



## **Atari enters into an agreement to acquire Night Dive Studios and announces its intention to proceed with the issuance of €30 M bonds convertible into new Atari shares**

**PARIS, FRANCE (March 22, 2023 - 11.00 pm CET) - [Atari®](#)** (the “Company”) — one of the world's most iconic consumer brands and interactive entertainment producers — announced that it has entered into an agreement to acquire 100% of Night Dive Studios Inc. (“**Night Dive**”), a full service game development and publishing company based in Vancouver, Washington, USA.

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

### **AGREEMENT SIGNED TO ACQUIRE NIGHT DIVE STUDIOS**

Led by industry veterans Stephen Kick and Larry Kuperman, Night Dive is a full service development and publishing company with expertise in restoring, optimizing, and publishing classic video games. Night Dive has published over 100 titles and has garnered critical acclaim for their releases of seminal industry and fan-favorite titles including *System Shock*, *Doom 64*, and *Quake*.

Night Dive’s most recent project is a remastered version of classic FPS game *System Shock*, which is one of the most-anticipated retro releases of 2023. *System Shock* is now available for pre-order on Steam, GOG and Epic Games.

A key to the success of Night Dive is their proprietary KEX engine that makes classic games playable on modern hardware and gives the studio the ability to enhance and improve upon the original to meet the expectations of contemporary players. The studio’s reputation and deep industry knowledge have made them a go-to partner for some of the largest names in gaming and media and allowed them to develop a diversified portfolio of titles.

For the fiscal year ended December 2022, Night Dive has reported revenue of approximately US\$3.0 million<sup>1</sup>. The founders own 87% of the Company’s shares while Wade Rosen, Chairman and CEO of Atari, owns a minority stake of 13%<sup>2</sup>.

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<sup>1</sup> Under US GAAP, based on unaudited financial statements of Night Dive Studios Inc., under further review in the context of usual due diligence

<sup>2</sup> Held by Wade J. Rosen Revocable Trust, registered under US laws

With this acquisition Atari will enrich its large library of owned IP, be able to leverage Night Dive's proprietary technology, and utilize Night Dive's publishing capabilities to support Atari's retro-focused growth strategy.

This acquisition has been approved unanimously by the disinterested members of the board of Atari, it being specified that Wade Rosen did not participate to the vote<sup>3</sup>.

Wade Rosen, Chairman and CEO of Atari, commented: *"Night Dive's proven expertise and successful track record in commercializing retro IP is well-aligned with Atari's strategy and I am confident that their combined talent, technology and IP portfolio will contribute to Atari's future success."*

Stephen Kick and Larry Kuperman, principals of Night Dive commented: *"Night Dive and Atari have a long history together and we know that Atari shares our passion for retro games and our focus on producing high-quality new and remastered games that do justice to the original IP. As we look to grow our business and expand our capabilities, we could think of no better long-term partner than Atari."*

## **TERMS AND TIMING OF THE ACQUISITION**

The purchase price of Night Dive will consist of (i) an initial consideration of US\$10 million payable half in cash and half in Atari shares at the closing of the acquisition (see below) plus (ii) an earn-out of up to US\$10 million, payable in cash over the next three years based on the future performance of Night Dive.

It is expected that the acquisition of Night Dive will be completed in April 2023.

## **FINANCING OF THE ACQUISITION**

- The initial consideration will be paid half in cash (for US\$5 million) and half in newly issued Atari ordinary shares (for US\$5 million)<sup>4</sup>. The calculation of the number of Atari shares to be issued will be based on the 20-day volume weighted average price of Atari shares on Euronext Growth prior to the tenth day prior to the closing of the transaction.
- The new Atari shares will be issued by the Company, represented by the board of directors of Atari, through a contribution in kind (apport en nature) of Night Dive shares to Atari acting pursuant to the 18th resolution of Atari's combined shareholders' meeting held on September 27, 2022 (the "AGM") and on the basis of the reports of a court-appointed contribution auditor (commissaire aux apports) on the value of the contribution in kind and the fairness of the exchange ratio<sup>5</sup>.
- The Company and Irata LLC, a holding company controlled by Wade Rosen ("Irata"), have agreed that Irata intends to provide bridge financing to Atari for the payment of the initial consideration, or \$5 million.

