectives:

- assets measured at amortized cost (financial assets held in order to collect the contractual cash flows),
- assets measured at fair value (financial assets held for resale and to collect the contractual cash flows).

The classification depends on the nature and objective of each financial asset and is determined when it is initially recognized.

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

2.14. INVENTORIES

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

2.15. TRADE ACCOUNTS RECEIVABLE

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

IFRS 9 requires accounting for expected credit losses on trade receivables. The Group has thus completed a review of its trade receivables based on an analysis of the country risk and the default probability of the counterparties. This review did not result in any material impact on the Group's financial position.

2.16. CASH AND CASH EQUIVALENTS

In accordance with IAS 7 — Statement of Cash Flows, the cash and cash equivalents shown in the consolidated cash flow statement include cash (cash on hand and demand deposits) and cash equivalents (highly liquid, short-term investments which are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value).

Investments with an original maturity of more than three months with no early exit option are excluded from cash and cash equivalents.

2.17. SHARE-BASED PAYMENTS

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

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

The fair value of stock options is determined using the Black-Scholes model. This model makes it possible to take into account the characteristics of the plan (exercise price, exercise period), market data at the time of allocation (risk-free rate, stock price, volatility, expected dividends) and a behavioral assumption for the beneficiaries. The total net expense recorded in the income statement for the year totaled €0.8M.

2.18. MINORITY INTERESTS

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

2.19. PROVISIONS

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

2.20. PROVISIONS FOR RETIREMENT AND SIMILAR BENEFITS

Defined Contribution Plans

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

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

Defined Benefit Plans

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

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

2.21. FINANCIAL LIABILITIES AND INSTRUMENTS

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

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

Bond Debts and Other Borrowings

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

Trade Accounts Payable

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

2.22. REVENUE RECOGNITION – REVENUE FROM ORDINARY ACTIVITIES

Revenue from Physical Games Software

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

Revenue from Online, Mobile and Social Games

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

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

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

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

Licensing

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

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

2.23. RESEARCH AND DEVELOPMENT EXPENSES

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

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

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

The Group does not directly receive research tax credits.

2.24. MARKETING AND SALES EXPENSES

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

2.25. CURRENT OPERATING INCOME AND OPERATING INCOME

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

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

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

2.26. FINANCIAL INCOME AND EXPENSES

Cost of Debt

Net financial debt consists of 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 the following items:

- 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 fees paid to banks on financial transactions

Other Financial Income and Expenses

"Other Financial Income and Expenses" include the following items:

- Dividends received from non-consolidated shareholdings
- The effect of discounting provisions
- Capital gains and losses from the sale of financial assets
- Foreign exchange net income

2.27. TAXES

At March 31, 2020, the Group's tax loss carry-forwards were approximately €732M in France and close to $310M in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years.

In France, deferred tax assets on unrealized tax losses stand at €205M as of March 31, 2020, subject to the usual restrictions on their use, or approximately €0.80 per existing share as of March 31, 2020, excluding treasury shares.

In the United States, deferred tax assets on unrealized tax losses stand at $80M as of March 31, 2020, subject to the usual restrictions on their use, or approximately $0.30 per existing share as of March 31, 2020, excluding treasury shares.

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

The Group's tax loss carry-forwards in the United States come from Atari's historic operations in the United States over the period from 1999 to 2016, and are used in the Group's US tax consolidation. All of the US companies are consolidated for tax purposes, with the scope being determined by tax advisors. The method for determining the fiscal scope has been unchanged since the final exit from the Chapter 11 proceedings in June 2014. Nonetheless, there is still a risk that the tax authorities could at some future point question the balance of tax losses or their past utilization, whether due to how the consolidation scope was determined, how the tax was calculated, and/or the amount of losses that can be utilized. Given these circumstances, to cover any uncertainty, a provision is recognized.

2.28. EARNINGS PER SHARE

The Group presents basic earnings per share and diluted earnings per share.

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

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

▪ Number of shares at April 1, 2019:	256,109,260
▪ Number of new shares on a prorata temporis basis:	452,277
▪ Minus treasury shares:	-279,589
Weighted average number of shares outstanding:	**256,281,948**

Diluted earnings per share are calculated by dividing the restated Group share of net income by the weighted average number of common shares in circulation plus all potential dilutive common shares. Potential dilutive common shares include stock options or warrants, free shares, bonds convertible into shares and bonds repayable by shares issued by the Group.

Number of shares used to calculate diluted earnings per share: 280,511,984

▪ Average weighted number of shares outstanding:	256,281,948
▪ Plan 23 stock options exercised:	6,959,304
▪ Plan 24 stock options exercised:	5,636,009
▪ Plan 25 stock options exercised:	8,816,285
▪ Exercising of stock warrants:	2,818,438
Weighted average number of shares outstanding Plus number of potential dilutive shares:	**280,511,984**

NOTE 3 – INTANGIBLE FIXED ASSETS

At March 31, 2020, intangible fixed assets break down as follows:

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

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

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

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

Video games

Video game development costs are, in principle, amortized over three years on a straight-line basis from the launch of the product; the engines, tools, and developments related to the information system are amortized over five years. For certain products that encounter difficulties at launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows. At the financial year-end, the residual net book value is compared to future sales projections to which the contract's conditions are applied. If these sales projections fall short, a provision for additional impairment is recognized as a result.

Audiovisual production

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

Atari VCS

The same amortization principles will be applied beginning from the release date, based on an evaluation of the console's various components, which include hardware, engines, tools, and developments related to the information system, as well as the content developed for the console.

Licenses

Licenses are rights acquired from third-party publishers.

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

NOTE 4 – RIGHTS OF USE RELATING TO LEASES

The main variation in tangible fixed assets results from the first application of IFRS 16 through the recognition of a right-of-use asset on the office leases in New York and Paris. At March 31, 2020, rights of use relating to leases break down as follows:

(M€)	March 31, 2020	March 31, 2019
Rights of use relating to leases gross value	3,2	-
Rights of use relating to leases amortization	(0,9)	-
Rights of use relating to leases	**2,3**	-

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

NOTE 5 – FINANCIAL INSTRUMENTS

5.1 NON-CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows at March 31, 2020:

(M€)	March 31, 2020	March 31, 2019
Financial assets measured at fair value through OCI	0,3	0,7
Financial assets measured at fair value through profit & loss	3,1	1,7
Financial assets measured at amortized cost	12,3	3,0
Non-current financial assets	**15,7**	5,4

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.

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

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

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

Financial assets measured at amortized cost

Financial assets are measured at amortized cost when they are not designated as FVTPL, when they are held in order to collect the contractual cash flows, and their cash flows are solely payments of principal and interest ("SPPI" criterion).

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

This category comprises debt and equity instruments.

- Debt instruments are measured at FVTOCI if they are not designated as FVTPL and if they are held in order to both collect the contractual cash flows and sell the financial asset and if their cash flows are solely payments of principal and interest ("SPPI" criterion). Interest received, exchange rate profit or loss and impairments are recognized in profit or loss. Other net profit or loss is recognized in OCI. Upon derecognition, all cumulative gains or losses 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. Other profit or loss is recognized in OCI and never reclassified as profit or loss.

Financial assets at fair value through profit and loss

All 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 as profit or loss.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

They mainly consist of:

- Kizzang securities; a company that offers a new online casino gaming model with real money jackpots and no initial outlay. These securities have been fully depreciated since the previous financial year following a complaint brought in 2019 by the Securities and Exchange Commission against the management of Kizzang for fraud, particularly in connection with raising funds from certain shareholders other than Atari.
- LGBT Media securities: in April 2017 the Group sold the Pridefest game to LGBT Media, and invested $30,000, all in exchange for a 22% stake in LGBT Media, a US company developing an application for the LGBTQ community. During FY 2018-2019, the Group entered into an agreement allowing it to ultimately own 42% of the company for an additional investment of $165,000. The company is still controlled by its two founders; the Atari Group is not on the board of directors and has no notable influence on this company. An impairment test is performed annually; at March 31, 2019, the Group set aside a €0.3M provision, and an additional provision of €0.3M was recognized during the current financial year, in accordance with IFRS 9; this impairment was recognized in OCI.
- Infinity Network Limited ("INL") securities: in February 2018, Atari granted a license to INL for the development of a blockchain platform and an Atari Token. During the course of FY 2019-2020, with the realization that the INL project was not progressing at the pace expected by Atari, the Group aimed to recover the rights that had been granted. Atari and INL agreed to cancel this license with immediate effect based on an amicable solution, without any additional payment from either party. Atari retains its participation in INL, with the value of these securities fully depreciated since the previous financial year.

During the financial year, the GMS securities ("Pariplay"), which resulted from a 2.52% stake obtained during FY 2018-2019 in exchange for a licensing agreement, were sold for $200K following the acquisition of Pariplay, for a $180K loss recognized in OCI.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

They mainly consist of:

- Stock warrants from Roam, an innovative company specializing in audio accessories. Under a license agreement entered into in FY 2016-2017, Atari received Roam stock warrants recorded for €0.6M. Atari has also acquired an additional 10% stock option that can be exercised, for 10 years and based on a valuation of $20M, at Atari's sole discretion and at any time, particularly in the event of a change of control of Roam. Since the production and launch of Roam products was again pushed back one year, Atari estimated it prudent to fully depreciate the value of these securities by recognizing, during the financial year, an additional impairment provision of €0.4M, with this provision to be adjusted if required according to the timing of the product launches.
- Shares from convertible promissory notes for $1.4M, issued by Bayside Games, Inc., a company that develops tournament games, giving access to approximately 15% of the capital of this company. These convertible bonds were received during FY 2017-2018 in exchange for a license agreement granted by the Group.
- Shares of Animoca, held or to be issued, valued at $2.0M on the basis of a multi-criteria analysis mainly reflecting the current average trading price on a private market exchange platform ($0.09 per share). Animoca is a Hong Kong-based company developing blockchain games, including with licenses for Atari games. Atari holds a participation that is not material of less than 5% of the share capital.
- A "*Simple Agreement For Future Equity*" giving access to securities in Portal One, for €0.2M. Portal One is a US company that produces TV shows mixing games and virtual reality, including with licenses for Atari games. Portal One securities are unlisted. Atari, with 22,235,000 shares, holds a participation that is not material of less than 5% of the share capital.

FINANCIAL ASSETS MEASURED AT AMORTIZED COST

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

- deposits and guarantees
- trade receivables, with a maturity over one year, recognized using the effective interest rate method. At March 31, 2020, they represented €12.1M, including €6.9M for receivables with a bank guarantee related to the ICICB agreement, €1.9M for receivables from Wish Holding and €1.6M for receivables from the Film On agreement.

5.2 BALANCE SHEET INFORMATION

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

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

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

Aa at March 31, 2020 (M€)	Net Value	Schedule		
		Less than 1 year	Between 1 & 5 years	More than 5 years
Stock	0,6	0,6	-	-
Trade accounts receivables	2,8	2,8	-	-
Current tax liability	0,0	0,0	-	-
Other current assets	0,7	0,7	-	-
Cash and cash equivalent	1,8	1,8	-	-
FINANCIAL ASSETS	**5,8**	**5,8**	**-**	**-**
Lease liabilities	2,4	0,3	1,5	0,6
Legalist debt	0,9	0,9	-	-
OCEANEs 2003-2020	0,6	0,6	-	-
Provisions for current contingencies & losses	0,1	0,1	-	-
Current tax liabilities	0,0	-	-	-
Trade payables	5,7	5,7	-	-
Other current liabilities	5,2	5,2	-	-
FINANCIAL LIABILITIES	**14,9**	**12,8**	**1,5**	**0,6**

NOTE 6 – INVENTORIES

At March 31, 2020, inventory was valued at nearly €0.6M, corresponding to components for the Atari VCS (micro-processors) in stock on that date. At March 31, 2019, the value of inventory was €0.2M.

NOTE 7 – TRADE ACCOUNTS RECEIVABLE

At March 31, 2020, and March 31, 2019, the balance of trade accounts receivable corresponds to receivables from distributors, collected with a term of 30 to 60 days, in addition to receivables from online casino licenses.

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

(M€)	March 31, 2020	March 31, 2019
Trade receivables	**3,4**	3,9
Provisions for impairment in value	**(0,6)**	(0,9)
Trade receivables net value	**2,8**	3,0

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

NOTE 8 – OTHER CURRENT ASSETS

Other current assets break down as follows:

(M€)	March 31, 2020	March 31, 2019
Receivables from employees	0,0	0,0
Prepaid and recoverable taxes	0,1	0,1
Current financial assets	0,0	0,2
Prepaid expenses	0,3	0,4
Other	0,2	0,0
Other current assets	**0,7**	0,7

Prepaid and recoverable taxes essentially correspond to VAT receivables.

Current financial assets, recognized at fair value through profit and loss, correspond to the OCEANES 2003-2020 held in treasury by Atari SA.

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

NOTE 9 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the consolidated cash flow statement include (i) cash (cash on hand and demand deposits) of €1.8M and (ii) cash equivalents (highly liquid, short-term investments which are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value) measured at the market value on the balance sheet date.

(M€)	March 31, 2020	March 31, 2019
Cash (Cash on hand and demand deposits)	1,8	8,5
Cash equivalents (Highly liquid, short-term investments)	-	-
Cash and cash equivalents	**1,8**	8,5

NOTE 10 – SHAREHOLDERS' EQUITY

10.1 CAPITAL

Common shares

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

At March 31, 2019, shareholders' equity was made up of 256,109,260 fully paid-up common shares, with a par value of €0.01 each.

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

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

(M€)	March 31, 2020	March 31, 2019
Shares outstanding at the the beginning of the period	**256 109 260**	241 468 996
Share issues	**11 665 590**	13 636 364
Conversion of OCEANE convertible bonds	**-**	-
Exercise of stock warrants	**7 200**	1 003 900
Shares outstanding at the the end of the period	**267 782 050**	256 109 260

Dividends

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

10.2 TREASURY SHARES

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

10.3. ATARI SA STOCK OPTION PLAN

On July 16, 2018, the Board of Directors proposed to award options to subscribe for or purchase Company common shares to the executives, directors, and certain employees of the Group for a total not exceeding the amount set out in Article L 225-182 of the French Commercial Code; the exercise price of these options may not be less than 95% of the average price of the Company's common shares during the 20 trading days immediately preceding the date on which the options were awarded. These options are acquired annually by third parties by their beneficiaries under certain conditions and can be exercised for a maximum period of eight years. This award is limited to 10% of the Company's share capital.

At March 31, 2020, three stock option plans are in effect:

- Plan No. 23 approved by the Shareholders' Meeting on September 30, 2014, which awarded 6,816,165 subscription options net of cancellations;
- Plan No. 24 approved by the Shareholders' Meeting on September 30, 2014, which awarded 5,570,167 subscription options net of cancellations;
- Plan No. 25 approved by the Shareholders' Meeting on September 29, 2017, which awarded 8,755,000 subscription options net of cancellations.

The main characteristics of all outstanding Atari stock options are summarized in the three tables below.

Option plan in effect	Plan N°23-1	Plan N°23-2	Plan N°23-3	Plan N°23-4
Date of Shareholders' Meeting	September 30, 2014			
Date of Board of Directors Meeting	May 9, 2014	June 29, 2015	Jan. 4, 2016	Jan. 27, 2016
Number of Stock Options granted	5 104 000	469 139	144 000	2 378 528
Of which to the Top Executive Management and Board of Directors	*4 000 000*			*1 650 000*
Expiration date of stock option	Oct. 29, 2022	August 31, 2023	Jan. 3, 2024	May 31, 2024
Exercise price of stock options (in euros) (1)	0,20 €	0,20 €	0,16 €	0,17 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2014/2015	4 575 000	-	-	-
Stock options granted during FY 2015/2016	-	469 139	144 000	-
Stock options granted during FY 2016/2017	-	-	-	2 378 528
Stock options granted during FY 2017/2018	-	-	-	-
Stock options cancelled during FY 2017/2018	-	(36 139)	-	(33 000)
Stock options exercised during FY 2018/2019	(392 308)	(210 059)	-	(72 349)
Stock options cancelled during FY 2018/2019	(1 036)	(2 002)	-	(552)
Stock options exercised during FY 2019/2020	-	-	-	-
Stock options cancelled during FY 2019/2020	(1 657)	(939)	-	(461)
Total number of stock options outstanding on March 31,2020	**4 180 000**	**220 000**	**144 000**	**2 272 166**

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

Option plan in effect	Plan N°24-1	Plan N°24-2	Plan N°24-3
Date of Shareholders' Meeting	September 30, 2016		
Date of Board of Directors Meeting	July 12, 2017	October 20, 2017	January 15, 2018
Number of Stock Options granted	5 935 805	316 667	2 300 000
Of which to the Top Executive Management and Board of Directors	*3 680 000*		
Expiration date of stock option	July 11, 2025	October 19, 2025	January 14, 2026
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,458 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2017/2018	5 935 805	950 000	2 300 000
Stock options cancelled during FY 2017/2018	-	(633 333)	-
Stock options exercised during FY 2018/2019	(318 147)	-	-
Stock options cancelled during FY 2018/2019	(247 032)	(316 667)	(2 100 000)
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	(459)	-	-
Total number of stock options outstanding on March 31,2020	**5 370 167**	**0**	**200 000**

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

Option plan in effect	Plan N°25-1	Plan N°25-2	Plan N°25-3
Date of Shareholders' Meeting	September 29, 2017		
Date of Board of Directors Meeting	July 16, 2018	July 16, 2018	
Number of Stock Options granted	5 935 805	316 667	370 000
Of which to the Top Executive Management and Board of Directors	*3 680 000*		
Expiration date of stock option	July 31, 2026	July 31, 2026	January 17, 2027
Exercise price of stock options (in euros) (1)	0,280 €	0,350 €	0,270 €
Vesting of stock options granted	1/3 per year	1/3 per year	1/3 per year
Stock options granted during FY 2018/2019	6 405 000	2 000 000	370 000
Stock options cancelled during FY 2018/2019	-	-	-
Stock options exercised during FY 2019/2020	-	-	-
Stock options cancelled during FY 2019/2020	-	-	(20 000)
Total number of stock options outstanding on March 31,2020	**6 405 000**	**2 000 000**	**350 000**

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

NOTE 11 – PROVISIONS FOR CONTINGENCIES AND LOSSES – CURRENT / NON-CURRENT

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

Changes in provisions for contingencies and losses are presented below.

Provisions for contingencies and losses (M€)	April 1, 2019	Charges	Reversals	March 31, 2020
Pension liabilities	0,0	-	-	0,0
Provision for contingencies US	0,6	-	(0,6)	-
Provision for contingencies Europe	-	-	-	-
Non-current	**0,7**	**-**	**(0,6)**	**0,0**
Litigations	0,1	-	-	0,1
Other	0,0	-	(0,0)	-
Current	**0,1**	**-**	**(0,0)**	**0,1**
Total provisions	**0,7**	**-**	**(0,7)**	**0,1**

The Group has applied IFRIC 23 as of April 1, 2019 by adopting the cumulative effect method from the initial application date, without restating information from previous financial years. The Group has not recognized any impact on its consolidated shareholders' equity from the first application of IFRIC 23. However, liabilities for tax uncertainties previously included in non-current provisions have been reclassified as non-current financial liabilities related to corporate income tax for €0.6M.

NOTE 12 – DEBT

12.1 DEBT ANALYSIS BY TYPE

The Group's financial debt breaks down as follows:

(M€)	March 31, 2020	March 31, 2019
OCEANEs 2003-2020	**-**	(0,6)
IFRS 9 : Legalist	**(0,9)**	
Non current	**(0,9)**	(0,6)
Commitments on financial instruments	**-**	(0,1)
OCEANEs 2003-2020	**(0,6)**	-
Current	**(0,6)**	(0,1)
Restatement Legalist debt non cash (1)	**0,9**	
Gross debt	**(0,6)**	(0,7)
Cash and equivalents	**1,8**	8,5
Net Cash (net debt)	**1,1**	7,8

IFRS 9 Legalist

Atari Interactive has concluded an agreement with Legalist, which paid $1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in six ongoing copyright infringement lawsuits. This amount is not recoverable from Atari even in the event of an unfavorable outcome with these lawsuits.
Under this agreement, Legalist has a priority entitlement to 100% of the first million USD of proceeds related to these lawsuits; above that amount, Legalist is entitled to a part of the proceeds from these lawsuits, which is variable depending on the timing of the receipt of these proceeds. In accordance

with IFRS 9, this payment obligation has been accounted for as long-term financial debt at fair value according to forecasted payment receipts over the duration of the agreement at an effective interest rate of 12% calculated from the signing of the contract. This agreement has been reevaluated at fair value on March 31, 2020, and future changes in fair value will be recognized in profit or loss.

OCEANE 2003-2009, NOW THE OCEANE 2003-2020 (ISIN FR0010033839)

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

At March 31, 2020, 82,906 OCEANE 2003-2020 bonds remain outstanding, which were fully redeemed at maturity on April 1, 2020.

12.2 DEBT ANALYSIS BY INTEREST RATE (FIXED – FLOATING)

At March 31, 2020, as at the previous financial year-end, all debt (the OCEANE 2003-2020) is fixed-rate.

NOTE 13 – LEASE LIABILITIES - CURRENT AND NON-CURRENT

On April 1, 2019, the Group applied for the first time IFRS 16 – Leases, which came into effect for financial years beginning after January 1, 2019. 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%. In accordance with regulations, the impact from the application of this change in accounting standard has been recognized in the opening balance sheet as of April 1, 2019.

The maturities of the lease liabilities break down as follows:

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

NOTE 14 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities break down as follows:

(M€)	March 31, 2020	March 31, 2019
Other non-current liabilities	**0,8**	0,2
Other non-current liabilities	**0,8**	0,2
Trade payables	**5,7**	5,3
Tax liabilities	**-**	-
Other current liabilities	**5,2**	4,3
Other current liabilities	**10,9**	9,5

The variation in "Other non-current liabilities" results from the application of IFRIC 23, with the corresponding liabilities previously included in non-current provisions for €0.6M reclassified as other non-current liabilities. This provision, recorded in FY 2018-19, is intended to cover a potential uncertainty over the utilization of tax-loss carryforwards.

The tax loss carry-forwards in the United States come from Atari's historic operations in the United

States over the period from 1999 to 2016, and are used in the Group's US tax consolidation. All of the US companies are consolidated for tax purposes, with the scope determined by tax advisors. The method for determining the fiscal scope has been unchanged since the final exit from the Chapter 11 proceedings in June 2014. Nonetheless, there is still a risk that the tax authorities could at some future point question the balance of tax losses or their past utilization, whether due to how the consolidation scope was determined, how the tax was calculated, and/or the amount of losses that can be utilized. This provision was increased by €0.1M during the financial year, a mechanical variation linked to the improvement in the Group's results.

Other current liabilities represent €5.2M at March 31, 2020, including €2.5M of deferred revenue for pre-orders of the Atari VCS.

NOTE 15 – SEGMENT INFORMATION

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

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

Atari operates in one single operating segment: the sale of multimedia products (equipment, games, content) at the intersection of entertainment and digital technology, aimed at monetizing the Atari brand and its intellectual property portfolio with consumers worldwide.

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

NOTE 16 – CURRENT OPERATING EXPENSES

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

Research and development expenses

Research and development expenses amount to €9.8M, compared with €7.4M the previous financial year. This increase, net of the amounts capitalized as intangible assets in development, highlights the relaunch of production and the mobilization of resources for the development of the business lines for the years to come.

Research and development expenses are analyzed as follows:

(M€)	**March 31, 2020**	March 31, 2019
R&D expenditures	**13,5**	10,3
R&D capitalized	**(9,3)**	(6,5)
Amortization	**5,6**	3,6
Research and development expenses	**9,8**	7,4

Marketing and sales expenses

Marketing and sales expenses totaled €4.2M during the 2019-2020 financial year. In FY 2018-2019, they totaled €3.7M, with this increase reflecting the development of the business and the launch of new games.

General and administrative expenses

General and administrative expenses represent €4.7M, compared with €3.9M the previous year. This change primarily reflects the change in exchange rates and the strengthening of the management teams.

NOTE 17– OTHER OPERATING INCOME AND EXPENSES

At March 31, 2020, the amount of other operating income and expenses is not significant, corresponding to a provision for client receivables.

At March 31, 2019, other operating income and expenses totaled +€1.4M, with +€0.5M corresponding to net proceeds from the sale of the Alone in the Dark and Act of War licenses less related expenses, and +€0.9M to a settlement with a US company in favor of Atari for the rights to use the Atari brand.

NOTE 18 – OTHER INCOME AND EXPENSES

Other income and expenses are negligible. For the previous year, other income and expenses totaled -€0.6M, corresponding to expenses, net of compensation and legal fees, for various litigation cases against Atari.

NOTE 19 – OPERATING EXPENSES BY NATURE

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

(M€)	**March 31, 2020**	March 31, 2019
Personnel costs (1)	**(2,9)**	(2,7)
Depreciation, amortization and provisions	**(5,6)**	(3,6)
Other income and expenses	**(1,3)**	(1,1)
Research and development expenses	**(9,8)**	(7,4)
Personnel costs (2)	**(0,2)**	(0,2)
Depreciation, amortization and provisions	**-**	-
Other income and expenses	**(4,0)**	(3,5)
Marketing and selling expenses	**(4,2)**	(3,7)
Personnel costs & Director fees (3)	**(3,1)**	(2,2)
Depreciation, amortization and provisions	**(0,0)**	0,2
Other income and expenses	**(1,6)**	(2,0)
General and administrative expenses	**(4,7)**	(3,9)
Personnel costs	**-**	-
Depreciation, amortization and provisions	**(0,1)**	0,2
Other income and expenses	**-**	1,3
Other operating income (expenses)	**(0,1)**	1,4

(1) Of which €0.6M for the valuation of stock options
(2) Of which €0.0M for the valuation of stock options
(3) Of which €0.4M for the valuation of stock options

NOTE 20 – NET FINANCIAL INCOME (EXPENSE)

Net financial income is analyzed as follows:

(M€)	March 31, 2020	March 31, 2019
Interest on bond debt	-	(0,0)
Calculated expenses IFRS 9 Legalist	(0,1)	-
Calculated expenses IFRS 16 Lease liabilities	(0,1)	-
Financial income : interests on receivables	0,1	-
Cost of debt	**(0,0)**	(0,0)
Foreign exchange result	(0,0)	0,0
Securities fees	(0,1)	(0,0)
Stockholm listing fees	(0,3)	-
Impairment on non consolidated investments	(0,4)	(0,2)
Sales on non consolidated investments	-	(0,2)
Other	0,0	-
Other financial income (expense)	**(0,8)**	(0,4)
Net financial income (expense)	**(0,9)**	(0,4)

At March 31, 2020, the cost of debt is nil, with the interest on receivables offsetting the financial expenses calculated on the Legalist contract and the interest calculated on leases resulting from the application of IFRS 16.

Other financial income and expenses came to -€0.3M for the listing costs for the secondary listing on the Stockholm market and -€0.4M for an additional provision for depreciation of the Roam warrants, which are now fully depreciated.

At March 31, 2019, other financial income and expenses for the year concerned a -€0.2M capital loss on the sale of Short Shot shares (a planned online casino line) and a -€0.2M provision for impairment on Roam warrants.

NOTE 21 – INCOME TAX

21.1. ANALYSIS OF THE TAX CHARGE

Given its results and tax loss carry-forwards, the Group did not have any significant tax expense for the year ended March 31, 2020.

21.2. ANALYSIS OF DEFERRED TAXES

At March 31, 2020, the Group’s tax loss carry-forwards came to approximately €732M in France and close to $310M in the United States. In France, tax losses may be carried forward indefinitely. In the United States, losses incurred before January 1, 2018 can only be carried forward for 20 years.

In France, deferred tax assets on unrealized tax losses stand at €205M as of March 31, 2020, subject to the usual restrictions on their use, or approximately €0.80 per existing share as of March 31, 2020, excluding treasury shares.

In the United States, deferred tax assets on unrealized tax losses stand at $80M as of March 31, 2020, subject to the usual restrictions on their use, or approximately $0.30 per existing share as of March 31, 2020, excluding treasury shares.

As a result of the significant tax savings of the US entities, both during the financial year ended March 31, 2020 and during the previous financial year, which ended March 31, 2018, the Group decided to recognize a deferred tax asset for the US entities as their recovery is likely over the validity period of the deferred tax assets. The forecast period chosen to determine the recovery window is a two-year horizon. The Group therefore recognized an additional deferred tax asset of €0.1M for the US entities bringing the total amount to €1.8M.

In France, the same two-year horizon is used to determine the amount of deferred tax assets for the French entities. These earnings forecasts are linked to (i) the management fee agreements in place with the US subsidiaries, (ii) the forecast activity of the French subsidiary Atari Europe, and (iii) the prospective license agreements that may be entered into in France. In view of these profit forecasts for the current and the next two financial years, the Group did not recognize any additional deferred tax asset on the balance sheet during the financial year, with the total tax assets representing €0.3M at March 31, 2020. Deferred tax assets not recognized on other temporary differences are not material.

NOTE 22 – DISCONTINUED OPERATIONS

22.1. NET INCOME FROM DISCONTINUED OPERATIONS

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

For FY 2018-2019, there were no discontinued activities.

22.2. ASSETS AND LIABILITIES HELD FOR SALE

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

At March 31, 2019, there were no assets or liabilities held for sale.

NOTE 23 – OFF-BALANCE SHEET COMMITMENTS

23.1. COMMITMENTS GIVEN

Atari Interactive has concluded an agreement with Legalist, which paid $1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in six ongoing copyright infringement lawsuits. This amount is not recoverable from Atari even in the event of an unfavorable outcome with these lawsuits.

Under the agreement with Legalist, where the latter paid $1.0M to Atari Interactive in exchange for a share of future profits to be received by Atari in six ongoing copyright infringement lawsuits, Legalist has a priority entitlement to 100% of the first million USD of proceeds related to these lawsuits; above that amount, Legalist is entitled to part of the proceeds from these lawsuits, which is variable depending on the timing of the receipt of these proceeds

23.2. COMMITMENTS RECEIVED

Under the agreement with ICICB, Atari has received a bank guarantee for over €7.5M, covering the ICICB receivable due March 31, 2023.

NOTE 24 – MARKET RISK MANAGEMENT

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

24.1. FOREIGN EXCHANGE RISKS

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at parent company level and, where appropriate, specific hedges are put in place according to the financing strategies envisaged. At March 31, 2020, the Group had not implemented a currency hedging policy on all of these amounts, as they relate to the long-term financing of the Group's US operations.

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

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

An unfavorable change in the euro/dollar exchange rate would not have a significant impact on the overall currency position. As an indication, a 1% unfavorable variation in the USD against the euro would result, on the basis of the accounts dated March 31, 2020, in:

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

24.2. INTEREST RATE RISKS

The Group does not have a dynamic management policy for its interest rate risk. At March 31, 2020, as at the previous financial year-end, all debt (the OCEANE 2003-2020) was fixed-rate.

24.3. CREDIT RISKS

In the digital market, there are few customers, but global distribution. The Company considers that, given the quality of the counterparties, the counterparty risk on digital sales is limited. Moreover, the business risk management procedures have ensured there is no excessive concentration of credit risk.
Accounts receivable at March 31, 2020 are mainly located in the United States, except the receivable from ICICB Investments Ltd, located in Gibraltar, totaling €7.5M and covered by a bank guarantee.

NOTE 25 – PROVISIONS AND CONTINGENT LIABILITIES

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

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

NOTE 26 – RELATED-PARTY TRANSACTIONS

26.1 REGULATED AGREEMENTS

Between April 1, 2019 and the date of this Annual Financial Report, only one agreement was entered into:

- An interest-free loan over 2,500,000 Atari shares granted by Ker Ventures to Atari SA to facilitate the secondary listing on the NASDAQ First North exchange in Stockholm. This loan took effect on April 10, 2019 and was repaid in full on July 10, 2019.

This agreement was already approved by the General Shareholders' Meeting on September 30, 2019.

26.2 EXECUTIVE COMPENSATION AND BENEFITS

Atari's corporate officers are its directors, and the Chief Executive Officer is the only director to have an executive position.

The General Shareholders' Meeting on September 30, 2019 approved the principles and criteria for determining, distributing and allocating the fixed and variable components of the overall compensation package and benefits of any kind to be awarded to the Company's executive officers in accordance with Article L.225-37-2 of the French commercial code.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2019-2020

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

Annual fixed compensation

On May 13, 2014, as recommended by the Nomination and Compensation Committee, the Board of Directors approved the terms and conditions for the compensation awarded to Frédéric Chesnais. In connection with the operational functions performed by Frédéric Chesnais as a game producer in the Group's American subsidiaries, the Board approved the payment of a monthly sum of $46,500. This amount is intended to supplement the compensation set out in the following section. This sum is paid in the United States, in US dollars, at the historical exchange rate from the day on which the latter was determined, with Frédéric Chesnais himself paying all the social security and pension costs. For reference, this amount is equivalent to a gross annual salary of around €288,000 in France. This compensation is unchanged since 2014.

In 2013, for the positions of Chairman of the Board of Directors and/or Chief Executive Officer, the Board approved a sum of €1,000 gross per month for Atari SA and $1,000 per month for Atari Inc. This compensation is unchanged since 2013.

In addition, Frédéric Chesnais does not benefit from a severance payment in the event of termination of his duties as Chief Executive Officer and game producer.

Variable compensation / Options

The Board of Directors decided, as recommended by the Nomination and Compensation Committee, to set up an annual discretionary bonus, as of April 1, 2017, which could represent (except in exceptional circumstances) between 50% and 125% of the annual fixed compensation paid, incorporating the following elements: level of revenue, EBITDA margin, cash generation, share price performance, growth in recurring net earnings per share, which makes it possible to take into account all the elements on the income statement, as well as various objective criteria related to the activity.

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

This compensation policy was approved at the General Shareholders' Meeting on September 30, 2019.

Variable compensation for FY 2019-2020

The Board of Directors, as recommended by the Nomination and Compensation Committee, and after the Audit Committee ascertained the compliance of the financial elements and the measurement of the performance criteria, set the variable compensation for FY 2019-2020 at 50% of the total annual fixed compensation.

During the 2019-2020 financial year, under the long-term incentive plan, no stock options were awarded.

Compensation due for directorships

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

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

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

Table 1 – Compensation for Mr. Frédéric Chesnais (excluding payroll taxes):

Frédéric Chesnais - CEO	FY 2019/2020				FY 2018/2019			
	Amount due		Amount paid		Amount due		Amount paid	
(Amounts in K€)	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.
Fixed compensation	12	300	12	300	12	300	12	300
Variable compensation	21	185	19	233	19	233	-	-
Exceptional compensation	-	-	-	-	-	-	8	412
Director's fees	19	-	20	-	20	-	20	-
TOTAL	**52**	**485**	**51**	**533**	**51**	**533**	**40**	**712**

As indicated above, Frédéric Chesnais himself pays all 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. The total cost for the Group, equivalent to a gross salary including employer and employee contributions, is €581K for the fixed compensation component, €206K for the variable compensation component due as of March 31, 2020, and €31K in directors' fees.

COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER FOR FY 2020-2021

On April 3, 2020, Mr. Frédéric Chesnais resigned from his position as Chairman of the Board of Directors and a director to serve as the Group's Chief Executive Officer.

Annual fixed compensation

For FY 2020-2021, the fixed compensation for the operational functions of Frédéric Chesnais remains the same.

The Company and Mr. Frédéric Chesnais are contemplating entering into an employment agreement with one of the Group's US subsidiaries as of January 1, 2021. Frédéric Chesnais' total compensation would remain unchanged, and he would receive the same benefits as those offered by the Company to its other employees. In addition, Frédéric Chesnais would be entitled, under this employment agreement, in the event of termination of his duties, to a severance payment of 18 months, the terms and conditions of which remain to be defined and would be subject to the limitations and obligations customary in this type of contract in the United States.

Variable compensation / Options

For FY 2020-2021, the terms and conditions for awarding variable compensation were renewed based on similar proportions and criteria without retaining the minimum percentage of 50%.

In the event an employment agreement were to be entered into, this variable compensation would be paid within the framework of this agreement.

In addition, 0.87% of the Atari Tokens (68 million) were awarded to Frédéric Chesnais as variable compensation. This award, made at the start of the project, is vested on a prorata temporis basis. The vesting period runs from April 1, 2020 to March 31, 2022.

COMPENSATION FOR DIRECTORS

Annual fixed compensation

Mr. Alexandre Zyngier has an employment agreement since September 1, 2014 for the position of "Project Manager". As such, he receives an annual compensation of $30K.