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<sup>3</sup> As related party in the transaction.

<sup>4</sup> Subject to customary net debt / working capital adjustment.

<sup>5</sup> In accordance with article L. 225-147 of the French code de commerce and AMF recommendation DOC-2020-06. The reports of the contribution auditor will be made available on Atari's website upon issuance by the auditor.

## CONVERTIBLE BONDS

The Company intends to issue €30 million in Convertible Bonds through a public offering in France with a priority subscription period (*offre au public avec délai de priorité*) for all the shareholders of Atari.

- A prospectus in relation to the Convertible Bonds offering will be prepared and subject to the AMF approval;
- The issuance of the Convertible Bonds will occur shortly after the completion of the acquisition;
- The Convertible Bonds will be issued with a priority subscription period for all shareholders for a period of three trading days (that does not result in the creation of negotiable rights) through a public offering in France (only);
- The main shareholder of Atari, Irata LLC, holding 29.2% of the share capital of Atari, has indicated that it intends to subscribe its prorata share and to provide a firm underwriting for a number of Convertible Bonds equal to at least to 75% of the total amount of the offering;
- It is the intent that Irata will undertake contractually and irrevocably vis-à-vis the Company not to convert its Convertible Bonds into Atari shares before at least the 25th of June 2025.

The amount raised through the Convertible Bonds will mainly be used to:

- Reimburse the \$5 million bridge financing provided by Irata in the context of the acquisition and finance future potential acquisitions Atari may consider;
- Continued investment in growth initiatives, notably in the development of more than 12 new games expected to be launched in the next 18 months;
- General cash requirements and financial flexibility necessary to pursue the transformation plan;
- Reimburse the shareholder loans granted by Irata<sup>6</sup> previously granted in accordance with its support commitment, and accrued interests on these loans.

## About ATARI

Atari is an interactive entertainment company and an iconic gaming industry brand that transcends generations and audiences. The company is globally recognized for its multi-platform, interactive entertainment and licensed products. Atari owns and/or manages a portfolio of more than 200 unique games and franchises, including world-renowned brands like *Asteroids*<sup>®</sup>, *Centipede*<sup>®</sup>, *Missile Command*<sup>®</sup>, *Pong*<sup>®</sup>, and *RollerCoaster Tycoon*<sup>®</sup>. Atari has offices in New York and Paris. Visit us online at [www.atari.com](http://www.atari.com).

Atari shares are listed in France on Euronext Growth Paris (ISIN Code FR0010478248, Ticker ALATA).

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<sup>6</sup> Equals to around 8 million euros in principal at the date of this press release, and excluding any potential shareholder loans concluded until the issuance of the convertible bonds

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## **FORWARD-LOOKING STATEMENTS**

This press release contains certain non-factual elements, including but not restricted to certain statements concerning its future results and other future events. These statements are based on the current vision and assumptions of Atari's leadership team. They include various known and unknown uncertainties and risks that could result in material differences in relation to the expected results, profitability and events. In addition, Atari, its shareholders and its respective affiliates, directors, executives, advisors and employees have not checked the accuracy of and make no representations or warranties concerning the statistical or forward-looking information contained in this press release that is taken from or derived from third-party sources or industry publications. If applicable, these statistical data and forward-looking information are used in this press release exclusively for information.

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A French prospectus comprising (i) the Company's universal registration document filed with the AMF on July 27, 2022 under number D.22-0661, (ii) an amendment to the universal registration document to be filed with the AMF, (iii) a securities note (including the summary) relating to the public offering of convertible bonds and (iii) the summary of the French prospectus will be submitted to the approval by the AMF and will be published on the AMF's website ([www.amf-france.org](http://www.amf-france.org)). As from such filing with the AMF, copies of the prospectus will be available free of charge at the Company's registered office.

This announcement is an advertisement and not a prospectus within the meaning of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**").

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