Compensation due for directorships

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

For FY 2019-2020, the Board of Directors set, subject to approval by the General Meeting deliberating on the financial statements for the year ended March 31, 2020, the compensation for directorships as follows:

Table 2 - Compensation for non-executive corporate officers:

(Montants nets en K€)	31 mars 2020		31 mars 2019	
	Jetons de présence	Autres rémunérations	Jetons de présence	Autres rémunérations
Alexandre Zyngier	30	30	20	30
Erick Euvrard	38	-	20	-
Isabelle Andres	28	-	20	
Alyssa Padia Walles	30	-	20	-
TOTAL	**126**	**30**	**80**	**30**

Furthermore, as part of developments with the Atari Token / Blockchain project, the Board of Directors awarded 3.5% of the Atari Tokens to the entire Atari team, with 0.49% of the Tokens (38 million) split equally between the four Board members (Wade Rosen, Alyssa Padia Walles, Kelly Bianucci and Alexandre Zyngier). The vesting period runs from April 1, 2020 to March 31, 2022.

NOTE 27 – SUBSEQUENT EVENTS

- **Continued impact of the Covid-19 pandemic:**

  Faced with the ongoing current health crisis, the Group has taken the necessary measures to ensure the safety of its employees and the continuity of operations, despite the closure of the New York offices and the continued work from home arrangements that are still in effect as of the date of this document. The duration of this situation and its proportions are not predictable. Greatly varying consequences can be observed depending on the Group’s different activities, with a negative impact expected for the licensing activities due to the delays with renewals of licensing agreements. A positive impact has been observed for video game revenue. As a result, the overall level of activity and profitability for the first half of the year will be lower than usual, with efforts concentrated on the second half of the financial year with the launch of the Atari VCS.

In the United States, the Group has benefited from a $383K loan under the Paycheck Protection Program, which can be forgiven if the conditions of its utilization are approved by the relevant government agency; in France, one Casino division executive was furloughed.

The impact of Covid-19 is being closely monitored by the Group in order to take the necessary actions according to the situation.

- **Launch of new games:**

  April 2020 in soft launch, Mob Empire, a strategy and simulation game offering a humorous take on a fight by rival gangs to take control of a city.

  July 2020, Beat Legend Avicii, a rhythm-based music game based on the works of the world-renowned artist Avicii.

  September 2020, Atari Combat: Tanks & Puzzles, a mobile game in the very popular puzzle RPG genre combing match-3 puzzles and tank combat.

NOTE 28 – STATUTORY AUDITORS' FEES

The fees for the financial years ended March 31, 2020 and March 31, 2019 in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements are listed below.

Amounts in K€	FY 2019 / 2020					
	Deloitte	%	Exponens	%	Patrick Soussana Audit	%
Statutory audit (certification, review of statutory and consolidated accounts)						
- ATARI SA	**47**	37,8%	**34**	63,6%	**-**	0,0%
- Fully-consolidated subsidiairies	**68**	55,3%	**18**	32,7%	**6**	100,0%
Other services (1)						
- ATARI SA	**2**	1,6%	**2**	3,7%	**-**	0,0%
- Fully-consolidated subsidiairies	**7**	5,3%	**-**		**-**	0,0%
TOTAL	**123**	100,0%	**54**	100,0%	**6**	100,0%

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

Amounts in K€	FY 2018 / 2019					
	Deloitte	%	JLS Partners	%	Patrick Soussana Audit	%
Statutory audit (certification, review of statutory and consolidated accounts)						
- ATARI SA	**50**	36,7%	**27**	100,0%	**-**	0,0%
- Fully-consolidated subsidiairies	**69**	51,2%	**-**		**8**	100,0%
Other services (1)						
- ATARI SA	**10**	7,4%	**-**	0,0%	**-**	0,0%
- Fully-consolidated subsidiairies	**7**	4,8%	**-**		**-**	0,0%
TOTAL	**136**	100,0%	**27**	100,0%	**8**	100,0%

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

9 STATUTORY AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ending March 31, 2020

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

To the General Shareholders' Meeting of Atari

Opinion

In compliance with the engagement entrusted to us by your general shareholders' meetings, we have audited the accompanying consolidated financial statements of Atari for the financial year ended March 31, 2020. These financial statements were approved by the board of directors on October 28, 2020 on the basis of the information available at that date in the evolving context of the Covid-19 crisis and difficulties in assessing its impacts and future prospects.

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 March 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis for opinion

Audit framework

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

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

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from April 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

Without qualifying the conclusion expressed above, we draw your attention to note 2.2 "Change in accounting method" which explains the impacts linked to the initial application of the standards IFRS 16 "Leases".

Justification of Assessments – Key Audit Matters

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

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

Recognition of Revenue from the sale of licences
(Note 2.22 to the consolidated financial statements)

Risk identified

A significant portion of Atari's business is linked to the sale of licences, where applicable granting a right of use or right of access to intellectual property to third parties who are responsible for the manufacturing and distribution of products or applications in exchange for payment of royalties to Atari.

The revenue corresponding to the guaranteed minimums (minimum amounts earned by Atari) for game licence contracts (relating to an intellectual property right of use) is recognised at a point in time, i.e. at the time when the licence is granted and when the client can use and receive the benefits of the licence.

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

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

In addition, we have, in the past, identified significant revenue adjustments for certain license agreements.

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

Our response

Our work on recognition of revenue from licences notably involved:

- acknowledging the internal controls put in place by ATARI's management regarding the recognition of revenue from licence contracts;
- selecting the contracts contributing to revenue for the financial year using the sampling method in monetary units;
- analysing the terms of these contracts and, based on them, assessed whether the corresponding revenue was recognized in accordance with the IFRS 15 standard "Revenue from contracts with customers"
- assessing the recoverability of receivables, based on the client's intention and ability to pay, which is a necessary condition according to the IFRS 15 standard to recognize the amounts under revenue.

Finally, we verified that the paragraph "License sales" of note 2.22 "Revenue Recognition" to the consolidated financial statements gives appropriate information on the Group's license sales recognition.

Measurement of the Recoverable Value of intangible assets resulting from the development of video games and audio-visual production
(Notes 2.9 and 3 to the consolidated financial statements)

Risk identified

As of March 31, 2020, the net book value of video game and audio-visual production developments recorded as assets was €12 million, compared to a balance sheet total of €43.8 million.

At each year-end, or more frequently in the event of an indication of impairment, the Group ensures that the net book value of these assets does not exceed their recoverable value, by means of impairment tests. The methods used to perform these tests are presented in note 3 to the consolidated financial statements.

We considered the impairment tests of intangible assets resulting from the development of video games and TV shows a key audit matter due to their significance in the group's financial statements, and considering the judgement required by Management to determine their recoverable amount, which is based on estimating the discounted cash flows expected when selling the games, and the difficulty in predicting sales in the video games sector. This estimate requires the use of assumptions, including sales volumes and costs related to distribution and marketing, whose outcome is inherently uncertain.

Our response

We have analysed the methods for implementing these impairment tests. Our work notably involved :

- acknowledging the internal controls put in place by ATARI's Management relating to the performance of these impairment tests;
- reconciling the book value of intangible assets resulting from tested development with the value in the consolidated financial statements;
- conducting a retrospective analysis of the impairment tests performed by the Group during the previous financial year;
- becoming familiarized with and assessing the reasonableness of the data and assumptions used by the Management to carry out the impairment tests, including projected video game and tv shows revenue and direct costs, with interviews with the Management;
- comparing the 2-year forecasts used to perform the impairment tests with the Group business plan presented to the board of directors;
- analyzing of the consistency of forecasts with past performance, market prospects, reviews of video game specialists published in professional journals and available sales statistics.

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

Going concern

(Notes 2.1 to the consolidated financial statements)

Risk identified

As indicated in note 2.1 "General principles" to the consolidated financial statements, the consolidated financial statements for the year ended March 31, 2020 have been prepared based on the assumption of going concern, on the basis of cash flow forecasts established for the next twelve months, taking into account the following main hypothesis :

- the absence of financial debts over the next twelve months,
- activity forecasts (games, licenses, multimedia production, Atari VCS, Atari Token) which generate themselves positive cash flow,
- the exercise of stock options.

Moreover, the Group has a consolidated cash position of 1.8 million euros as of March 31, 2020.
As part of the preparation of the consolidated financial statement as of March 31, 2020, the management of the company is required to assess the appropriateness of the assumption of going concern over the twelve months following the end of the financial year, with regard to the resources available at the closing date, the cash flow forecasts established for the next twelve months and its ability to obtain new financing solutions to ensure the continuation of its operations over the period considered.

In this context, due to the uncertainties inherent in these forecasts in an evolving context of the Covid-19 crisis, we considered that the appropriateness of the application of the assumption of going concern for the preparation of the consolidated financial statements at 31 March 2020, which is based on the judgment of management, in particular with regard to business forecasts and estimates of future cash flows, was a key audit matter.

Our response

To assess the reasonableness of the hypothesis made by management regarding the application of the going concern principle, we acknowledged internal controls put in place by the management to prepare its cash flow forecasts for the twelve months following the closing date.

Our work on cash flow forecasts also consisted of:

- reconcile the available cash indicated in the forecasts, with the accounts as at March 31, 2020, as well as with the last consolidated cash position available as at September 30, 2020;
- verify the consistency of the assumptions made in the cash flow forecasts with those underlying the latest forecast data established under the control of the Board of Directors;
- analyze the consistency of revenue and margin rate forecasts with past performance, market outlook, reviews from video game specialists published in professional journals and available sales statistics;
- assess the positioning of cash flows over the next twelve months, in particular with regard to expected non-operating resources, with regard to the main deadlines identified;
- carry out our own sensitivity tests by downgrading the revenue assumptions used by management, in particular on new sales activities for VCS consoles and cryptocurrencies, as well as the assumptions for the performance of certain non-operating operations, in order to assess the Group's ability to meet its commitments even in the event of activity significantly below expectations.

We have also verified that the relevant paragraph of Note 2.1 of the appendix to the consolidated financial statements provides appropriate information on the Group's situation with regard to the application of the going concern assumption.

Specific Verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the board of directors approved on October 28, 2020. With regard to the events which occurred and the facts known after the date the financial statements were approved by board of directors relating to the impact of the Covid-19 crisis, the management indicated to us that they will be communicated to the General Shareholders’ Meeting called to approve the financial statements.

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

Report on Other Legal and Regulatory Requirements Appointment of Statutory Auditors

Appointment of statutory auditors

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

As at 31 March 2020, Deloitte & Associés and Exponens Conseil & Expertise were in the 28th year and 1st year of total uninterrupted engagement.

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

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

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

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

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

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

Objectives and audit approach

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

As specified in Article L. 823-10-1 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.

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La-Défense, October 28, 2020

The Statutory Auditors

DELOITTE & ASSOCIES	BENOIT PIMONT
EXPONENS CONSEIL & EXPERTISE	ANNE MOUHSSINE

Société anonyme (public limited company) with capital of €2,677,820.50
Registered office: 25 rue Godot de Mauroy - 75009 Paris – France
RCS Paris 341 699 106

10 ATARI SA ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2020

ANNUAL FINANCIAL STATEMENTS

1. BALANCE SHEET

ASSETS (K€)	March 31, 2020	March 31, 2019
Intangible assets	-	-
Property, plant and equipment	2	1
Financial assets	34 351	16 665
Total fixed assets	**34 353**	**16 666**
Down payments and advances made	-	-
Trade receivables	823	605
Other receivables	67	85
Cash and cash equivalents	1 183	6 533
Total current assets	**2 073**	**7 224**
Accruals	166	182
Total assets	**36 591**	**24 072**

EQUITY & LIABILITIES (K€)	March 31, 2020	March 31, 2019
Capital stock	2 678	2 561
Share premium	11 012	7 975
Legal reserve	946	946
Retained earnings	(895)	-
Net income (loss) for the year	19 478	(895)
Equity	**33 219**	**10 588**
Provisions for contingencies and losses	**201**	**10 769**
Bond debt	625	625
Bank debt	-	-
Other financial liabilities	481	481
Trade payables	195	250
Operating liabilities	736	661
Liabilities	**2 037**	**2 016**
Accruals	1 134	699
Total shareholders' equity and liabilities	**36 591**	**24 072**

2. INCOME STATEMENT

(K€)	March 31, 2020	March 31, 2019
Revenue	**1 006**	65
Other income	**188**	0
Reversals of provisions and depreciation, transfers of expenses	**334**	345
Operating revenue	**1 528**	410
Purchase of goods	**-**	-
Other purchases and expenses	**(915)**	(806)
Taxes	**(10)**	(18)
Payroll expenses	**(976)**	(401)
Other expenses	**(511)**	(153)
Depreciation, amortization and provisions	**(73)**	(1)
Operating expenses	**(2 485)**	(1 379)
Operating income	**(957)**	(968)
Financial income	**21 513**	1 252
Financial expense	**(961)**	(1 113)
Net Financial income and expense	**20 552**	139
Current income before taxes	**19 594**	(830)
Non-recurring income	**-**	22
Non-recurring expenses	**(117)**	(87)
Non-recurring income and expense	**(117)**	(66)
Income Tax	**-**	-
Net income (loss) for the Year	**19 478**	(895)

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of Atari's (the "Company") financial statements for the year ended March 31, 2020 with a balance sheet total of €36,591K and the income statement, presented in list form, showing a profit of €19,478K.

The individual financial statements for the financial years ended March 31, 2020 and March 31, 2019 each cover a 12-month period.

1. HIGHLIGHTS

Highlights of FY 2019-2020:

- **Secondary listing of Atari shares on Nasdaq First North in Stockholm:**
  On April 5, 2019, Atari SA received a conditional authorization for a secondary listing of its shares on the Nasdaq First North segment in Stockholm. This listing consists in making existing shares available through a depositary receipt program.
- **Change of registered office:**
  On May 1, 2019, the company relocated its headquarters to 25 rue Godot de Mauroy, 75009 Paris, and entered into a new renewable nine-year lease agreement. The annual rent including charges is approximately €70K.
- **€3.3M capital increase:**
  The capital increase was carried out by issuing 11,665,590 new shares at a price per share of €0.28 including the share issue premium, in the form of a capital increase with preferential subscription rights.

- **Arrival of a new major shareholder for Atari**
  On March 27, 2020, Wade J Rosen Revocable Trust acquired 10.46% of Atari's share capital from Ker Ventures.
- **Impact of the Covid-19 pandemic on the business**
  On January 30, 2020, the WHO declared an international public health emergency. During the course of March, lockdown measures became widespread in numerous countries, including France from March 17, 2020.
  Faced with this health crisis, the Group has taken the necessary measures to protect the health of its employees and partners, while ensuring the continuity of its operations. The Group has deployed its digital and organizational solutions and has favored systematic remote working arrangements by giving all its employees access to the necessary collaboration tools allowing remote work in the best possible conditions while maintaining the cohesion of the teams.

2. ACCOUNTING PRINCIPLES AND METHODS

2.1. Principles Used in Preparing the Financial Statements

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

Assessment of the Going Concern Principle

At March 31, 2020, the Company had a positive net cash position of €0.6M (excluding an intra-group current account of €0.5M).

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments.

Taking into account the investments required by the Group for the Atari VCS and the Group change in working capital requirements, the Group cash position has decreased over the course of the financial year, going from €8.5M on March 31, 2019 to €1.8M on March 31, 2020 and to €1.2M on September 30, 2020. The cash-flow projections prepared by the Group rely on:

- the absence of short-term debt maturities over the next 12 months,
- forecasts for the business activities (games, licensing, multimedia production, Atari VCS and Atari Token) generating positive cash-flows,
- the exercise of stock options in the months of July and September for a total amount of €1.3M.

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

In the event that actual results should differ negatively from the forecasts, the Board of Directors has unanimously agreed, that the Company would in this case rely on external financing sources if needed, with terms and conditions to be determined at the relevant time depending on market conditions. As of this date, the Company believes that any market operation, were it to occur, would be of a nature to bridge any shortfall caused by a potential delay in actual cash-flow generation relative to current forecasts.

2.2. Accounting Principles

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

The main methods used are:

- **Intangible and tangible fixed assets**

Intangible and tangible fixed assets are valued at their acquisition cost (purchase price plus incidental costs).

The depreciation/amortization period depends on the nature of the fixed assets:

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

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

- **Financial Assets**

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

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

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

- **Receivables**

Receivables are valued at their nominal value. 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 at their exchange value at the transaction date. Foreign currency debt, receivables, and cash equivalents are shown on the balance sheet at their exchange value at the financial year-end. The difference resulting from the discounting of debts and receivables in foreign currencies at the latter price is recorded on the balance sheet under "Translation differences."

Unrealized foreign exchange losses are subject to a provision for risks.

- **Bond issue costs, premiums, discounts and redemptions**

Borrowings are recorded at their issue value. Issue and redemption fees and premiums are recognized under "Adjustment accounts" in assets and amortized in financial net income over the life of the debt. When the borrowings are repaid by the creation of new shares, the costs are recorded as an issue premium.

- **Stock Options**

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

- **Provisions**

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

- **License revenue**

The non-refundable amounts received, or whose payment is guaranteed, in connection with a license agreement without a major obligation incumbent on the Group are included in the revenue.

- **Tax Consolidation**

Atari SA and Atari Partners SAS opted for the tax consolidation regime. Under the terms of the agreement signed, each subsidiary calculates its tax expense as if it were not consolidated. The tax savings resulting from use of the tax losses of the consolidated subsidiaries are immediately recognized in profit or loss by Atari and are not subsequently reversed into cash. When the subsidiaries become profitable again, Atari bears, if necessary, an additional tax expense due to its subsidiaries' losses that it has already deducted. Atari SA is the head of the Tax Consolidation Group composed of Atari SA and Atari Partners SAS.

- **Use of Estimates**

The preparation of the individual financial statements in accordance with generally accepted accounting principles requires taking into account estimates and assumptions made by the Company's management and affecting the amounts of assets and liabilities appearing on the balance sheet, the amounts of contingent assets and contingent liabilities, as well as the amounts of income and expenses on the income statement and the cash flow forecasts underlying the going concern principle. It is possible that the final amounts will differ from the estimates and assumptions used.

Estimates may be revised if the circumstances on which they were based evolve or if new information appears; the exceptional health emergency linked to Covid-19 makes it more difficult to provide estimates. Actual results may differ from these estimates and these assumptions.
The realization of the plans, and their operational budget and financing plan remain inherently uncertain, and the non-realization of these assumptions may impact the value of the Company's assets and liabilities.

3. INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible and tangible fixed assets did not change significantly during the year:

3.1. Intangible fixed assets

(K€)	March 31, 2019	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2020
Software	1	-	-	1
Other intangible assets	-	-	-	-
Total gross value	**1**	**-**	**-**	**1**
Total amortization	**(1)**	**-**	**-**	**(1)**
Total net value	**0**	**-**	**-**	**0**

3.2. Tangible fixed assets

(K€)	March 31, 2019	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2020
General fixtures and fittings	-	-	-	-
Office equipment and computers	3	2	-	5
Total gross value	**3**	**2**	**-**	**5**
Total amortization	**(2)**	**(1)**	**-**	**(2)**
Total net value	**1**	**1**	**-**	**2**

4. FINANCIAL FIXED ASSETS

4.1. Changes in financial assets

(K€)	March 31, 2019	Increases	Decreases	Currency impact	March 31, 2020
Investments in subs. and associates	804 066	1	(4)	-	804 063
Receivables from subs. and associates	16 845	7 766	(180)	422	24 852
Accrued interest on receivables	176	-	(17)	-	159
Atari Partners Loan	5 695	247	-	-	5 942
Other fixed assets	90	63	(15)	-	138
Total gross value	**826 873**	**8 077**	**(216)**	**422**	**835 155**
Provisions	**(810 207)**	**(949)**	**10 354**	**-**	**(800 802)**
Total net value	**16 665**	**7 127**	**10 138**	**422**	**34 352**

The change in equity securities is related to the creation of the subsidiary Atari Capital Ireland Ltd and to valuation adjustments on African subsidiaries.

The change in receivables from subsidiaries mainly corresponds to advances granted to US and African subsidiaries.

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

Movements related to other financial assets correspond to the purchase of 2003-2020 OCEANE bonds for a value of €14K and movements in treasury shares held by the Company. At March 31, 2020, the Company held 279,589 treasury shares, representing 0.1% of the Company's share capital.

4.2. Provision for Impairment of Financial Assets

(K€)	March 31, 2019	Increases	Decreases	Currency impact	March 31, 2020
Investments in subs. and associates	800 290	543	(10 189)	-	790 643
Receivables from subs. and associates	4 223	-	(165)	-	4 058
Accrued interest on receivables	-	159	-	-	159
Atari Partners Loan	5 695	247	-	-	5 942
Other fixed assets	-	-	-	-	-
Total provisions	**810 207**	**949**	**(10 354)**	**-**	**800 802**

The allocations of provisions for equity investments relate to €439K of Roam securities and €104K of Audiowear securities, which were fully depreciated.

The loan provisions relate to the impairment of interest capitalized during the financial year on the Atari Partners subsidiary's loan.

The value of Atari Interactive shares, which was fully impaired at the previous financial year-end, was subject to a reversal of a provision for €10M corresponding to the amount of the subsidiary's positive net worth.

5. TRADE ACCOUNTS RECEIVABLE

(K€)	March 31, 2020			March, 31 2019
	Gross	Impairment	Net	Net
External	72	(72)	-	72
Intra-group	823	-	823	533
Accrued	-	-	-	-
Total net value	**895**	**(72)**	**823**	605

At March 31, 2020, external trade receivables relate to a delinquent payer. Consequently, a provision for 100% of the amount of these receivables has been recorded.

6. OTHER RECEIVABLES

(K€)	March 31, 2020	March 31, 2019
Corporate income tax	**11**	11
Sales taxes	**55**	75
Other receivables	**2**	-
Total	**67**	85

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

7. CASH

(K€)	March 31, 2020	March 31, 2019
Marketable securities	**-**	-
Cash	**1 183**	6 533
Total	**1 183**	6 533

8. ACCRUALS

(K€)	March 31, 2020	March 31, 2019
Prepaid expenses	**81**	96
Bond issue costs	**-**	-
Unrealized foreign exchange losses	**85**	86
Total accruals (assets)	**166**	182

(K€)	March 31, 2020	March 31, 2019
Defered revenue	**-**	-
Unrealized foreign exchange gains	**1 134**	699
Total accruals (liabilities)	**1 134**	699

Prepaid expenses concern operating expenses (insurance, rent, fees and royalties).

Translation differences between assets and liabilities mainly relate to movements in the euro-dollar exchange rate for receivables and debts from the US subsidiaries denominated in US dollars.

9. SHAREHOLDERS' EQUITY

(K€)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity 03/31/2019	**256 109 260**	**2 561**	**7 975**	**946**	**-**	**(895)**	**10 588**
Capital increase	11 665 590	117	3 037	-	-	-	3 154
Exercise of stock options	7 200	-	(0)	-	-	-	(0)
Appropriation of 2019 Profit	-	-	-	-	(895)	895	-
Profit (loss) for the year ended 03/31/2020	-	-	-	-	-	19 478	19 478
Shareholders' equity 03/31/2020	**267 782 050**	**2 678**	**11 012**	**946**	**(895)**	**19 478**	**33 219**

9.1. Common shares

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

At March 31, 2019, shareholders' equity is made up of 256,109,260 fully paid-up common shares, with a par value of €0.01.

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

9.2. Atari Stock Option Plan

At March 31, 2020, three stock option plans were in effect:

- Plan No. 23 approved by the General Meeting on September 30, 2014, which awarded 6,816,165 stock options net of cancellations;
- Plan No. 24 approved by the General Meeting on September 30, 2016, which awarded 5,570,167 stock options net of cancellations;
- Plan No. 25 approved by the General Meeting of September 29, 2017 for 10,000,000 stock options, with 8,775,000 awarded as of March 31, 2020.

At March 31, 2020, the total number of shares for which existing options could be exercised represented, given the conversion ratios, 8.0% of the Company's share capital at that date.

9.3. Company Savings Plan (*Plan d'épargne entreprise*, PEE)

There is no Company Savings Plan.

9.4. Performance shares

There are no performance shares.

10. PROVISIONS FOR CONTINGENCIES AND LOSSES

(K€)	March 31, 2019	Additions	Reversal		March 31, 2020
			utilized	surplus	
Provisions for exchange rate	86	-	(1)	-	85
Provisions for losses on investments in subsidiaries	10 633	-	-	(10 567)	66
Other provisions	50	-	-	-	50
Total	**10 769**	**-**	**(1)**	**(10 567)**	**201**
o/w operating		-	-	-	
o/w financing		-	(1)	(10 567)	
o/w non-recurring		-	-	-	

At March 31, 2020, provisions for foreign exchange risks totaled €85K, compared with €86K at the end of the previous financial year.

The provisions for risks with respect to subsidiaries correspond to the provision for negative shareholders' equity of Atari Partners. A reversal of a provision for €10,567K was recorded, primarily taking into account a €3,670K improvement in Atari Partners' equity and a €6,654K difference in value for the (ex-Alden) loan recorded at its repurchase value in the accounts of Atari SA and recorded at its historical value in the accounts of Atari Partners.

11. BOND DEBT

Position at March 31, 2020

(K€)	OCEANES 2003-2020
% convertible / exchangeable bonds	99,50%
Number of bonds outstanding	82 906
Face value	7,539 €
Coupon	0,007 €
Total	**625 028 €**
o/w due to less than one year	625 028
o/w due in more than one year	

2003-2020 OCEANE BONDS (FORMERLY THE 2003-2009 OCEANE BONDS)

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

At March 31, 2020, 82,906 2003-2020 OCEANE Bonds remained outstanding and were fully redeemed on their maturity date of April 1, 2020.

12. OTHER FINANCIAL LIABILITIES

(K€)	March 31, 2020	March 31, 2019
Accrued interest on bond debt	**-**	-
Bank overdrafts	**-**	-
Accrued interest on bond debt	**-**	-
Liabilities to Group subsidiaries	**481**	481
Other	**-**	-
Total other financial liabilities	**481**	481
o/w due in more than one year	*481*	*481*
o/w due in less than one year		

13. TRADE PAYABLES AND OPERATING LIABILITIES

(K€)	March 31, 2020	March 31, 2019
Trade payables	**195**	250
Personnel	**257**	109
Employee benefits	**151**	75
Corporate income tax	**67**	54
Other liabilities	**262**	423
Total operating liabilities	**931**	911

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

14. OPERATING REVENUE

The operating revenue breaks down as follows:

(K€)	March 31, 2020	March 31, 2019
Revenue	**1 006**	65
Other operating income	**188**	0
Reversal of operationg provisions	**334**	345
Total operating revenue	**1 528**	410

Revenues consist mainly of licensing and re-invoicing of products to Group companies.

15. OTHER PURCHASES AND EXPENSES

"Other Purchases and Expenses" are broken down as follows:

(K€)	March 31, 2020	March 31, 2019
Purchases not included in inventories	**44**	7
Rents (including services and maintenance charges)	**94**	78
Cleaning, maintenant and repairs	**14**	8
Insurance	**14**	16
Fees	**541**	506
Advertising, publications, public relations	**59**	87
Travel, assignements and entertainment	**35**	35
Postage and communications	**5**	3
Bank charges and securities fee	**76**	57
Other expenses	**34**	7
Total other purchases and expenses	**915**	805

The increase in fees is mainly related to counsel services relating to the disputes settled during the financial year.

16. PERSONNEL EXPENSES

The workforce at March 31, 2020 is composed of five executives.

The compensation paid by the company to the members of the Board of Directors for the financial year ended March 31, 2020 was €171K gross, including €19K of variable compensation.

Directors' fees, including changes in provisions, totaled €178K.

17. REVERSALS AND DEPRECIATION / AMORTIZATION AND OPERATING PROVISIONS

(K€)	March 31, 2020	March 31, 2019
Provisions for contingencies and losses	-	-
Provisions for the impairment of current assets	334	-
Total reversals	**334**	-
Depreciation and amortization:	-	-
- Intangible assets	-	-
- Tangible assets	1	1
Amortization of expenses attribuate to several periods	-	-
Provisions for contingencies and losses	-	-
Provisions for the impairment of current assets	72	-
Total depreciation and amortization	**73**	1

18. NET FINANCIAL INCOME AND EXPENSES

(K€)	March 31, 2020	March 31, 2019
Financial income		
- Foreign exchange gain	29	43
- Dividend	-	-
- Interests income	562	467
- Reversals of provisions and expense transfers	20 922	742
- Other financial income	-	-
- Proceeds from the sale of securities	-	-
Total financial income	**21 513**	1 252
Financial expenses		
- Foreign exchange losses	(12)	(1)
- Interests expense	-	(2)
- Depreciation, amortization and provisions	(949)	(1 111)
- Other financial expenses	-	-
Total financial expenses	**(961)**	(1 113)
Net financial income and expense	**20 552**	139

- Financial income for the financial year ended March 31, 2020 mainly include:
  - A €10 567K reversal of provisions for negative shareholders' equity of Atari Partners;
  - A €10,000K reversal of provisions on the participation in Atari Interactive Inc and €189K for the participation in Infogrames Interactive GmbH.
- Financial income for the financial year ended March 31, 2019 mainly included:
  - A €449K reversal of provisions for negative shareholders' equity of Atari Partners;
  - A €293K reversal of provisions for foreign exchange risks.

- Financial expenses for the financial year ended March 31, 2020 mainly include:
    - The depreciation of ROAM securities for €439K and AUDIOWEAR securities for €104K.
    - A €406K provision for advances and interest on the loan to Atari Partners.
- Financial expenses for the financial year ended March 31, 2019 mainly included:
    - A €243K provision for advances and interest on the loan to Atari Partners.
    - A €668K impairment on INL securities and €200K on Roam securities.

19. NON-RECURRING INCOME AND EXPENSES

(K€)	March 31, 2020	March 31, 2019
Non-recurring income		
- Operating activities	**-**	12
- Investing activities	**-**	-
- Amortization and provisions	**-**	10
Total non-recurring expenses	**-**	22
Non-recurring expenses		
- Operating activities	**(1)**	(87)
- Investing activities	**(116)**	-
- Amortization and provisions	**-**	-
Total non-recurring expenses	**(117)**	(87)
Non-recurring income and expense	**(117)**	(66)

At March 31, 2020, non-current income and expenses mainly relate to the capital loss on shares recorded as a result of the listing of Atari SDRs (Swedish Depositary Receipts) on the Nasdaq First North market in Stockholm.

At March 31, 2019, non-recurring income and expenses were mainly related to a litigation case.

20. CORPORATE INCOME TAX AND PROFIT-SHARING

Since July 1, 1995, Atari SA has opted for the tax consolidation regime under the Group made up of the Company and Atari Partners SAS. At March 31, 2020, the Group's tax loss carryforwards represented approximately €732M.

The potential future tax savings at March 31, 2020 totaled €205M, representing a value of €0.80 per share, excluding treasury shares held as of March 31, 2020.

At March 31, 2020, the consolidated taxable income corresponds to a €0.4M loss.

21. STATEMENT OF ACCRUED INCOME AND EXPENSES

21.1. Statement of Accrued Expenses

(K€)	March 31, 2020	March 31, 2019
Financial debt - accrued interests	-	-
Trade payables - pending invoices	36	162
Tax and employee-related liabilities:	-	-
- Provision for bonuses, paid leave, working time credits	256	108
- Other employee benefits payable	99	46
- Tax liabilities	1	10
- Other employee benefits payable	256	262
Total accrued expenses	**648**	588

21.2. Statement of Accrued Income

(K€)	March 31, 2020	March 31, 2019
Financial assets - acrrued interests	159	176
Trade receivables -pending invoices	-	-
Other receivables -accrued income	-	-
Total accrued income	**159**	176

Interest accrued at March 31, 2020 relates to interest on the "Atari Partners Loan".

22. OFF-BALANCE SHEET COMMITMENTS

22.1. Commitments given

22.1.1 Guarantees granted by Atari

No security or guarantee has been granted to third parties.

22.1.2. Operating Lease Commitments

The Company has entered into a lease agreement for its Paris head office for a 3-year renewable term starting May 1, 2019. The annual rent including charges is approximately €70K.

22.1.3. Financing Lease Contracts

There are no significant financing lease arrangements.

22.1.4. Retirement Bonuses

Given the Company's reduced workforce, the commitments relating to retirement lump-sum payments are not material.

22.2. Commitments received

There are no commitments received.

23. LITIGATION

In the normal course of business, Group companies may be involved in a number of legal, arbitral, administrative, and tax proceedings. Although the final outcome of these proceedings cannot be presumed with certainty, the Group believes that the resulting obligations should not have a material impact on its financial position and consolidated results.

24. CONSOLIDATING COMPANIES

The Company publishes consolidated financial statements.

25. REGULATED AGREEMENTS AND RELATED-PARTY TRANSACTIONS

Between April 1, 2019 and the date of this Annual Financial Report, only one regulated agreement was entered into:

- An interest-free loan over 2,500,000 Atari shares granted by Ker Ventures to Atari SA to facilitate the secondary listing on the NASDAQ First North exchange in Stockholm. This loan took effect on April 10, 2019 and was repaid in full on July 10, 2019.

26. SUBSIDIARIES AND INVESTMENTS

Amounts in K€	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and avances outstanding	Revuenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
A Subsidiairies (more than 50%-owned)									
Atari Partners SAS	200	(14 822)	100%	325 870	-	7 942	44	3 671	
Atari US Holdings Inc.	-	2 232	100%	432 594	3 224	273	-	(7)	
Atari Interactive Inc.	-	10 036	100%	43 618	10 000	16 277	5 940	1 346	
Atari Entertainment Africa Ltd	-	10	100%	-	-	238	207	10	
Atari Gaming Ltd	9	(131)	60%	5	5	886	-	(140)	FY ended 31/12/2019
Infogrames Interactive Gmbh	26	455	100%	189	189	-	-	-	(a)
Atari Japan KK	274	(2 384)	100%	328	-	2 058	-	-	(a)
B Investments (ownership interest of between 10% and 50%)									
Infinity Network Limited	-	(3 554)	30%	668	-	-	62	(3 554)	FY ended 31/03/2019

(a) Dormant companies.

For subsidiaries and investments whose individual accounts are maintained in a currency other than the euro, the amounts indicated in the table above have been determined:

- for capital and equity, at the exchange rate on the closing date of the financial year to which they relate
- for net revenue and net income, on the basis of the average exchange rate during the financial year to which they relate

27. SUBSEQUENT EVENTS

- **Continued impact of the Covid-19 pandemic:**
  Faced with this health crisis, the Group has taken the necessary measures to protect the health of its employees and partners, while ensuring the continuity of its operations despite the office closures. The Group has deployed its digital and organizational solutions and has favored systematic remote working arrangements by giving all its employees access to the necessary collaboration tools allowing remote work in the best possible conditions while maintaining the cohesion of the teams.

  The duration of this situation and its proportions are not predictable. However, the impact stemming from this situation should not affect the continuity of the business based on the information available at the date of these annual financial statements. One employee was furloughed as of the end of March.

  The impact of Covid-19 is being closely monitored by the Group in order to take the necessary actions according to the situation.

- **April 1, 2020: redemption of the OCEANE 2003-2020 bonds:**

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

11 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ending March 31, 2020.

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

To the General Shareholders' Meeting of Atari

Opinion

In compliance with the engagement entrusted to us by your general shareholders' meetings, we have audited the accompanying financial statements of Atari for the financial year ended March 31, 2020. These financial statements were approved by the board of directors on October 28, 2020 on the basis of the information available at that date in the evolving context of the Covid-19 crisis and difficulties in assessing its impacts and future prospects.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the ATARI as at March 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis of the opinion

Audit framework

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

Our responsibilities under these standards are further described in the section "Statutory Auditors' responsibilities for the Audit of the Annual Financial Statements" of this report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from April 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of the assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

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

Measurement of Atari US Holding and Atari Interactive equity securities
(Note 2.2 "Accounting principles" and Note 4 "Financial fixed assets" to the annual financial statements)

<u>Risk identified</u>

Equity securities are recorded in the balance sheet at March 31, 2020 for an amount of € 13.5 million and mainly correspond to:

- on the one hand in Atari US Holding shares, the group's holding company in the United States owning, directly or indirectly, the companies Atari Game Corp, RCTO, Casino, Asteroid Cubed and AITD which represent a net amount of € 3.2 million;
- on the other hand in shares of Atari Interactive, a subsidiary holding the Atari brand, which represents a net amount of € 10 million.

They are recognised when first recorded at the cost of acquisition and depreciated based on their value in use, representing what the company would agree to disburse in order to obtain them if it had to acquire them.

As indicated in note 2.2 "Accounting principles" to the financial statements, the Atari US Holding and Atari Interactive shares value in use is estimated based on the value of shareholders' equity measured at the financial year-end. For Atari US Holding, this value takes into account the value in use of the securities of the subsidiaries it holds, which is based on the profitability outlook resulting from the discounted cash flow forecasts.

Due to the significant net book value of the Atari US Holding and Atari Interactive equity securities and the high level of judgement exercised by the Company as part of the estimation in their value in use, particularly when based on provisional elements, we considered the valuation of equity securities to be a key point of our audit.

<u>Our response</u>

In order to assess the value in use of the equity securities determined by the Company, our work notably involved:

- for valuations based on the value of revalued equity, verifying the consistency between the amounts with audited financial statements;
- for estimates based on forecast elements:
    - obtaining the entity's cash flow forecasts and reconciling them with the group's forecasts presented to the board of directors;
    - analyzing the consistency of the assumptions used with those of the Group and the entity's performance history and backing up, among others through discussions with Management, future growth prospects;
    - verifying that the value resulting from the cash flow forecasts was correctly reprocessed from the entities' financial debts in the audited financial statements.

We have also verified the appropriateness of the information presented in the paragraph "Financial Fixed Assets" in Note 2.2 and in Note 4 to the annual financial statements.

Going concern
(Notes 2.1 to the annual financial statements)

<u>Risk identified</u>

As indicated in note 2.1 "Principles Used in Preparing the Financial Statements" to the annual financial statements, the annual financial statements for the year ended March 31, 2020 have been prepared based on the assumption of going concern, on the basis of cash flow forecasts established for the next twelve months, taking into account the following main hypothesis :

- the absence of financial debts over the next twelve months,
- activity forecasts (games, licenses, multimedia production, Atari VCS, Atari Token) which generate themselves positive cash flow,
- the exercise of stock options.

Moreover, the Group has a consolidated cash position of 1.8 million euros as of March 31, 2020.

As part of the preparation of the annual financial statement as of March 31, 2020, the management of the company is required to assess the appropriateness of the assumption of going concern over the twelve months following the end of the financial year, with regard to the resources available at the closing date, the cash flow forecasts established for the next twelve months and its ability to obtain new financing solutions to ensure the continuation of its operations over the period considered.

In this context, due to the uncertainties inherent in these forecasts in an evolving context of the Covid-19 crisis, we considered that the appropriateness of the application of the assumption of going concern for the preparation of the annual financial statements at 31 March 2020, which is based on the judgment of management, in particular with regard to business forecasts and estimates of future cash flows, was a key audit matter.

Our response

To assess the reasonableness of the hypothesis made by management regarding the application of the going concern principle, we acknowledged internal controls put in place by the management to prepare its cash flow forecasts for the twelve months following the closing date.

Our work on cash flow forecasts also consisted of:

- reconcile the available cash indicated in the forecasts, with the accounts as at March 31, 2020, as well as with the last consolidated cash position available as at September 30, 2020;
- verify the consistency of the assumptions made in the cash flow forecasts with those underlying the latest forecast data established under the control of the Board of Directors;
- analyze the consistency of revenue and margin rate forecasts with past performance, market outlook, reviews from video game specialists published in professional journals and available sales statistics;
- assess the positioning of cash flows over the next twelve months, in particular with regard to expected non-operating resources, with regard to the main deadlines identified;
- carry out our own sensitivity tests by downgrading the revenue assumptions used by management, in particular on new sales activities for VCS consoles and cryptocurrencies, as well as the assumptions for the performance of certain non-operating operations, in order to assess the Group's ability to meet its commitments even in the event of activity significantly below expectations.

We have also verified that the relevant paragraph of Note 2.1 to the annual financial statements provides appropriate information on the Group's situation with regard to the application of the going concern assumption.

Specific verifications

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

Information given in the management report and in other documents provided to shareholders on the financial position and the annual financial statements

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 the board of Directors approved on October 28, 2020 and in the other documents with respect to the financial position and the financial statements provided to the shareholders. With regard to the events which occurred and the facts known after the date the financial statements were approved by by the board of Directors relating to the impact of the Covid-19 crisis, the management indicated to us that they will be communicated to the General Shareholders' Meeting called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (code de commerce).

Report on Corporate Governance

We attest that the section of the management report devoted to corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

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

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We were appointed as statutory auditors of ATARI by the General Shareholders’ Meeting held on October 1993 for Deloitte & Associés and held on September 30, 2019 for Exponens Conseil & Expertise

As of at March 31, 2020, Deloitte & Associés was in the 28th year of total uninterrupted engagement and Exponens Conseil & Expertise was in the 1St year of total uninterrupted engagement.

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We were appointed as statutory auditors of ATARI by the General Shareholders’ Meeting held on October 1993 for Deloitte & Associés and held on September 30, 2019 for Exponens Conseil & Expertise

As of at March 31, 2020, Deloitte & Associés was in the 28th year of total uninterrupted engagement and Exponens Conseil & Expertise was in the 1St year of total uninterrupted engagement.

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

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

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

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

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

Statutory Auditors’ Responsibilities for the Audit of the Annual Financial Statements

Objectives and audit approach

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

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

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

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

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La-Défense, October 28, 2020

The Statutory Auditors

DELOITTE & ASSOCIES	BENOIT PIMONT
EXPONENS CONSEIL & EXPERTISE	ANNE MOUHSSINE

12 GENERAL INFORMATION ABOUT THE COMPANY

12.1 NAME AND REGISTERED OFFICE (articles 3 and 4 of the articles of incorporation)

Atari S.A. - Registered office: 25 rue Godot de Mauroy - 75009 Paris – France

Telephone: +33 (0) 1 83 64 61 59

12.2 LEGAL FORM AND GOVERNING LAW (article 1 of the articles of incorporation)

French *société anonyme* (public limited company) with a Board of Directors governed by Articles L. 210-1 et seq. of the French Commercial Code.

The Company is governed by French law.

12.3 DATE OF INCORPORATION AND CORPORATE LIFE (article 5 of the articles of incorporation)

The Company was incorporated on July 15, 1987 for a term of 99 years from its registration in the Trade and Companies Register, i.e. until July 15, 2086, unless dissolved early or extended.

12.4 CORPORATE PURPOSE (article 2 of the articles of incorporation)

The Company's purpose, in France and abroad, consists of, directly or indirectly:

- The design, production, editing, and distribution of all multimedia and audiovisual products and works, particularly for entertainment, whatever the form and especially in the form of software, the processing of data or content — whether interactive or not — on any medium and through any current or future mode of communication.
- The purchase, sale, supply, and more generally the distribution of all products and services in connection with the above purpose.
- The creation, acquisition, use, and management of intellectual and industrial property rights or other real or personal rights, in particular by way of assignment, licensing, patents, trademarks, or other rights of use.
- The acquisition, the search for partnerships and the acquisition of participating interests, whatever the form and especially by way of creation, issue, subscription, contribution, in any activity directly or indirectly related to the purpose above or to the products and themes developed by the Company.
- And, more generally, any transactions of any kind directly or indirectly related to the above purpose or to any similar or related purposes that may facilitate the Company's development.

12.5 TRADE AND COMPANIES REGISTER

PARIS B 341 699 106, APE/NAF Code: 5829C.

12.6 PLACES WHERE THE LEGAL DOCUMENTS CAN BE CONSULTED

Company's registered office.

12.7 FISCAL YEAR (article 6 of the articles of incorporation)

The Company's fiscal year begins on April 1 and ends on March 31 of each year.

12.8 FUNCTIONING OF THE BOARD OF DIRECTORS (articles 13 and 14 of the articles of incorporation)

The Company is governed by a Board of Directors with a minimum of three and maximum of 18 members, subject to the exemption provided for by the French Commercial Code in the event of a merger.

Directors are appointed or reappointed by the Ordinary General Shareholders' Meeting for a period of three years.

The Board of Directors appoints a Chairperson from among its natural person members. The Chairperson represents the Board of Directors and chairs the Board. The Chairperson organizes and directs the work of the Board of Directors, and reports on this to the General Meeting. The Chairperson ensures the proper functioning of the Company's bodies and ensures in particular that the directors are able to fulfill their mission.

The Board of Directors meets as often as the interests of the Company require. Board meetings are convened by the Chairperson. Directors, constituting at least one third of the Board members, may ask the Chairperson to convene the Board, indicating the agenda of the meeting, if it has not met for more than two months. If necessary, the Chief Executive Officer may ask the Chairperson to convene the Board of Directors for a specific agenda.

Decisions are taken by a majority vote of the members present or represented, with each director having one vote. In the event of a tie, the Chairperson has the casting vote.

The internal regulations and the committees of the Board of Directors are described in the report of the Chairperson of the Board of Directors provided for in Article L. 225-37 of the French Commercial Code.

12.9 MODE OF MANAGEMENT (article 15 of the articles of incorporation)

Upon the decision of the Board of Directors, acting through a majority of the members present or represented, the Chairperson or another natural person appointed by the Board of Directors who holds the title of Chief Executive Officer is responsible for the Company's General Management. The Board of Directors chooses between the two methods of exercising General Management and the option chosen by the Board of Directors is taken for a duration that cannot be less than one year.

12.10 RIGHTS ATTACHED TO SHARES (article 10 of the articles of incorporation)

In addition to the voting rights attributed to it by law, each share entitles the holder to a share of the profits and corporate assets proportionate to the percentage of capital that it represents.

In accordance with article L. 225-123 of the French Commercial Code, a double voting right with respect to the right conferred to other shares in proportion to the share of capital they represent is attributed, on the one hand, to all fully paid-up shares, for which there will be proof of registration in a holder's name, for at least two years, in the name of the same shareholder and, on the other hand, to all shares derived from these same securities.

In the event of a capital increase through the capitalization of reserves, profits, or issue premiums, the double voting right is attributed from the moment of issuance, to registered shares awarded free of charge to a shareholder on the basis of existing shares that are entitled to this right. The Articles of Incorporation do not contain any conditions relating to the shareholder's nationality in order to benefit from this double voting right.

Any share converted to bearer form or whose ownership is transferred will lose the double voting right. Nevertheless, the transfer as a result of succession, liquidation of common property between spouses, or inter vivos donations to a spouse or a relative entitled to inherit, will result in no loss of the acquired right and will not interrupt the deadlines provided for in Article L. 225-123 of the French Commercial Code.

The Company's merger has no effect on the double voting right that may be exercised in the acquiring company, if its articles of incorporation have provided for this.

Equal treatment will be applied to all the shares making up the share capital, with respect to tax charges.

Whenever it is necessary to own several existing shares to exercise any right, in the event of an exchange or award giving entitlement to new securities against the surrender of several existing shares, individual securities or a number of securities less than required will not give any rights to the holder with respect to the Company. Shareholders are personally responsible for acquiring the number of shares required.

12.11 APPROPRIATION OF EARNINGS (articles 23 and 24 of the articles of incorporation)

Net income for each year, after deducting the Company's general expenses and other expenses, including all amortization/depreciation and provisions, constitutes net profits and losses for the year.

From the profits for the year, less any previous losses, the following are deducted:

- First, at least 5% for the legal reserve fund, a deduction that ceases to be compulsory when the fund has reached one-tenth of the capital, but which is once again required if, for any reason whatsoever, this quota is no longer attained.
- Then, all other sums to be held in reserve under the law.

The balance, plus the retained earnings, constitutes the distributable income that is available to the General Meeting to be allocated to the shares as a dividend, allocated to all reserve accounts, or carried forward.

The General Meeting may, in addition, decide to distribute sums taken from the reserves at its disposal. In this case, the decision expressly indicates the items from which the sums are taken.

The payment of dividends is made at the date and at the place set by the General Meeting or, failing that, by the Board of Directors, within a maximum of nine months of the financial year-end.

The Board of Directors may, before the approval of the accounts for the financial year, distribute one or more interim dividends. The Ordinary General Meeting deciding on the financial statements for the financial year may award to each shareholder, for all or part of the dividend or interim dividends made available for distribution, an option between payment in cash and payment in shares.

Any dividends that have not been collected within five years from the date of payment are prescribed in accordance with the law.

12.12 CHANGE IN THE RIGHTS OF SHAREHOLDERS (article 21 of the articles of incorporation)

The Extraordinary General Meeting is competent to make any amendments to the Articles of Incorporation authorized by law. However, it cannot increase shareholder commitments, except by unanimous shareholder decision.

12.13 SHAREHOLDERS' MEETINGS (article 18, 19 and 20 of the articles of incorporation)

Convening of and Participation in General Meetings

The Company's General Meetings are convened in accordance with the law and are made up of all the shareholders whose shares are paid up, regardless of the number of shares owned by each of them at the time of the meetings. Meetings are convened at least 15 days in advance for the first notification to attend and at least six days in advance for the second notification to attend, by a notice inserted in a newspaper authorized to receive legal announcements in the department of the corporate headquarters or by a simple letter addressed to the last known domicile of each shareholder.

Each share is entitled to one vote. There is no clause restricting shareholder participation in Meetings:

- For registered shareholders, their participation depends on the registration of their shares on the Company's registers with the Company's account-holding institution no later than three business days before the date of the Meeting.
- For holders of bearer shares, their participation depends on the accounting registration of their

shares, in their name, no later than three business days before the date of the Meeting, in their securities account held by their banker or financial intermediary. The accounting registration of their securities must be recorded by a stock certificate issued by an authorized intermediary.

All shareholders may attend the General Meeting:

- Registered shareholders must request an admission card from the Company's account-holding institution at least five days before the Meeting. The account-holding institution will send this document directly to them.
- Holders of bearer shares must make this request to their financial intermediary. The latter will send this request to the Company's account-holding institution (accompanied by a certificate of registration in an account, confirmed no later than three business days before the date of the Meeting). Shareholders will receive their admission card by mail.
- Shareholders may only be represented by another shareholder or by their spouse. The powers of attorney, drawn up in accordance with the requirements of the regulations in force, must be addressed:
    - With respect to registered shareholders, to the account-holding institution
    - With respect to holders of bearer shares, to the financial intermediary of the shareholder who will transmit them to the Company's account-holding institution at least one day before the Meeting, together with a stock certificate.

All shareholders may vote by mail by means of a form sent to them free of charge, at their request, by the institution in charge of managing the Company's securities. The form must be returned to their financial intermediary, or to the account-holding institution in the case of registered shareholders, at least three calendar days before the Meeting. A stock certificate issued by the financial intermediary must be attached to the mail voting form.

The Board of Directors will always have the option of refusing mail voting or access to the Meeting to any shareholder or representative who fails to comply with statutory and regulatory requirements. Shareholders may participate in General Meetings by videoconference or by electronic means of communication under conditions defined by decree.

Quorum and Majority Rules

The Ordinary General Meeting is regularly convened and deliberates validly when at least one fifth of the shares with voting rights are present or represented. If this quorum is not reached, a new Meeting will be held at least six days after the first. Deliberations during this second meeting are valid whatever the fraction of the capital represented, but they can only relate to all or part of the agenda from the first meeting.

The Ordinary General Meeting's decisions are taken by a majority of the votes of the shareholders present, voting by mail, or represented.

The Extraordinary Shareholders' Meeting is regularly convened and deliberates validly if the shareholders present or represented hold at least, when first convened, one-quarter and, when convened for the second time, one-fifth of the shares with voting rights; if this quorum is not achieved, the second Meeting may be rescheduled for a date within two months of the date of the first Meeting, subject to the exceptions provided for by law.

The Extraordinary General Meeting's decisions are taken by a two-thirds majority of the votes of the shareholders present, voting by mail, or represented.

12.14 IDENTIFICATION OF SHAREHOLDERS (article 10 of the articles of incorporation)

In accordance with article L. 228-3-3 of the French Commercial Code, failure to comply with provisions allowing the identification of the owners of the securities will be sanctioned either by the deprivation of the right to vote or by the suspension or deprivation of the right to a dividend.

12.15 REPORTING THRESHOLDS (article 9 of the articles of incorporation)

Besides the legal notification obligation, any natural or legal person, acting alone or in concert, who holds or ceases to hold, directly or indirectly, at least 2% of the Company's capital or voting rights, or any multiple of this percentage, is required to inform the Company by registered letter with acknowledgment of receipt addressed to the corporate headquarters within five trading days from the crossing of each of these thresholds, and also to indicate the number of shares that it holds thus giving access to the share capital in the future, and the number of voting rights that are attached. Mutual fund management companies are required to make this disclosure for all of the Company's shares held by the funds they manage.

Failure to comply with this obligation will be sanctioned, upon request, as recorded in the minutes of the General Meeting, by one or more shareholders holding at least 5% of the Company's capital or voting rights, by the inability to exercise the voting rights attached to the shares exceeding the fraction that should have been declared as of the said Meeting and for any Meeting held until the expiration of a period of two years following the date on which the notification was legally made.

12.16 CHANGE IN CAPITAL (article 8 of the articles of incorporation)

The Extraordinary General Meeting has sole authority to decide on a capital increase. It may delegate to the Board of Directors the power necessary to carry out the capital increase in one or more installments within the statutory timeframe, to set the conditions for doing so, to record its execution, and to amend the Articles of Incorporation accordingly.

13 GENERAL INFORMATION CONCERNING THE COMPANY'S SHARE CAPITAL

13.1 CHANGE IN CAPITAL AND VOTING RIGHTS

Any change in the share capital or the rights attached to the securities that comprise it is subject only to legal requirements, as the Articles of Incorporation do not contain specific provisions thereon.

13.2 SHARE CAPITAL

At March 31, 2020, the subscribed and fully paid-up capital totaled €2,677,820.50, divided into 267,782,050 shares with a par value of €0.01, fully subscribed and paid-up.

13.3 AUTHORIZED CAPITAL

At the General Shareholders' Meeting convened to approve the financial statements for the financial year ended March 31, 2020, it will be proposed to renew the authorizations to increase the capital by issuing shares or securities giving access to the Company's share capital.

13.4 SECURITIES GIVING ACCESS TO CAPITAL

FINANCIAL INSTRUMENTS GIVING ACCESS TO CAPITAL

Stock Option plans

At March 31, 2018, the total number of stock options from all existing plans give entitlement to 18,985,342 shares, representing 7.86% of the capital on that same date.

At March 31, 2019, the total number of stock options from all existing plans give entitlement to 24,086,263 shares, representing 9.40% of the capital on that same date.

At March 31, 2020, the total number of stock options from all existing plans give entitlement to 24,230,036 shares, representing 9.05% of the capital on that same date.

Acting within the authorizations granted by the Extraordinary General Meetings, the Board of Directors has awarded some of the Group's employees and corporate officers options to subscribe for or purchase shares, the details of which are set out in the section "Management Report - Board of Directors' Report on Group Management - Summary of the main features of the option plans awarded" in this document.

13.5 INFORMATION CONCERNING THE POTENTIAL DILUTION OF THE COMPANY'S CAPITAL AT MARCH 31, 2020

Issue date	Number outstanding on March 31, 2020	Exercise price	Identity of holders	Maturity	Number of shares for which securities can be exercised	Potential dilution (% of the capital stock)
Stock options						
10/30/14	4 000 000	0,200 €	Chesnais	10/30/22	4 084 000	1,53%
06/01/16	1 650 000	0,170 €	Chesnais	05/31/24	1 684 650	0,63%
07/12/17	3 680 000	0,280 €	Chesnais	07/11/25	3 724 160	1,39%
07/31/18	4 000 000	0,386 €	Chesnais	07/30/26	4 028 000	1,50%
10/30/14	180 000	0,200 €	Persons referred to in sections L225-177 et 180 of the Commercial Code	10/30/22	183 780	0,07%
09/01/15	220 000	0,200 €		08/31/23	224 620	0,08%
01/04/16	144 000	0,160 €		01/03/24	147 024	0,05%
06/01/16	622 166	0,170 €		05/31/24	635 230	0,24%
07/12/17	1 690 167	0,280 €		07/11/25	1 710 449	0,64%
01/15/18	200 000	0,458 €		01/14/26	201 400	0,08%
07/31/18	2 405 000	0,386 €		07/30/26	2 421 835	0,90%
07/31/18	2 000 000	1,000 €		07/30/26	2 014 000	0,75%
01/18/19	350 000	0,270 €		01/17/27	352 450	0,13%
Sub-total	***21 141 333***				***21 411 598***	***8,00%***
Warrants						
07/07/16	1 731 057	0,170 €	Ker Ventures	07/31/21	1 767 409	0,66%
07/07/16	1 029 412	0,170 €	Alex Zyngier	07/31/21	1 051 029	0,39%
Sub-total	***2 760 469***				***2 818 438***	***1,05%***
Total					**24 230 036**	**9,05%**

13.6 CHANGES IN COMPANY'S CAPITAL

The following table presents the changes in the Company's capital over the last three years up to March 31, 2020:

Financial year	Type of transaction	Number of shares	Cumulative number of shares	Nominal value of the share	Share premium	Total capital stock (in €)
As at 03/31/2016			**183 185 574**	**0,01 €**	**407 472 085 €**	**1 831 856 €**
2016/2017	Capital increase	47 223 181		0,01 €	7 481 080 €	472 232 €
2016/2017	Allocation prior losses				-407 472 085 €	
As at 03/31/2017			**230 408 755**	**0,01 €**	**7 481 080 €**	**2 304 088 €**
2017/2018	Conversion of OCEANE bonds	11 060 241		0,01 €	4 094 869 €	110 602 €
As at 03/31/2018			**241 468 996**	**0,01 €**	**11 575 949 €**	**2 414 690 €**
2018/2019	Capital increase	13 636 364		0,01 €	7 120 278 €	136 364 €
2018/2019	Allocation prior losses				-10 934 092 €	
2018/2019	Stocks options exercise	1 003 900		0,01 €	213 282 €	10 039 €
As at 03/31/2019			**256 109 260**	**0,01 €**	**7 975 418 €**	**2 561 093 €**
2019/2020	Capital increase	11 665 590		0,01 €	3 036 873 €	116 656 €
2019/2020	Stocks options exercise	7 200		0,01 €	-72 €	72 €
As at 03/31/2020			**267 782 050**	**0,01 €**	**11 012 218 €**	**2 677 821 €**

13.7 SHARE OWNERSHIP AND VOTING RIGHTS

To the best of the Company's knowledge, as of March 31, 2020, share ownership and voting rights were as follows:

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

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company CEO.
(2) 118,790 shares have double voting rights.

13.8 CROSSING OF REPORTING THRESHOLDS DURING THE FINANCIAL YEAR

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

On March 27, 2020, the Company was notified of the purchase of 28,000,000 shares by Wade J. Rosen Revocable Trust from Ker Ventures LLC.

13.9 TRANSACTIONS CARRIED OUT BY THE COMPANY IN ITS OWN SECURITIES

During FY 2019-2020, Atari SA, carried out the following transactions to purchase, sell, or transfer Atari shares:

FY 2019 - 2020	Average rate	Number of shares
1. Sales / Transfers of shares		
July 2019 Stock loan repayment to Ker Ventures	0,3452	2 500 000
June 2019	0,3431	250 000
May 2019 Transfer from the secondary market of Stockholm	0,3452	(254 718)
April 2019 Sale on the secondary market of Stockholm	0,3452	2 500 000
April 2019 Stock loan from Ker Ventures	0,3452	(2 500 000)
Total sales of shares		**2 495 282**
2. Share purchases		
May 2019	0,3855	1 302 337
April 2019	0,3907	1 252 534
Total share purchases		**2 554 871**

The General Shareholders’ Meeting on September 28, 2018, in its ninth resolution, authorized the Board of Directors, for a period of 18 months, to purchase a number of the Company's shares representing up to 10% of the total amount of shares comprising the Company's share capital.

During the year, the company used this authorization to purchase 2,554,871 shares on Euronext Paris and to resell 2,495,282 shares on the Nasdaq First North secondary market in Stockholm. This transaction was facilitated through a share loan granted by Ker Ventures to Atari on April 10, 2019 and fully reimbursed on July 10, 2019.

13.10 TRADING BY CORPORATE OFFICERS IN SHARES AND OTHER SECURITIES DURING THE YEAR

Between April 10, 2019 and July 10, 2019, Ker Ventures granted an interest-free loan of 2,500,000 shares to Atari SA to facilitate the secondary listing on Nasdaq First North in Stockholm.

In March 2020, Ker Ventures subscribed for 1,000,000 shares to the capital increase proposed by Atari SA at the issue price of €0.28 per share.

At the end of March 2020, Ker Ventures sold 28,000,000 shares at a price of €0.3737 per share to Wade J. Rosen Revocable Trust.

The Company has not been informed of any other transactions carried out by corporate officers during the year involving the Company's shares.

13.11 CHANGES IN OWNERSHIP OVER THE LAST THREE FINANCIAL YEARS

The tables below show the changes in shareholding over the past three years in terms of the percentage of capital held and voting rights. The differences between the number of shares and the voting rights held are explained by the fact that registered shares held for at least two years benefit from double voting rights.

To the best of the Company's knowledge, at March 31, 2020, the breakdown of capital and voting rights was as follows:

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

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company CEO.
(2) 118,790 shares have double voting rights.

To the best of the Company's knowledge, at March 31, 2019, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2019					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	47 065 781	18,38%	61 156 519	22,62%	61 156 519	22,64%
Mr Alexandre Zyngier	9 951 540	3,89%	9 951 540	3,68%	9 951 540	3,68%
Arbevel	5 060 846	1,98%	5 060 846	1,87%	5 060 846	1,87%
Treasury shares	220 000	0,09%	220 000	0,08%	0	0,00%
Public (2)	193 811 093	75,68%	193 943 523	71,74%	193 943 523	71,80%
Total	**256 109 260**	**100,00%**	**270 332 428**	**100,00%**	**270 112 428**	**100,00%**

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company Chairman and CEO. 14,090,738 shares have double voting rights.

(2) 132,430 shares have double voting rights

To the best of the Company's knowledge, at March 31, 2018, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2018					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	47 065 781	19,49%	47 065 781	19,49%	47 065 781	19,67%
Mr Alexandre Zyngier	7 701 540	3,19%	7 701 540	3,19%	7 701 540	3,22%
Arbevel	6 485 933	2,69%	6 485 933	2,69%	6 485 933	2,71%
Treasury shares	2 264 924	0,94%	2 264 924	0,94%	0	0,00%
Public (2)	177 950 818	73,70%	178 013 709	73,70%	178 013 709	74,40%
Total	**241 468 996**	**100,00%**	**241 531 887**	**100,00%**	**239 266 963**	**100,00%**

(1) Ker Ventures LLC, holding company owned by Mr. F. Chesnais.

(2) 62,891 shares have double voting rights

13.12 SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge there are no shareholders' agreements in place.

13.13 RELATED-PARTY TRANSACTIONS

These transactions with related parties are described in the notes to the consolidated and individual financial statements of Atari SA for the year ended March 31, 2020 and in the Statutory Auditors' special report prepared in accordance with the provisions of article L.225-40. of the French Commercial Code and appearing below

13.14 PLEDGES, GUARANTEES, AND SECURITY INTERESTS

No security or guarantee has been granted to third parties.

14 MARKET FOR THE COMPANY'S SECURITIES

Securities management: CACEIS Corporate Trust, 14 rue Rouget de L'Isle, 92130 Issy les Moulineaux France. Tel: +33(0)1.57.78.00.00

14.1 SHARES - ISIN: FR0010478248

Main listing: NYSE Euronext Paris - Compartment C
The share is eligible for the deferred settlement system (SRD Long) and the PEA-PME savings plan
Included in the following indices: Next Economy, CAC All shares
Reuters code: ATARI.PA Bloomberg code: ATA:FP

Period	Monthly highs and lows		Trading volume	Capital traded in the month
	High	Low		
2020				
August	0,327 €	0,247 €	18 131 429	5 353 168 €
July	0,291 €	0,240 €	8 214 724	2 192 732 €
June	0,309 €	0,271 €	8 964 045	2 611 761 €
May	0,314 €	0,280 €	11 930 944	3 502 124 €
April	0,339 €	0,250 €	44 061 715	12 842 326 €
March	0,289 €	0,170 €	45 544 559	10 464 498 €
February	0,323 €	0,243 €	12 398 929	3 579 375 €
January	0,360 €	0,300 €	15 861 706	5 224 805 €
2019				
December	0,370 €	0,299 €	15 088 684	5 062 387 €
November	0,338 €	0,285 €	10 033 788	3 112 709 €
October	0,339 €	0,256 €	23 554 983	6 890 816 €
September	0,363 €	0,320 €	7 304 340	2 500 248 €
August	0,382 €	0,338 €	13 872 068	4 987 648 €
July	0,418 €	0,370 €	15 433 941	6 037 272 €
June	0,441 €	0,321 €	34 612 085	13 609 620 €
May	0,413 €	0,321 €	13 703 819	4 961 357 €
April	0,433 €	0,310 €	35 507 275	13 523 728 €
March	0,365 €	0,312 €	17 103 654	5 759 500 €
February	0,356 €	0,319 €	14 161 628	4 817 436 €
January	0,386 €	0,320 €	19 532 244	6 782 469 €
2018				
December	0,365 €	0,293 €	26 016 090	8 512 278 €
November	0,397 €	0,285 €	30 317 603	10 373 641 €
October	0,473 €	0,355 €	60 432 654	25 074 450 €
September	0,439 €	0,377 €	38 061 793	15 366 251 €
August	0,496 €	0,436 €	27 542 894	12 666 756 €
July	0,549 €	0,418 €	50 164 821	24 570 386 €
June	0,672 €	0,510 €	48 826 883	28 399 283 €
May	0,714 €	0,554 €	65 956 958	40 677 007 €
April	0,700 €	0,602 €	42 989 693	27 774 962 €
March	0,809 €	0,612 €	120 096 518	86 589 413 €
February	0,948 €	0,448 €	356 576 307	254 434 714 €
January	0,604 €	0,367 €	157 230 481	78 201 435 €

(Source: Euronext)

Secondary listing since April 25, 2019: NASDAQ First North as SDRs (Swedish Depositary Receipts)
ISIN: SE0012481232 - Ticker: ATA

American OTC compartment: Affiliation with the NASDAQ International Select program on the OTC market - Ticker: PONGF

14.2 DIVIDENDS

During the past five financial years, the Company has not distributed any dividends, and the Board of Directors does not intend to propose any distribution for the last financial year.

15 CORPORATE GOVERNANCE REPORT

This corporate governance report has been drawn up in accordance with the provisions of Article L.225-37 of the French Commercial Code. It was approved by the Board of Directors in its deliberations on August 13, 2019. Its main purpose is to report on the organization and composition of the administrative, management and advisory bodies and the delegations of authority and powers granted to the Company's Board of Directors.

15.1 CORPORATE GOVERNANCE CODE

At its meeting on March 16, 2017, the Company's Board of Directors decided to adopt the MiddleNext Corporate Governance Code of September 2016 for small and mid-caps (the "MiddleNext Code") as a reference code for the Company in terms of corporate governance, considering that it is the most suitable for its size and its shareholding structure. This code is available on the MiddleNext website (www.middlenext.com).

The MiddleNext code contains points of vigilance which call to mind the questions that the Board of Directors must ask itself for the good functioning of governance.

As of the date of this report, the Company deems itself to be in compliance with all the recommendations of the MiddleNext Code.

15.2 ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

EXECUTIVE MANAGEMENT

The Company is a French *Société Anonyme* (public limited company) with a Board of Directors. Until April 3, 2020, the functions of Chairman of the Board of Directors and Chief Executive Officer were not separated. Since April 3, 2020, Mr. Wade J. Rosen has been Chairman of the Board of Directors and Mr. Frédéric Chesnais is Chief Executive Officer.

BOARD OF DIRECTORS

Until April 3, 2020, the Board of Directors was composed of five directors, 60% of whom are independent directors within the meaning of Recommendation No. 3 of the MiddleNext corporate governance code.

The members of the Board of Directors are:

- Frédéric Chesnais, Chairman, Chief Executive Officer, non-independent director;
- Erick Euvrard, independent director
- Alyssa Padia Walles, independent director
- Isabelle Andres, independent director
- Alexandre Zyngier, non-independent director

Since April 3, 2020, following the resignations of Ms. Andres, Mr. Chesnais and Mr. Euvrard, the Board of Directors is now composed, subject to any co-optations that will be submitted to the next general meeting, of four directors, 50% of whom are independent directors. The Board of Directors is now composed as follows:

- Wade J. Rosen, Chairman, Director of the Board of Directors, non-independent director
- Alyssa Padia Walles, independent director
- Kelly Bianucci, independent director
- Alexandre Zyngier, non-independent director

Directors are appointed by the General Meeting for a period of three years.

Balanced Representation of Women and Men on the Board of Directors

The system set up by law, introducing a minimum representation threshold of 40% for members of the Board of Directors and the Supervisory Board of companies whose shares are admitted to trading on a regulated market, applies from January 1, 2017. Until April 3, 2020, the Company's Board of Directors was made up of five members, including two women, and since that date the composition of the Board is four members, including two women.

Ethics of the Directors

In accordance with Recommendation No. 1 of the MiddleNext Code, all directors are made aware of the responsibilities incumbent on them at the time of their appointment and are encouraged to observe the rules of ethics relating to their directorship.

Directors must comply with the legal rules governing multiple directorships, inform the Board in the event of a conflict of interest occurring after obtaining a directorship, be diligent in attending Board meetings and General Meetings, and ensure that they have all the necessary information on the agenda of the Board meetings before making any decision.

Directors are required to respect confidential information given as such by the Chairman of the Board of Directors.

Conditions for Preparing and Organizing the Work of the Board of Directors

Article 14 of the Articles of Incorporation stipulates that the Company's Board of Directors must have a minimum of three and maximum of 18 members, subject to an exemption provided for by the legal provisions. The Board of Directors does not have a director elected by the employees. The members of the Board of Directors have been chosen because of their recognized expertise in the areas of management, finance, and accounting, on the one hand, and the interactive entertainment industry, on the other.

In accordance with the Company’s Internal Regulations approved by the Board of Directors on March 16, 2017, the Board of Directors has the broadest management powers to act in all circumstances for and on behalf of the Company. It defines the Company’s general management policy and ensures that it is implemented, and, more generally, all important matters are referred to it in accordance with Recommendation No. 5 of the MiddleNext code. The Board of Directors approves the Company’s strategic guidelines and ensures that they are implemented by senior management. In particular, the Board of Directors sets the thresholds for prior authorization necessary for the Chief Executive Officer (or other senior executives) to finalize and give effect to the Company’s main operations and approves the annual budget and the multi-year game publishing plan. The Board also approves any material changes to the Budget or publishing plan during the year.

In accordance with the law and the Board's Internal Regulations, the directors have the necessary means to obtain all information essential to carry out an independent and critical analysis of the Group’s business, its financial position, its results, and its prospects. The Board of Directors ensures that at least one-third of its members are independent directors. At the date of this document, the Board of Directors had two independent directors out of four members (i.e. 50%): Ms. Alyssa Padia Walles, and Ms. Kelly Bianucci.

The Company’s Board of Directors met 11 times during the period from April 1, 2019 to March 31, 2020 with an average directors’ attendance rate of 97%. All Board meetings were chaired by its Chairman. The Board meetings were attended by the secretary and, depending on the subjects discussed, the statutory auditors, the Group’s managers or third-party experts.

The Board of Directors meets as often as the interests of the Company require and at least four times a year in accordance with Recommendation No. 5 of the MiddleNext Code.

The Board of Directors also met several times in an “Executive Session” (excluding Frédéric Chesnais) to review the situation of the Company and the compensation of Frédéric Chesnais.

In accordance with Recommendation No. 6 of the MiddleNext Code, the Board of Directors is assisted by two standing committees: the Audit Committee and the Nomination and Compensation Committee.

Each committee will meet as often as necessary, convened by its chairman or by at least half of its members, to examine any matter within its remit. Independent directors constitute at least half of the members of the committees. Each committee is chaired by an independent director appointed by the Board of Directors.

- The Audit Committee assists the Board of Directors to review and audit the financial statements and to verify the clarity and accuracy of information provided to shareholders and the financial markets.

  The Audit Committee is composed of two members: until April 3, 2020 Mr. Erick Euvrard, independent director, Chairman, and Mr. Alexandre Zyngier; since April 3, 2020, Ms. Kelly Bianucci, independent director, Chairman, and Mr. Alexandre Zyngier. During FY 2019-2020, the Audit Committee met before the Board of Directors' meetings (the attendance rate was 100%) to address accounting and financial matters.

- The Nomination and Compensation Committee assists the Board of Directors in its duty to oversee the Group's compensation policy (mainly executive compensation) and awards of stock options or free shares. The policy on compensation and benefits of all kinds granted to the Company's executive officers is in accordance with Recommendation No. 13 of the MiddleNext Code, while the principles for determining remuneration meet the criteria of completeness, balance, benchmark, consistency, readability, measurement and transparency.

  The Nomination and Compensation Committee is composed of the following members: until April 3, 2020, Ms. Alyssa Padia-Walles, independent director, Chairman, Ms. Isabelle Andres and Mr. Frédéric Chesnais; since April 3, 2020, Ms. Alyssa Padia-Walles, independent director, Chairman, and Mr. Wade J. Rosen. During FY 2019-2020, the Nomination and Compensation Committee met twice (the attendance rate was 100%).

Limitation of the powers of the Chief Executive Officer

In accordance with Recommendation 4 of the MiddleNext Code, all documents and information necessary for the assignment of the directors have been communicated to them or made available in sufficient time prior to the meetings of the Board. In addition, directors may supplement their information on their own initiative, with the Chairman and Chief Executive Officer being permanently at the disposal of the Board of Directors to provide explanations and significant information.

At each Board meeting, the Chief Executive Officer reports on current operations and significant developments affecting the Company.

However, the Board of Directors' bylaws provide that the prior authorization of said Board is necessary for the following operations:

- The creation of joint ventures or the acquisition of activities worth more than €750,000, the acquisition of participating interests or activities or the signing of joint venture agreements whenever the operation involves more than €750,000
- The sale or disposal of activities or assets for more than €750,000, the sale of any participating interest or activity involving more than €750,000
- Mergers or proposed mergers concerning the Company or, in general, all transactions involving the assignment or sale of all or substantially all of the assets of the Company
- In the event of litigation, the signing of any negotiated agreement or amicable settlement or the acceptance of a negotiated settlement, whenever the amount exceeds €750,000
- The granting of guarantees on the Company's assets, whenever the guaranteed obligation or the value of the collateral is greater than €750,000
- The signing of any licensing or intellectual property agreement, whenever the amount involved is greater than €1M

Directorships Held and Functions Performed by the Members of the Administrative Bodies

Frédéric Chesnais: Mr. Chesnais is a graduate of the Institute of Political Studies Paris, and has a degree in Finance and Law. He began his career as a financial advisor and practiced as a lawyer specializing in mergers and acquisitions. He then worked for Lazard Bank from 1995 to 2000. From 2001 to 2007, he was a member of the Atari Group’s management team, first as Group Chief Operating Officer and Chief Financial Officer, then as Chief Executive Officer of Atari Interactive. In 2007, he left Atari to create his own video game company. In 2013, he became the largest shareholder of the Atari Group by purchasing Atari shares then held by BlueBay. Until April 3, 2020 he was Chairman and CEO of the Atari Group. Today, he is the Group's Chief Executive Officer.

Isabelle Anfres: A graduate of HEC and the Paris Nanterre University (Bachelor in Psychology), Ms. Andres has built a 20-year career in the digital, media, and entertainment sectors. She began her career in radio (Lagardère Group, now known as Radio-France), then in the audiovisual production sector (TéléImages—ZodiacMedia Group). In 2009, she joined the Betclic Everest Group (online gambling) as Deputy Chief Financial Officer and then Group Chief Executive Officer from 2013 to 2017. She is now Chief Executive Officer of the Alchimie Group, an aggregator and distributor of digital content (videos, games) on web and mobile platforms. Ms. Andres’ resignation from her position as a Board member became effective as of April 3, 2020.

Erick Euvrard: An ESSEC graduate, Mr. EUVRARD began his career at Arthur Andersen, where he participated in growing its Restructuring practice. He then joined Lucien Deveaux in the takeover of the Bidermann Group, whose turnaround he led before launching an Internet start-up that he sold in 2002. That is when he took over LBO Gigastore, a non-food discount brand, which he managed until its sale in 2008. Since then, he has managed a consulting firm specialized in change management and co-led a training group. Mr. Euvrard’s resignation from his position as a Board member became effective as of April 3, 2020.

Alyssa Padia Walles: A graduate of the University of Southern California, Chairman of Amplitude Consulting and Senior Vice President of Publishing MWM Interactive, Ms. Walles has significant experience in the media field. She is involved in developing and managing companies, sales, brand promotion, and the creation and implementation of international marketing campaigns in interactive entertainment. Ms. Walles is also a mentor on behalf of the USC Marshall School of Business.

Alexandre Zyngier: A graduate of the University of Campinas, Brazil in Chemical Engineering, Mr. Zyngier holds an MBA in Finance from the University of Chicago. He began his career as Technical Director at Procter & Gamble and then as a consultant for McKinsey & Co. He has worked at CRT Capital Group LLC, then Goldman Sachs & Co, and Deutsche Bank. From 2009 to 2013, he served as Portfolio Manager for Alden Global Capital. Mr. Zyngier is a founding partner at Batuta Capital Advisors LLC, where he works with a select group of companies and credit/equity investors specializing in specific financings. He is also a director of Torchlight Energy Resources Inc., an E&P company, AudioEye Inc., a provider of Internet access solutions for people with disabilities and Applied Minerals Inc., a producer of halloysite clay and iron oxyde. In 2013, he became a major shareholder of the Atari Group by purchasing Atari shares then held by BlueBay.

Wade J. Rosen: After a Bachelor of Business degree from the University of Denver, Wade Rosen obtained an MBA from Instituto de Empresa SL. In March 2020, he became the Group's largest shareholder when he acquired 10.46% of Atari share capital from de Ker Ventures, the holding company controlled by Frédéric Chesnais, and Chairman of the Board of Directors. Wade Rosen is also Executive Vice President of Scientific Life Solutions, Inc, Director of Flagship Biosciences, Inc, Apto, Inc, and Collagen Solutions PLC. He is also the founder of several privately held technology companies based in the United States.

Kelly Bianucci: After obtaining a Bachelor of Science degree in Economics and Marketing from New York University's Stern School of Business, Kelly Bianucci earned an MBA from Northwestern University's Kellogg School of Management. She is the operating chair and the executive director of the Child & Family Therapy Center in Denver; previously she was a Channel Marketing Analyst at Take-Two Interactive Software, Inc. and a consultant for Deloitte Consulting LLP. She is also an Advisor of the University of Colorado Business School - Jake Jabs Center for Entrepreneurship.

Offices and positions held within the Atari Group during FY 2019-2020

Name	Main Function in the Group
Frédéric Chesnais Renewed: 09/30/2019 Expiration: AGM/FY 2021-2022 Resignation : 04/03/2020	**CEO and Chairman of the Board:** Atari SA (France) **Member of the Nomination and Compensation Committee:** Atari SA (France) **CEO (United States) :** Atari US Holdings Inc, Atari Inc, Atari Interactive Inc, Atari Studios Inc, AITD Productions LLC, Cubed Productions LLC, RCTO Productions LLC, Atari connect LLC, Atari Casino LLC, Atari VCS, Atari Hotels Corp, Atari Games Corp. **CEO** Atari Entertainment Africa Ltd (Mauritius), Atari Gaming Ltd (Kenya), Atari Liberia. Atari RDC Eurl, Atari Lifestyle Ltd (Nigeria), Atari Entertainment Ghana Ltd
Erick Euvrard Renewed: 09/30/2019 Expiration: AGM/FY 2021-2022 Resignation : 04/03/2020	**Director:** Atari SA (France) **Chairman of the Audit Committee:** Atari SA (France)
Alyssa Padia Walles Renewed: 09/29/2017 Expiration: AGM/FY 2019-2020	**Director:** Atari SA (France) **Chairman of the Nomination and Compensation Committee:** Atari SA (France)
Alexandre Zyngier Renewed: 09/28/2018 Expiration: AGM/FY 2020-2021	**Director:** Atari SA (France) **Member of the Audit Committee:** Atari SA (France)
Isabelle Andres Appointeded: 09/29/2017 Expiration: AGM/FY 2019-2020 Resignation : 04/03/2020	**Director:** Atari SA (France) **Member of the Nomination and Compensation Committee:** Atari SA (France)

Offices and positions held within the Atari Group since April 3, 2020

Name	Main Function in the Group
Frédéric Chesnais	**CEO (France) :** Atari SA **CEO (United States) :** Atari US Holdings Inc, Atari Inc, Atari Interactive Inc, Atari Studios Inc, AITD Productions LLC, Cubed Productions LLC, RCTO Productions LLC, Atari connect LLC, Atari Casino LLC, Atari VCS, Atari Hotels Corp, Atari Games Corp. **CEO** Atari Entertainment Africa Ltd (Mauritius), Atari Gaming Ltd (Kenya), Atari Liberia. Atari RDC Eurl, Atari Lifestyle Ltd (Nigeria), Atari Entertainment Ghana Ltd
Wade Rosen Coopteded: 04/03/2019 Expiration: AGM/FY 2021-2022	**Chairman of the Board:** Atari SA (France) **Member of the Nomination and Compensation Committee:** Atari SA (France)
Alyssa Padia Walles Renewed: 09/29/2017 Expiration: AGM/FY 2019-2020	**Director:** Atari SA (France) **Chairman of the Nomination and Compensation Committee:** Atari SA (France)
Alexandre Zyngier Renewed: 09/28/2018 Expiration: AGM/FY 2020-2021	**Director:** Atari SA (France) **Member of the Audit Committee:** Atari SA (France)
Kelly Bianucci Coopteded: 04/03/2019 Expiration: AGM/FY 2019-2020	**Director:** Atari SA (France) **Chairman of the Audit Committee:** Atari SA (France)

Primary offices and positions held outside of the Atari Group

Name	Main positions currently held outside the Group
Frédéric Chesnais	**General Manager:** Ker Ventures, LLC (United States) OP Productions, LLC (United States) Magnet Productions (United States) **Director (designated by Atari SA) :** Infinity Network Limited (Gibraltar)
Erick Euvrard	**Director general:** Keatis : investment holding (France) **Manager director:** Quadrature: consulting firm (France)
Alyssa Padia Walles	**CEO:** Amplitude Consulting Inc. (United States) **Senior Vice President:** Publishing MWM Immersive (United States)
Alexandre Zyngier	**Director:** Torchlight Energy Resources Inc (United States) Audioeye Inc. (United States) - Applied Minerals Inc. (United States) **Founding partner:** Batuta Capital Advisors LLC (United States)
Isabelle Andres	**CEO:** SAS Karina Square **Director general:** Groupe Alchimie (France) **Independant Director:** Bet-at-home.com (Germany)
Wade Rosen	**Executive Vice President** Scientific Life Solutions, Inc (United States) **General Manager** LR Interactive (United States) **Director:** Flagship Biosciences, Inc., Apto, Inc, Nightdive Studos, LLC (United States) Ziggurat Interactive, Inc. & subs, Rosen's Diversified, Inc & subs (United States) Collagen Solutions PLC (Scotland)
Kelly Bianucci	**Managing Member:** Bianucci Enterprise LLC (United States) **Member of the Nomination and Compensation Committee:** The Child and family therapy center of Denver (United States)

Alexandre Zyngier can also act through the Family Limited Partnership "HZ Investments," which in legal terms is equivalent to the legal entity of Mr. Alexandre Zyngier.

Previous Directorships Held and Functions Performed over the Last Five Years outside the Atari Group

Names	Expired mandates or functions in the previous five years outside the Group Atari
Alexandre Zyngier	**Manager:** Alden Global Capital LLC (United States) 2009-2013 **Chairman of the board:** Vertis Communications Inc (United States) **Director:** Island One Resorts (United States)
Isabelle Andres	**Manager director:** SARL Mangas Gambling Engineering (France) **Group managing Director:** Betclic Everest Group (France)
Wade Rosen	**CEO:** Wishlist Rewards, LLC (United States) - ThrivePass, Inc (United States) **Director:** Connect first, Inc (United States)
Kelly Bianucci	**Managing Member:** Impresa Financial Corporation (United States) **Board Member:** Colorado Innovation Network (United States)

Convictions and Family Ties

To the best of the Company's knowledge, during the last five years, none of the members of the Administrative bodies:

- Have been convicted of fraud
- Have been associated with bankruptcy, receivership or liquidation
- Have been incriminated or officially sanctioned by any statutory or regulatory authority, including professional organizations
- Have been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer

As of the date of this document, the directors are not related to each other.

Potential Conflicts of Interest

To the best of the Company's knowledge, there is no potential conflict of interest between their duties with respect to the Company and the private interests of any of the members of the Board of Directors of the Company.

Loans and Guarantees Granted

During the past financial year, no loans or guarantees were granted or made to members of the Board of Directors or management bodies.

15.3 COMPENSATION OF DIRECTORS AND CORPORATE OFFICERS

COMPENSATION FOR CORPORATE OFFICERS

Atari's corporate officers are its directors, and the Chief Executive Officer is the only director to have an executive position.

The General Shareholders' Meeting on September 30, 2019 approved the principles and criteria for determining, distributing and allocating the fixed and variable components of the overall compensation package and benefits of any kind to be awarded to the Company's executive officers in accordance with Article L.225-37-2 of the French commercial code.

COMPENSATION FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR FY 2019-2020

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

Annual fixed compensation

On May 13, 2014, as recommended by the Nomination and Compensation Committee, the Board of Directors approved the terms and conditions for the compensation awarded to Frédéric Chesnais. In connection with the operational functions performed by Frédéric Chesnais as a game producer in the Group's American subsidiaries, the Board approved the payment of a monthly sum of $46,500. This amount is intended to supplement the compensation set out in the following section. This sum is paid in the United States, in US dollars, at the historical exchange rate from the day on which the latter was determined, with Frédéric Chesnais himself paying all the social security and pension costs. For reference, this amount is equivalent to a gross annual salary of around €288,000 in France. This compensation is unchanged since 2014.

In 2013, for the positions of Chairman of the Board of Directors and/or Chief Executive Officer, the Board approved a sum of €1,000 gross per month for Atari SA and $1,000 per month for Atari Inc. This compensation is unchanged since 2013.

In addition, Frédéric Chesnais does not benefit from a severance payment in the event of termination of his duties as Chief Executive Officer and game producer.

Variable compensation / Options

The Board of Directors decided, as recommended by the Nomination and Compensation Committee, to set up an annual discretionary bonus, as of April 1, 2017, which could represent (except in exceptional circumstances) between 50% and 125% of the annual fixed compensation paid, incorporating the following elements: level of revenue, EBITDA margin, cash generation, share price performance, growth in recurring net earnings per share, which makes it possible to take into account all the elements on the income statement, as well as various objective criteria related to the activity.

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

This compensation policy was approved at the General Shareholders' Meeting on September 30, 2019.

Variable compensation for FY 2019-2020

The Board of Directors, as recommended by the Nomination and Compensation Committee, and after the Audit Committee ascertained the compliance of the financial elements and the measurement of the performance criteria, set the variable compensation for FY 2019-2020 at 50% of the total annual fixed compensation.

During the 2019-2020 financial year, under the long-term incentive plan, no stock options were awarded.

Compensation due for directorships

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

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

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

Table 1 – Compensation for Mr. Frédéric Chesnais (excluding payroll taxes):

Frédéric Chesnais - CEO	FY 2019/2020				FY 2018/2019			
	Amount due		Amount paid		Amount due		Amount paid	
(Amounts in K€)	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.
Fixed compensation	12	300	12	300	12	300	12	300
Variable compensation	21	185	19	233	19	233	-	-
Exceptional compensation	-	-	-	-	-	-	8	412
Director's fees	19	-	20	-	20	-	20	-
TOTAL	**52**	**485**	**51**	**533**	**51**	**533**	**40**	**712**

As indicated above, Frédéric Chesnais himself pays all 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. The total cost for the Group, equivalent to a gross salary including employer and employee contributions, is €581K for the fixed compensation component, €206K for the variable compensation component due as of March 31, 2020, and €31K in directors' fees.

COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER FOR FY 2020-2021

On April 3, 2020, Mr. Frédéric Chesnais resigned from his position as Chairman of the Board of Directors and a director to serve as the Group's Chief Executive Officer.

Annual fixed compensation

For FY 2020-2021, the fixed compensation for the operational functions of Frédéric Chesnais remains the same.

The Company and Mr. Frédéric Chesnais are contemplating entering into an employment agreement with one of the Group's US subsidiaries as of January 1, 2021. Frédéric Chesnais' total compensation would remain unchanged, and he would receive the same benefits as those offered by the Company to its other employees. In addition, Frédéric Chesnais would be entitled, under this employment agreement, in the event of termination of his duties, to a severance payment of 18 months, the terms and conditions of which remain to be defined and would be subject to the limitations and obligations customary in this type of contract in the United States.

Variable compensation / Options

For FY 2020-2021, the terms and conditions for awarding variable compensation were renewed based on similar proportions and criteria without retaining the minimum percentage of 50%.

In the event an employment agreement were to be entered into, this variable compensation would be paid within the framework of this agreement.

In addition, 0.87% of the Atari Tokens (68 million) were awarded to Frédéric Chesnais as variable compensation. This award, made at the start of the project, is vested on a prorata temporis basis. The vesting period runs from April 1, 2020 to March 31, 2022.

COMPENSATION FOR DIRECTORS

Annual fixed compensation

Mr. Alexandre Zyngier has an employment agreement since September 1, 2014 for the position of "Project Manager". As such, he receives an annual compensation of $30K.

Compensation due for directorships

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

For FY 2019-2020, the Board of Directors set, subject to approval by the General Meeting deliberating on the financial statements for the year ended March 31, 2020, the compensation for directorships as follows:

Table 2 - Compensation for non-executive corporate officers:

(Montants nets en K€)	31 mars 2020		31 mars 2019	
	Jetons de présence	Autres rémunérations	Jetons de présence	Autres rémunérations
Alexandre Zyngier	30	30	20	30
Erick Euvrard	38	-	20	-
Isabelle Andres	28	-	20	
Alyssa Padia Walles	30	-	20	-
TOTAL	**126**	**30**	**80**	**30**

Furthermore, as part of developments with the Atari Token / Blockchain project, the Board of Directors awarded 3.5% of the Atari Tokens to the entire Atari team, with 0.49% of the Tokens (38 million) split equally between the four Board members (Wade Rosen, Alyssa Padia Walles, Kelly Bianucci and Alexandre Zyngier). The vesting period runs from April 1, 2020 to March 31, 2022.

.

THE MANAGEMENT TEAM

As of the date of this document, the management team is composed as follows:

- Frédéric Chesnais – Chief Executive Officer
- Philippe Mularski – Chief Financial Officer
- Jean-Marcel Nicolaï – Chief Operating Officer of the Games division
- Michael Arzt - Chief Operating Officer of the Atari VCS and Connected Objects division
- Manfred Mantschev – Director of Strategy
- Christophe Comparin - Chief Operating Officer of the Casino divison

15.4 REGULATED AGREEMENTS

During the 2019-2020 financial year, only one agreement was entered into:

- An interest-free loan agreement for 2,500,000 Atari shares granted by Ker Ventures to Atari, SA to facilitate the secondary listing on the Nasdaq First North in Stockholm. This loan took effect on April 10, 2019 and was repaid in full on July 10, 2019.

15.5 SUMMARY OF THE DELEGATIONS CURRENTLY VALID GRANTED BY THE GENERAL SHAREHOLDERS' MEETING WITH REGARD TO AN INCREASE IN CAPITAL AND THEIR UTILIZATION

Nature of the Delegation of Authority	GM Date Resolution Reference	Duration Term	Maximum Nominal Amount of Capital Increase (€)	Use during the Past Period
Authorization granted to the Board of Directors to allow the Company to trade in its own shares	Sept. 28, 2018 Resolution 9	26 months Nov. 28, 2020	€50,000,000	Used
Reduction of the share capital by cancelling shares acquired as part of a buyback program	Sept. 30, 2019 Resolution 15	18 months March 30, 2021	10% of the Company's capital	Not used
Issuance of shares or securities giving access to the Company's capital, with shareholders' preferential subscription right maintained.	Sept. 30, 2019 Resolution 16	26 months Nov. 30, 2021	€30,000,000	Used
Issuance of shares or securities giving access to the Company's capital or giving right to awards of debt securities, without preferential subscription rights for shareholders through a public offering.	Sept. 30, 2019 Resolution 17	26 months Nov. 30, 2021	€30,000,000	Not used
Issuance of Company securities, without preferential subscription rights for shareholders, for members of a company savings plan.	Sept. 30, 2019 Resolution 18	26 months Nov. 30, 2021	€5,000,000	Not used
Increase in the number of securities to be issued in the event of excess demand when launching an issue of securities referred to in resolutions 16, 17, and 18, within the limit of 15% of the original issue.	Sept. 30, 2019 Resolution 19	26 months Nov. 30, 2021	Over-allotment option limited to 15% of initial issue.	Not used
Issuance of shares or securities giving access to the capital in consideration for contributions in kind granted to the Company, outside of a public exchange offer.	Sept. 30, 2019 Resolution 20	26 months Nov. 30, 2021	10% of the Company's capital	Not used

Nature de la délégation	Date de l'AG Référence de la résolution	Durée Terme	Montant nominal maximal d'augmentation de capital (€)	Utilisation au cours de la période écoulée
Issuance of shares or securities giving access to the capital in consideration for contributions in kind granted to the Company, in the context of a public exchange offer.	Sept. 30, 2019 Resolution 21	26 months Nov. 30, 2021	€50,000,000	Not used
Award of Company stock subscription and/or purchase options	Sept. 30, 2019 Resolution 22	38 months Nov. 30, 2022	10% of the Company's capital	Not used
Authorization granted to the Board of Directors to set the issue price of shares and any securities granting immediate or future access to the capital with shareholders' preferential subscription rights waived, within the annual limit of 10% of the capital.	Sept. 30, 2019 Resolution 23	38 months Nov. 30, 2022	10% of the Company's capital	Not used
Issuance of ordinary shares or any securities granting access to the capital, without preferential subscription rights for shareholders, through an offering as set out in paragraph II of article L.411-2 of the French Monetary and Financial Code	Sept. 30, 2019 Resolution 24	26 months Nov 30, 2021	20% of the Company's capital	Not used
Capital increase through the capitalization of reserves, profits or other capitalization that would be allowed	Sept. 30, 2019 Resolution 26	26 months Nov 30, 2021	-	Not used

15.6 OWNERSHIP STRUCTURE

BREAKDOWN OF CAPITAL AND VOTING RIGHTS

At March 31, 2020, the Company's subscribed and fully paid-up capital totaled €2,677,820.50, divided into 267,782,050 shares with a par value of €0.01. At March 31, 2020, the number of voting rights assigned to the Company's shares was 267,621,251.

To the best of the Company's knowledge, at March 31, 2020, the breakdown of capital and voting rights was as follows:

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

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company CEO.
(2) 118,790 shares have double voting rights.

To the best of the Company's knowledge, at March 31, 2019, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2019					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	47 065 781	18,38%	61 156 519	22,62%	61 156 519	22,64%
Mr Alexandre Zyngier	9 951 540	3,89%	9 951 540	3,68%	9 951 540	3,68%
Arbevel	5 060 846	1,98%	5 060 846	1,87%	5 060 846	1,87%
Treasury shares	220 000	0,09%	220 000	0,08%	0	0,00%
Public (2)	193 811 093	75,68%	193 943 523	71,74%	193 943 523	71,80%
Total	**256 109 260**	**100,00%**	**270 332 428**	**100,00%**	**270 112 428**	**100,00%**

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, Chairman and CEO of the Company. 14,090,738 shares have double voting rights.

(2) 132,430 shares have double voting rights.

Registered shares may benefit from a double voting right if held for at least two years. At March 31, 2020, 118,790 shares had double voting rights.
To the best of the Company's knowledge, there are no other shareholders who directly, indirectly, or jointly own 5% or more of the Company's issued capital or voting rights.

CHANGES IN THE SHAREHOLDING STRUCTURE DURING THE PERIOD

Pursuant to the provisions of its Articles of Incorporation, any person, whether acting alone or in concert, who begins to own or ceases to own, directly or indirectly, at least 2% of the Company's capital or voting rights, is required to inform the Company. During the financial year, the Company was not informed of any crossing of this threshold.

On March 27, 2020, the Company was notified of the purchase of 28,000,000 shares by Wade J. Rosen Revocable Trust from Ker Ventures LLC. In this transaction, Ker Ventures LLC granted a call option to Wade J. Rosen Revocable Trust over a block of 10,000,000 Atari shares, exercisable between July 21, 2020 and August 31, 2020 (a timeline that could be extended in case of a closed period), based on a volume weighted average share price on the day of exercise, with a floor of €0.20 per share and a cap of €0.50 per share. Due to the current closed period resulting from the preparation of Atari's annual financial report, this option will expire 10 trading days after the publication of this report

CHANGES IN THE SHAREHOLDING STRUCTURE SINCE THE FINANCIAL YEAR-END

In April 2020, the Company was informed of:

- The market purchases of 8,603,002 shares by Wade J. Rosen Revocable Trust;
- The purchase by Ker Ventures LLC of 2,140,755 shares from Mr. Alex Zyngier.

In July 2020, the Company issued 2,027,764 new shares: 260,355 shares following the exercising of stock options by one beneficiary and 1,767,409 shares following the exercising of stock warrants held by Ker Ventures LLC.
In September 2020, the Company issued 5,184,650 new shares following the exercising of stock options by Mr. Frédéric Chesnais.

As a result, to the best of the Company's knowledge, as of September 30, 2020, the breakdown of capital and voting rights was as follows:

Ownership	September 30, 2020					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Wade J Rosen Revocable Trust	36 603 002	13,31%	36 603 002	13,30%	36 603 002	13,32%
Ker Ventures, LLC	29 158 595	10,60%	29 158 595	10,60%	29 158 595	10,61%
Mr Alexandre Zyngier	7 810 785	2,84%	7 810 785	2,84%	7 810 785	2,84%
Actions auto-détenues	279 589	0,10%	279 589	0,10%	0	0,00%
Public (1)	201 142 493	73,14%	201 261 283	73,16%	201 261 283	73,23%
Total	**274 994 464**	**100,00%**	**275 113 254**	**100,00%**	**274 833 665**	**100,00%**

(1) Ker Ventures is the holding company owned by Frédéric Chesnais, the Company CEO.
(2) 118,790 shares have double voting rights.

16 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS – FINANCIAL YEAR ENDING MARCH 31, 2020

Financial year ending March 31, 2020

This is a free translation into English of the statutory auditors' special report on the regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the General Meeting of the company Atari,

In our capacity as Statutory Auditors of your company, we present to you our report on regulated agreements.

It is our responsibility to communicate to you, on the basis of the information given to us, the characteristics and the essential terms and the reasons justifying the interest for the company of the agreements of which we have been informed or that we have discovered on the occasion of our assignment, without having to issue our opinion on their usefulness and their merits nor having to seek the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the interest involved in entering into these agreements with a view to their approval.

In addition, it is our responsibility, if applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the implementation, during the past financial year, of agreements previously approved by the general meeting.

We have performed the due diligence that we have deemed necessary in light of the professional standards of the French National Company of Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the consistency of the information given to us with the basic documents from which it came..

Agreements and commitments submitted to the approval of the General Meeting

Agreements and commitments authorized and concluded during the past financial year

We were not informed about any agreement authorized and concluded during the past financial year to be submitted for approval by the general meeting, pursuant to the provisions of article L. 225-38 of the French commercial code.

Agreements already approved by the General Meeting

Agreements approved during past financial years

Pursuant to article R.225-30 of the French commercial code, we were informed that the fulfilment of the following agreements, already approved by the general meeting during past financial years, continued during the previous financial year.

Stock loan agreement by the company Ker Ventures:

This contract was signed on 8 April 2019 and includes the loan of 2,500,000 Atari SA shares by Ker Ventures to Atari SA by 15 April 2019 at the latest. This loan does not accrue interest. Atari SA agreed to repay Ker Ventures for the costs incurred to transfer the shares. The contract took effect on 10 April 2019, the date that the shares were transferred, and was fully repaid on 10 July 2019.

Interested party: Mr. Frédéric Chesnais, as Chairman and CEO of Atari SA.

Effect on the financial year's financial statements: No effect

Reasons justifying the interest of the agreement for the company:: Your board of directors justified this agreement due to the need to facilitate the secondary listing of the company on the Stockholm Nasdaq First North, for which the securities settlement periods are particularly short.

Paris and Paris-La-Défense, October 28, 2020

The Statutory Auditors

DELOITTE & ASSOCIES	BENOIT PIMONT
EXPONENS CONSEIL & EXPERTISE	ANNE MOUHSSINE

17 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Frédéric Chesnais, Chief Executive Officer

STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I certify that, having taken all reasonable care to ensure such is the case, the information contained in this universal registration document, to the best of my knowledge, is in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company, and of all the companies included in its basis for consolidation, and that the management report gives a fair view of the business, results and financial position of the Company and of all the companies included in its basis for consolidation, and describes the main risks and uncertainties to which they are exposed.

October 28, 2020

Frédéric Chesnais,

Chief Executive Officer of Atari SA

18 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

18.1 STATUTORY AUDITORS

Deloitte & Associés

Member of the Regional Company of Statutory Auditors of Versailles
Represented by Benoit Pimont
6, Place de la Pyramide 92908 Paris La Défense Cedex
Appointed in October 1993. Reappointed at the General Meetings on December 16, 1999, October 20, 2005, September 30, 2011 and September 29, 2017 for a period of six financial years.
Appointment expires: At the General Meeting to approve the financial statements for the year ending 2023.

Exponens Conseil & Expertise

Member of the Regional Company of Statutory Auditors of Paris
Represented by Ms. Anne Mouhssine
20 rue Brunel 75017 Paris
Appointed at the General Meeting on September 30, 2019 for the remaining term of JLS Partner.
Appointment expires: At the General Meeting to approve the financial statements for the year ending 2022.

18.2 ALTERNATE STATUTORY AUDITORS

B.E.A.S. SARL

6, Place de la Pyramide 92908 Paris La Défense Cedex
Appointed in December 1999. Reappointed at the General Meetings on October 20, 2005, September 30, 2011 and September 29, 2017 for a period of six financial years.
Appointment expires: At the General Meeting to approve the financial statements for the year ending 2023

Mr Stéphane Cuzin

Member of the Regional Company of Statutory Auditors of Paris
20 rue Brunel 75017 Paris
Appointed at the General Meeting on September 30, 2019 for the remaining term of Daniel Chriqui.
Appointment expires: At the General Meeting to approve the financial statements for the year ending 2022.

19 AVAILABLE DOCUMENTS

For the duration of the validity of this Universal Registration Document, the following documents can be consulted by any person on the company website (www.atari-investisseurs.fr):

In the "Financial reports" section:

- Annual financial reports / Reference Documents – Universal Registration Document
- Half-year financial reports
- Corporate actions

In the "Share information" section:

- Monthly information relating to the total number of shares and voting rights
- Information on transactions in own securities
- Description of share repurchase programs

In the "Shareholders' Meetings" section:

- Documents from General Shareholders' Meetings for the past seven financial years
- Current Articles of Incorporation

CROSS REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

To facilitate the reading of this Universal Registration Document, the cross-reference table presented below makes it possible to identify the main information provided by the sections in Annex I and Annex II of the Delegated Regulation (EU) 2019/980 of 14 March 2019. (NA = not applicable)

N°	Section of Annex I & Annex II of the Delegated Regulation (EU) 2019/980	Page
1	**RESPONSIBLE PERSONS**	
1.1	Identity of the person responsible for information	143
1.2.	Declaration by the person responsible for information	143
1.3	Expert report or declaration	N/A
1.4	Statement on information obtained from third parties	N/A
1.5	Declaration of filing with the competent authority	3
2	**STATUTORY AUDITORS**	
2.1	Names and addresses of the Issuer's statutory auditors	144
2.2	Statutory auditors having resigned, been removed or not having been re-appointed during the period covered	144
3	**RISK FACTORS**	23 to 31
4	**ISSUER INFORMATION**	
4.1	Company name and trading name	8
4.2	Place of registration, registration number, and legal entity identifier (LEI)	8
4.3	Date of incorporation and length of life	8
4.4	Registered office, legal form, applicable legislation, country of incorporation, business address, website	8
5	**OVERVIEW OF ACTIVITIES**	
5.1	Main Activities	13 to 14
5.2	Main Markets	10 to 13
5.3	Significant events in the development of the business	15 to 17
5.4	Strategy and objectives	13 to 14
5.5	If material, dependence on patents or licenses, industrial, commercial or financial contracts, or new manufacturing processes	18
5.6	Basis for statements regarding competitive position	10 to 13
5.7	Investments	
5.7.1	Material investments by the Issuer	19
5.7.2	Material investments by the Issuer which are in progress or for which firm commitments have already been made	71 to 73
5.7.3	Information on holdings and joint ventures	71 to 73
5.7.4	Environmental issues	N/A
6	**ORGANIZATIONAL STRUCTURE**	
6.1	Brief description and position within the group / Organizational structure	21
6.2	List of significant subsidiaries	21

N°	Review of Financial Position and Results	Page
7	**REVIEW OF FINANCIAL POSITION AND RESULTS**	
7.1	1 Financial position	
7.1.1	*Evolution of the business, the results and the financial situation including key performance indicators*	32 to 47
7.1.2	Indication of the issuer's likely future development and activities in the field of research and development	62 - 63
8	**CASH AND CAPITAL**	
8.1	Information on the capital	75 to 77
8.2	Cash flows	39
8.3	Information on borrowing requirements and funding structure	78 - 79
8.4	Restrictions on the use of capital	N/A
8.5	Anticipated sources of funds needed to fulfill commitments referred to in item 5.7	N/A
9	**REGULATORY ENVIRONMENT**	14 to 15
10	**INFORMATION ON TRENDS**	
10.1	Significant trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Registration Document	17
10.2	Significant change in the issuer's financial performance of the group	17 – 23 to 31
11	**PROFIT FORECASTS OR ESTIMATES**	N/A
12	**ADMINISTRATIVE, MANAGEMENT, SUPERVISORY, AND GENERAL MANAGEMENT BODIES**	
12.1	Members of administrative and management bodies	131 to 133
12.2	Conflicts of interest on the level of the administrative and management bodies	134
13	**COMPENSATION AND BENEFITS**	
13.1	Compensation paid and benefits in kind	134 to 136
13.2	Provisions recognized for the purposes of paying pensions, retirement benefits or other benefits	134 to 136
14	**FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES**	
14.1	Date of expiration of the current term of office and period during which the person has served in that office	132 - 133
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the Issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement	N/A
14.3	Information on the Audit Committee and the Nomination and Compensation Committee	130
14.4	Statement of compliance with the current corporate governance regime	128
14.5	Potential material impacts on the corporate governance	N/A
15	**EMPLOYEES**	
15.1	Number of Employees	19
15.2	Stake Held in Equity and Stock Options	44 to 47
15.3	Arrangements for involving the employees in the share capital of the Company	N/A
16	**MAIN SHAREHOLDERS**	
16.1	Shareholders with over 5% of the share capital or voting rights	140
16.2	Different Voting Rights	117
16.3	Control of the Issuer	119 to 120

N°	Section of Annex I & Annex II of the Delegated Regulation (EU) 2019/980	Page
16.4	Any arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control	N/A
17	**RELATED PARTY TRANSACTIONS**	137
18	**FINANCIAL INFORMATION CONCERNING THE ASSETS, FINANCIAL POSITION, AND RESULTS OF THE COMPANY**	
18.1	Historical financial information	
18.1.1	*Historical Financial Information*	49 to 94
18.1.2	*Change of accounting reference date*	N/A
18.1.3	*Accounting standards*	56 to 60
18.1.4	*Change of accounting framework*	58 to 60
18.1.5	*Financial information prepared according to national accounting standards*	95 to 115
18.1.6	*Consolidated Financial Statements*	49 to 88
18.1.7	*Date of the latest Financial Information*	49
18.2	Interim and other financial information	N/A
18.3	Auditing of historical annual financial information	
18.3.1	*Auditing of the historical information*	89 to 94
18.3.2	*Other information in the Registration Document which has been audited by the auditors*	N/A
18.3.3	*Indication of the source of financial information in the Registration Document which is not extracted from the Issuer's audited financial statements and a statement that this information is unaudited*	N/A
18.4	Information on service agreements between the members of the governing bodies	N/A
18.5	Dividend policy	127
18.6	Legal proceedings and arbitration	81
18.7	Significant change in financial position	N/A
19	**ADDITIONAL INFORMATION**	
19.1	Share Capital	
19.1.1	*Amount of total of share authorized, number of shares authorized, number of shares issued and fully paid, and issued but not fully paid, par value per share,*	138
19.1.2	*Shares not representing capital*	N/A
19.1.3	*Number, book value and par value of shares in the Company held by or on behalf of the Issuer itself or by its subsidiaries*	101
19.1.4	*Amount of convertible, exchangeable or cum warrant securities*	121
19.1.7	*History of share capital*	122
19.2	Memorandum and articles of association	
19.2.1	*Brief description of the Issuer's objects and purposes*	116
19.2.2	*Rights, preferences and related restrictions*	117
20	**IMPORTANT AGREEMENTS**	18
21	**DOCUMENTS AVAILABLE**	145

CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

To facilitate the reading of the Annual Financial Report, the following table organized by subject makes it possible to identify the main information provided for in Article L.451-1-2 of the French Monetary and Financial Code.

www.atari-investisseurs.fr

ATARI
25 rue Godot de Mauroy – 75009 Paris - FRANCE